



INDIA'S FOREIGN RELATIONS — 2008 DOCUMENTS

Introduced & Edited by
AVTAR SINGH BHASIN

PUBLISHED IN COOPERATION WITH
**PUBLIC DIPLOMACY DIVISION
MINISTRY OF EXTERNAL AFFAIRS**

GEETIKA PUBLISHERS



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(b.1935). BA (HONS); MA in History. Initially he had short stints of service in the National Archives of India and the Ministry of Defence. In 1963 he joined the Ministry of External Affairs where he served for three decades, retiring in 1993 as Director of the Historical Division. He was posted in Indian missions in Nepal, Bonn, Vienna and Lagos. He travelled to several other countries in the discharge of his duties in the Ministry. Some of the countries visited were USA, China, South Africa, Kenya, Zambia, Malawi, Botswana, Russia, Ukraine, Belarus, Hungary etc. He was member of several ministerial and official delegations for discussions with various countries both in India and abroad.

Since retirement he has taken to academic research. He was Senior Fellow of the Indian Council of Historical Research from 1994-96. He was Honorary Fellow of the Institute of Contemporary Studies, Nehru Memorial Museum and Library from 1997 to 2001. He has edited and authored several books on South Asian affairs. He also contributed many articles in newspapers on developments in the neighbouring countries. His 75 pieces on Partition and Freedom were published in the Asian Age consecutively from June 1 to August 14, 1997 coinciding with the Golden jubilee celebrations of the Indian independence.

**INDIA'S FOREIGN RELATIONS - 2008
DOCUMENTS
PART - I**

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(The deployment shown above is as on December 31, 2008)

**Dedicated to the Memory of
V. Venkateswara Rao
who was martyred in the terrorist attack
on the Indian Embassy in Kabul
on July 7, 2008.**

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P R E F A C E

Published annually, the present Volume is the seventh in the series India's Foreign Relations. As its name implies, it showcases the documents on India's foreign relations and is published in cooperation with the Public Diplomacy Division of the Ministry of External Affairs. This Division was created in 2006 to reach out to think-tanks, academia, civil society and industry both within the country and abroad to interact with them on the contours of Indian foreign policy and to initiate debate and discussion within the wider public about the key foreign policy issues.

As in 2007, the issue of civil nuclear energy cooperation with the United States, continued to dominate both the foreign policy discourse as well as domestic politics of the country. It was not until the realignment of domestic political forces that the hump was crossed at home that the government felt emboldened to talk the issue over with other international players in the game and signed agreements with institutions like the IAEA, NSG and individual countries. The bombing of the Indian Embassy in Kabul, sea-borne terrorist attack in Mumbai, Pakistan's intransigence in withholding cooperation and adopting bellicose posture, threatened to stall the peace process so arduously put in place in 2004. It is therefore natural that documents on nuclear energy cooperation and relations with Pakistan should form the bulk of the Volume.

Considering the importance of climate change in international discourse today, a separate section has been added for this subject.

The documents have been categorized region-wise, thematically and arranged chronologically. There are documents which do not fall in any particular category, and have references to several subjects/issues; these figure in the General category, with cross referencing, wherever possible. To take care of the bulk, bilateral agreements of only strategic nature having bearing on foreign relations have, as a rule, been included here. However, in the case of neighbours, all agreements have been included comprehensively, as each one has a bearing on the overall relationship.

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In reproducing the documents every care has been taken to adhere to the original in terms of spellings of proper nouns, and punctuations.

The Library of the India International Centre has provided me a great deal of logistic support in my work. I am grateful to its Chief Librarian Ms. Sushma Zutshi and her colleagues.

I wish to acknowledge the support and help of a large number of officers of the Ministry of External Affairs in the preparation of this volume. While not naming every one by name since the list is quite a long one, I would particularly like to acknowledge the contributions of M/s. Amit Dasgupta and Narinder Singh. My personal thanks to all of them. I owe a debt of gratitude to TCA Rangachari for sparing a good deal of his time, to go meticulously through the Introduction with a fine comb to rhyme the text. Thank you, Sir. Whatever deficiencies have occurred in the publication in any manner and form, I do not share the blame for that with any one else. They are all mine.

I am dedicating this book to late V. Venkateswara Rao, who was a Counsellor in the Indian Embassy in Kabul and became a martyr when the Mission came under terrorist attack on July 7, 2008. It was for the first time that an Indian asset was attacked by terrorists outside the country. The Officers of the Indian diplomatic service posted in far flung places, carry out their arduous duties in difficult areas of the world in the service of the nation not caring for their personal security and comfort. They make themselves vulnerable to all sorts of dangers but they honour the call of their duty. I salute the memory of late Venkateswara Rao by this humble dedication.

February 10, 2009.

Avtar Singh Bhasin

INTRODUCTION

India's opening to the world, and its active engagement in different regions, near and far, continued in an active fashion. This policy is reflective of the Indian response to an increasingly multi-polar world. It has served and continues to serve the wider interests of India that is undergoing rapid socio-economic transformation. The engagement with the United States and other institutions like the IAEA and the Nuclear Suppliers' Group for civil nuclear energy cooperation is one strand of this policy. It dominated India's foreign relations and domestic politics for better part of the year 2008. The conclusion of such an agreement with its wider implications had the potential to open the doors of nuclear trade with all other countries. Indian response to the terrorist attack on Mumbai, of engaging the international opinion to put pressure on Pakistan to tackle the menace of terrorism was part of the same policy of active engagement with the world to find solution to the problems which had ramifications beyond our borders. India is convinced that terrorism is not an Indian problem alone, but one that affects the civilized nations around the world.

I

Civil Nuclear Energy Cooperation

2. The nuclear cooperation agreement with the United States encountered hurdles and road blocks all the way, at home and abroad, before fruition. At home, the Left Party allies of the United Progressive Alliance Government, encumbered by their ideological baggage of the past, were opposed to the agreement. They were fully aware, yet refused to recognize that without the US cooperation in this field, similar cooperation with other countries including France and Russia, was out of question. The lengthy consultations between the ruling UPA Alliance and the Left Parties failed to bring the two sides closer than when they started the consultation process in 2007. Aware of the criticality of their support to the government for survival in the parliamentary system, the Left parties held the sword of Damocles hanging all through the negotiations. The Ruling Alliance torn between its international commitments and political compulsions at home was forced to look for an alternative arrangement for the government to survive. In a fast

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developing political domestic conundrum, another political party - The Samajwadi Party - came to the ruling alliance's rescue and the government successfully met the challenge of parliamentary majority. In July, it asked for a vote of confidence and obtained it comfortably, upholding the tradition of good parliamentary practices.

3. Having weathered the challenge at home, the government felt confident to walk the talk with other principal international interlocutors. The International Atomic Energy Agency at Vienna was the first stop. The Safeguards Agreement which had been earlier negotiated with the IAEA after several rounds of negotiations, beginning in November 2007, went before the 35-member Board of Governors who adopted the 22-page framework document by consensus on August 1. Termed an "umbrella" arrangement, it allowed India to add nuclear facilities over time but under IAEA safeguards. The IAEA would begin to implement the new Safeguards Agreement in 2009, with the aim of bringing a total of 14 of the existing Indian reactors under Agency safeguards by 2014. Currently IAEA safeguards apply to six Indian nuclear reactors under agreements concluded between 1971 and 1994. India has also agreed to sign an Additional Safeguards Protocol with the IAEA to complete the process. Meanwhile the document adopted by the IAEA Board of Governors on August 1, 2008 was signed between the IAEA and India on February 2, 2009.

4. El Baradei, Director General of the IAEA welcoming the IAEA consensus said: "I believe the agreement is good for India, is good for the world, is good for non-proliferation, is good for our collective effort to move towards a world free from nuclear weapons. What the agreement does is bring India closer to the debate on our ultimate goal, which is the goal of the Nuclear Non-Proliferation Treaty (NPT) - to establish a world free from nuclear weapons." Underlying the importance of the event he said: "I have always maintained that if we were to move forward toward strengthening non-proliferation to reduce the nuclear weapons arsenal, toward moving to a world free from nuclear weapons, that dialogue has to be universal and inclusive." El Baradei believed that India Safeguards Agreement had "a lot of positive implications, development implications, security implications, non-proliferation implications, and arms control implications". He felt happy that something he was supportive of from the beginning had been achieved, and that his "judgement has been certified by the Board in approving the agreement by consensus."

5. The Prime Minister Dr. Manmohan Singh who was in Colombo, the day the news of the adoption came in, felt "delighted" and describing the day as "historic" said: "This is an important day for India, and for our civil nuclear initiative for the resumption of India's cooperation with our friends abroad. The civil nuclear initiative is good for India and good for the world. As we move forward towards our goal of sustainable development and energy security, the peaceful uses of atomic energy will play an increasingly important role...I am deeply appreciative of the historic significance of this milestone in our cooperation with the IAEA and the international community in peaceful uses of atomic energy."

6. The next stop at NSG proved more challenging. There were diehard members of the group who held strong views on non-proliferation. They were reluctant to make an exception for India to allow it unrestricted access to nuclear technology without signing the NPT. Even if they were willing to make adjustments, they wished to add some pre-conditions, which were unacceptable to New Delhi. The Greens and the Atomic Non-Proliferation Association too lobbied hard to stall the vote in favour of waiver not only at the NSG but at other possible levels too. The Greens even staged a well-advertised but small protest demonstration outside the NSG meeting.

7. India from the very beginning had bet on unconditional and clean waiver of the NSG's trading restrictions in favour of India. Conscious of the possible opposition at the NSG, India fielded a powerful diplomatic delegation led by the Foreign Secretary Shivshankar Menon and supported by officials from the Atomic Energy Department, Prime Minister's Office and the External Affairs Ministry itself. In addition, Special Envoys of the Prime Minister travelled to all the NSG capitals in the run up to the Vienna meeting to canvass support for the waiver.

8. The NSG meeting which was scheduled for a day only, spilled over to the next day, before the recalcitrant gave in. This was achieved not before last minute high-level diplomacy both on the part of New Delhi and Washington. The Statement that the External Affairs Minister Pranab Mukherjee issued on September 5 proved crucial to clinch the issue. The statement sought to reiterate India's stand on disarmament and non-proliferation. It reminded the international community that "India has a long-standing and steadfast commitment to universal, non-discriminatory and total elimination of nuclear weapons." It assured that India's civil nuclear initiative "will strengthen the international non-proliferation regime." Reminding the NSG members that New Delhi had only "recently submitted

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a Working Paper on Nuclear Disarmament to the UN General Assembly," the Statement reaffirmed to the world India's commitment "to a voluntary, unilateral moratorium on nuclear testing," and "policy of no-first-use of nuclear weapons." Mr. Mukherjee's statement recalled India's impeccable non-proliferation record and showcased the "effective and comprehensive system of national export controls, which has been constantly updated to meet the highest international standards." This manifested in the enactment of the Weapons of Mass Destruction and their Delivery Systems Act in 2005. It sought to assure the NSG that "India will not be the source of proliferation of sensitive technologies, including enrichment and reprocessing transfers. We stand for the strengthening of the non-proliferation regime." "In keeping with our commitment to sign and adhere to an Additional Protocol with respect to India's civil nuclear facilities, we are working closely with the IAEA to ensure early conclusion of an Additional Protocol to the Safeguards Agreement," concluded the statement. The reassuring Statement of Mr. Mukherjee ended the suspense instantaneously, when even China, which the previous night had surprised every body by its adverse stance and abruptly leaving the meeting, withdrew any reservation it had the previous night.

9. The NSG waiver was an event of great importance. It sought to end India's nuclear apartheid it had suffered for more than three decades. The External Affairs Minister, speaking in the Lok Sabha on October 20, metaphorically likened the IAEA clearance and the NSG waiver to a "passport which allows us to engage in civil nuclear cooperation with our international partners. We are now in the process of getting visas by engaging with our international partners to negotiate and finalize bilateral cooperation agreements."

10. Significantly, the IAEA agreement and the NSG waiver made the ratification of the 123 agreement by the U.S. irrelevant as far as India's ability to negotiate nuclear cooperation with other countries was concerned. The NSG waiver enabled India to sign with France its first nuclear cooperation agreement on September 30th itself, without waiting for the US ratification. A similar agreement with Russia did not have to wait long. It was signed in December when the Russian President visited New Delhi.

11. Nevertheless, New Delhi was keen that the cooperation agreement with the US, which kick-started the process in July 2005, should also be clinched. For that, the next stop was Washington. Just then both the President and the US Congress were faced with a new global crisis of economic

meltdown needing their undivided attention. Given the importance of the Agreement and the fact that both the Congress and the President had invested a lot of their precious time on it, both acted with the necessary dispatch and found time to accommodate the ratification process in their tight schedule. The Non-proliferation lobby worked overtime, in its last ditch effort to derail the process, met with little success. The Agreement finally received Congress' approval on October 2 by an overwhelming vote, rejecting some killer amendments. It marked the culmination of a three-year long journey.

12. President Bush hailed the passage of the legislation, saying it would strengthen global nuclear non-proliferation efforts and help India increase its energy production. Significantly both Presidential candidates, Senators Barack Obama and John McCain, threw their weight behind the deal during their election campaigns.

13. In New Delhi both the Government and the Congress Party termed the passage of the India-U.S. civil nuclear cooperation by the U.S. Congress "historic" and said it would address the nation's energy and high technology requirements. The Congress president Sonia Gandhi described it as a "landmark development" and said it marked the successful culmination of a process initiated by the Prime Minister in July 2005, "a process which, guided by India's supreme national interest, the Congress party has throughout endorsed." She said it was an acknowledgement of India's impeccable credentials and paved the way for India's integration into global mainstream.

14. For New Delhi it was a historic initiative towards nation building in respect of energy, sustainable development, technology and other aspects. The *Times of India* in its editorial on October 3 described the India-France nuclear cooperation agreement and the US Congress approval as "double delight" for "Prime Minister Manmohan Singh and his team-who pushed for the deal against formidable domestic and international odds..." The *Deccan Herald* in its editorial on October 3 described it "a landmark event in the international nuclear regime because for the first time the accepted rules for nuclear co-operation have been rewritten for India, which will now be considered a de facto nuclear power." The Mumbai based *Daily News and Analysis* in its editorial on October 2 said: "Now India has to make use of this great opportunity of access to technology denied to it for 34 years. With France quick to sign an agreement with India, there will be a rush to see the commercial possibilities offered by this deal. The thrust

now will be on getting the best technologies available in the international market and see how these help India's economic growth." The Chennai based *The Hindu* remained somewhat skeptical. It advised the Government against signing the Agreement because of the riders accompanying the ratification, even if these were negated by the accompanying Presidential statement in exercise of his executive overriding powers. The Left parties and the main Opposition Party, the Bharatiya Janata Party, failed to overcome their antipathy and remained critical of the final act. The opposition of the BJP was all the more ironic, since it was the party which initiated the process when in power, under the garb of Next Step in the Strategic Partnership.

15. The taste of the pudding lies in its eating. The signing of the agreements both with France and Russia have opened up the vast vista of international nuclear trade which hopefully will unleash the forces of development through clean energy, something India had hankered for long. The basic principle of diplomacy is that there is no full stop in international relations. Diplomacy is a process by which sovereign nations reconcile their sovereign but conflicting interests. Diplomacy in international relations like politics at home is an art of possible. You make the best of the bargain, when constrained by circumstances and proceed from then on to better what has been achieved. In the search for a gold medal at the Olympics, one has to run and win many heats. To win a war one has to fight many battles! India may not have, in this round, won the war, as some sceptics would like to believe, it certainly has won a decisive battle.

II

Pakistan

16. Before one said adieu to 2008 the terrorist attack on Mumbai on 26 November close on the heels of the terrorist attack on the Indian Embassy in Kabul ripped open the old wounds inflicted by terrorism emanating from Pakistan-based terrorist groups. Looking back, the installation of a civilian government in Islamabad and restoration of democratic institutions gave some hope of a new relationship taking shape based on democratic values. India whole-heartedly welcomed the emergence of the people's government in its neighbourhood after a long time. But alas it was not to be. The two dastardly events in quick succession destroyed the pious hopes, New Delhi had entertained.

17. It may be recalled that it was the tour of an Indian cricket team to Pakistan that marked the beginning of a fresh phase in India-Pakistan relations in 2004 after President Musharraf undertook “not to permit any territory under Pakistan’s control to be used to support terrorism in any manner.” Ironically, four years later, in the wake of the Mumbai terror attack, it was the Indian cricket team’s scheduled tour to Pakistan that became the first casualty. The Board of Control for Cricket in India, on the advice of the Government of India cancelled the projected tour of the Indian cricket team in January 2009 to Pakistan. M. S. Gill, the Minister for Sports echoed the sentiments of millions of Indians when he said: “Is it possible for one team to arrive in Mumbai and indulge in mass murder and have another team go and play cricket in the winter afternoon sun at Lahore immediately after?” The Minister of State for Commerce and Power, Jairam Ramesh, too cancelled his scheduled visit to Pakistan. India was anguished and distressed that Pakistan either did not or could not live up to its commitments. Whatever the reason, the fact was that several Indian cities came under repeated terrorist attacks in which innumerable precious lives of innocent men, women and even children were lost. New Delhi, however, persisted with the peace process in the expectation that people-to-people contacts which had developed at a mass scale, visit of journalists, artists, opinion makers, academics coupled with greater flow of trade, even if not as much as India wished, would create a vested interest in peace and Pakistan would control the Frankenstein in its backyard.

18. Political instability, long dictatorial army rule in several spells, denial of democratic rights, feudal economic structure of the economy, stagnating political, economic and social order, and dire dependence on foreign aid had led to demoralization of the Pakistani society. Over the last few years, Pakistan itself had come under attack from its homegrown terrorists. The assassination of one of Pakistan’s most charismatic leaders, Benazir Bhutto, underlined the extent to which the Pakistani society had been brutalized. It was the fond but futile hope of India that Islamabad, now at least, would realize that terrorism was a monster that could gobble it too. Return of democracy and civilian government in Islamabad following general elections, gave some hope that Pakistan, after several spells of disastrous military rule, had perhaps realized after all that democracy, like liberty, needs to be nurtured and cannot be taken for granted. For it to succeed, socio-economic development of society was one of the pre-conditions. But development cannot come without peace, both internal and external, and Pakistan would have to realize that terrorism is the anti-thesis of both peace and development.

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19. India too is a developing society and it needed peace more than anything else to accelerate the pace of its development and sustain it too. Peace, like security, is indivisible. Peace in the subcontinent cannot be the concern of India alone. It cannot come with weapons or military might. The mightiest nations have suffered terrorist attacks despite all the weaponry at their command. As long as terrorists can find safe heavens, no area of the world is safe. Unless all the countries realize this basic postulate, we will all remain vulnerable to terrorism.

20. It would be recalled that after the Mumbai train attack in July 2006, India was outraged when Pakistan Foreign Minister Kasuri had tried to link such terrorist actions to the so-called lack of resolution of disputes between the two countries. This remark had serious implications - one, it was a tacit admission that the attack had its origin in Pakistan and two, Pakistan would not desist using terrorism as an instrument of coercion to resolve outstanding issues with India.

21. At that time Prime Minister Manmohan Singh had warned that the peace process could not move forward "if terror aided and abetted by outside continued to take the lives of innocent citizens..." There would perhaps have been irreparable damage to the relationship then also but for the meeting between President Musharraf and Prime Minister Dr. Manmohan Singh in Havana on the sidelines of the NAM Summit in September 2006 which helped to salvage it. The two leaders decided to continue with the peace process and "put in place an India-Pakistan anti-terrorism institutional mechanism to identify and implement counter-terrorism initiatives and investigations". Much to India's disappointment, the periodic meetings of this group produced no concrete results and India continued to reel under repeated terrorist attacks.

22. The peace process somehow survived, once again, a near fatal blow when the Indian Embassy in Kabul was bombed on July 7, in which lives of senior Indian diplomats and security personnel besides Afghan visitors to the Embassy, were lost. There was incontrovertible evidence, even then of Pakistani involvement, provided not only by India but also by the Afghan and US intelligence agencies. The US conveyed its concern to Pakistan albeit at a low key. American media, however, openly charged Pakistan for abetting the Embassy attack while producing the evidence that America had collected and shared with Islamabad.

23. It was once again summit diplomacy that rescued the relationship. The meeting between the Prime Ministers of India and Pakistan in Colombo

on the sidelines of the SAARC Summit and later between Prime Minister Dr. Manmohan Singh and President Asif Ali Zardari in New York in September on the sidelines of the UNGA helped to prevent the collapse of the peace process. During the latter meeting in New York on September 24, Pakistan was made aware that the peace process had come "under strain in recent months" and President Zardari agreed with Dr. Manmohan Singh "that the forces that have tried to derail the peace process must be defeated" as that was the only way for "the continuation and deepening of a constructive dialogue for the peaceful resolution and satisfactory settlement of all bilateral issues, including Jammu and Kashmir". To confirm his bona fide that he sincerely meant peace and business, President Zardari reiterated that "the Government of Pakistan stands by its commitments of January 2004." India accepted his reassurance at face value.

24. When relations seemed returning back to normal, tsunami struck again in true fashion via the Arabian Sea. The sea-borne terrorist attack on Mumbai on November 26 practically broke the proverbial camel's back. New Delhi cried foul. It said it could take no more and enough was enough. Two hundred lives from all communities and even foreigners (including American, British and Israeli) were lost. Its psychological impact on the people of not only Mumbai but also the entire country was horrendous. Such terrorist attacks have the potential to break the delicate fabric of communal harmony of the multi-religious Indian society. If this and other similar attacks had failed to hurt this harmony and India came out stronger from these tribulations, the credit should go to the institutional strength of the society so assiduously built over generations. Since there was no immediate direct evidence of Pakistan Government's involvement even if the footprints were clear, there was no attempt to blame it on that country. In his first reaction to the attack, an upset Prime Minister while addressing the nation on November 27, without naming Pakistan said: "We will take up strongly with our neighbours that the use of their territory for launching attacks on us will not be tolerated, and that there would be a cost if suitable measures are not taken by them." It did not take long for impeccable evidence of Pakistani involvement to emerge. Though it was a suicide squad that attacked Mumbai, one of its members was arrested alive. He and other pieces of evidence that emerged from the preliminary investigations left little doubt about the source of the attack.

25. Pakistan's first reaction was one of innocence and assurance of full cooperation in investigations. President Asif Ali Zardari in his telephonic talk with the Prime Minister while extending sympathy promised to send immediately the Director General of the Inter Services Intelligence (ISI) to

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New Delhi to help in the investigations. Speaking on a television interview a couple of days after the attack, Zardari, describing the terror attack on Mumbai as a "world incident," said "let me assure you [that] if any evidence points to any individual or group in my part of the country, I shall take the strictest of action in the light of the evidence and in front of the world." Promising to deliver on his assurances he said: "I am delivering for Pakistan; I am delivering for the existence of Pakistan. I have a personal threat. I have a country threat by these same forces. They may not be the same individuals, but they are definitely the same forces with the same mindset." All this sounded music to Indian ears.

26. The Pakistani Foreign Minister Qureshi after a Cabinet meeting on November 29 felt relieved that the Indian leadership had not blamed the Pakistan Government and was only suspecting "groups or individuals" in his country. He told a press conference in Islamabad that Pakistan's "hands are clean, we have nothing to hide, we have nothing to be ashamed of." He asserted his government attached "the highest importance to good neighbourly relations with India [that are] essential for regional peace and stability."

27. These initial sound bites from Pakistan gave hope of Pakistan's sincerity to cooperate in investigations. Alas it was not to be. It did not take too long for good sense to evaporate. Zardari, perhaps not realizing or not being aware of the involvement of his infamous Inter Services Intelligence (ISI), soon went back on his offer to send the DG of the ISI. He described his earlier promise a mis-communication, and instead offered, in the first instance, to send one of the Director level officers of the ISI and later, if the need arose, the Director General himself. Even this stance had a short life. It was then adumbrated that unless India officially provided evidence of Pakistani involvement, there was no point in sending anyone. In yet another somersault, Pakistan offered instead a joint investigation into the dreadful incident, which New Delhi promptly rejected. Initially President Zardari did not rule out the possibility of his non-state elements being involved. Later realizing that a State cannot abdicate its responsibility for the acts of omission and commission even of non-state actors from its territory, altogether denied that any Pakistani was involved. All these somersaults had a subtle message to convey: the army brass had vetoed the President and cooperation, for they found the civilian sweet song too jarring for their ears. Similarly, there was a volte-face on Maulana Masood Azhar of the outlawed Jaish-e-Mohammed, the most wanted terrorist in India. Pakistan initially said he had been put under arrest. A week later Foreign Minister Qureshi surprised everyone saying that he was out of the country. A couple of weeks later,

Information Minister Sherry Rehman told NDTV, a private T V channel in India, that these people have their own network, and it was not difficult for them to escape. An incomprehensible statement from a person holding a responsible Cabinet position of Information Ministry!!

28. Soon enough the identity of the captured terrorist, Ajmal Amir Kasab as a Pakistani was proved beyond an iota of doubt. His father recognized his wayward son after he saw his images on the television screen. The Pakistani media carried out due diligence and declared him to be a Pakistani. Former Prime Minister Nawaz Sharif raised pertinent questions about the hesitation of the Pakistani authorities to recognize his identity (though, later, under pressure he too tried to change his tune). But Islamabad's official stance to New Delhi's chagrin, remained one of complete denial and non-cooperation.

29. Pakistan came under heavy pressure both from New Delhi and international community to give up its lethargy and act against those responsible for the carnage. The US Secretary of State Dr. Rice and the British Prime Minister Gordon Brown visited both New Delhi and Islamabad. In New Delhi they offered their condolences for the killed and had little difficulty in recognizing Pakistani footprints on the appalling crime committed by the gang coming from the sea. While in Islamabad they made the Pakistani leadership squirm with embarrassment on the involvement of Pakistani actors. The British Prime Minister, to Pakistan's mortification and discomfort, while still in Pakistan, bluntly told the Pakistanis that 80 percent of the terrorist acts investigated by the British intelligence found Pakistani footprints. The United Nations Security Council was seized of the horrendous situation and it called upon Pakistan to act.

30. Speaking to journalists Prime Minister Manmohan Singh on 23rd December while saying that "no body wants war" India would insist that Pakistan dismantle the "terror infrastructure". He appealed to the international community to bring upon Pakistan the necessary pressure to persuade it to end this menace of terrorism. "The issue is not war, but terrorism being aided and abetted by Pakistan. We want Pakistan to make objective efforts to dismantle the terror infrastructure," he said. Prime Minister pointed out that there was no dearth of UN resolutions besides, the latest one, on the need to end terrorism and Pakistan should comply with them.

The External Affairs Minister Pranab Mukherjee too told reporters the same day that the real issue was "that there has been an attack on Mumbai that

originated from Pakistan's soil" and "India has requested Pakistan to take action against the perpetrators of the crime. We have again urged the Pakistani authorities to fulfil their commitment." Mr. Mukherjee once again repeating himself emphasized: "My request to friends in Pakistan is to address the issue that is terrorism and not create war hysteria. They should act against those responsible for the Mumbai terror attacks."

31. Against a mountain of evidence of Pakistan's involvement, its leadership from President down to the man in the street became aggressive. The media which initially embarrassed the Government by identifying the arrested terrorist as a resident of Pakistan thought it prudent to buy the official line. Pakistan deflected the issue of arrested terrorist Ajmal Amir Kasab by simply saying that he did not figure on the National Database of Registration Authority (NADRA) as if every citizen of Pakistan was so registered. (In September 2007, NADRA had announced it had issued computerized National Identity Cards to 60 million of Pakistan's approximately 180 million population). In the same denial mood, it found fault with the letter Kasab wrote to the Pakistan High Commission in New Delhi asking for consular access.

32. The Interior Minister claimed that the Lashkar-e-Taiba did not exist having been banned earlier in 2002. Meanwhile on December 9, acceding to India's strong plea, UNSC discussed the question of terrorism and the Committee on Terrorism set up under the earlier resolutions of the Council called upon Pakistan to ban the Jammat-ud-Dawa and arrest four of its top functionaries including Hafeez Saeed. Fearing non-action on this account could lead to Pakistan being branded a Terrorist State, it did ban the Jammat and arrested the four terrorists. This fear of being branded a terrorist state was articulated both by Pakistani Prime Minister and his Defence Minister. It was clear that Pakistan chose to act under compulsion than compunction.

33. Unfortunately there was hardly any touch of sincerity in its actions. Hafiz Saeed was allowed to hold a press conference in Lahore and instead of being arrested was put only under house arrest. Defence Minister Ahmed Mukhtar said that unless evidence was made available to bring charges against him, he would be released after 90 days. It is a questionable decision but Pakistan has done it so often in the past.

34. Even this half-hearted action, whether against Saeed or JuD, was claimed to have been taken in fulfillment of UNSC obligations rather than as required by the State itself, against an individual or an organization involved in terrorism or to assuage the ruffled feeling of a friendly neighbour. JuD's

website was functional, its headquarters at Muridke was not sealed. Only under further international pressure Pakistan finally took over some of its assets under provincial control. Islamabad needed to be reminded that there were other Resolutions of the UNSC like 1269, 1566, 1626 adopted in the past which enjoined member states to act against the terrorists by denying them safe havens, finance, and requiring to extend cooperation in the fight against terrorism etc.

35. India, on its part, continued to mount pressure on Pakistan to act and cooperate. The International Conference of Jurists on Terrorism and Rule of Law, in session in New Delhi at that time, adopted at its conclusion on December 14 a Resolution declaring harbouring of terrorist groups and providing logistic and financial support to them no less crime than terrorism. It denounced the tendency to identify terrorism with freedom struggles and urged world leaders to impose multilateral sanctions against countries providing sanctuary and financial and logistic support to terrorist groups. It asked countries to take concrete steps to address these issues on a priority basis and "impose multilateral sanctions against nations not extending their cooperation in this regard." The resolution described terrorism as a serious threat to the maintenance of the rule of law and the worst form of human rights violation across the globe.

36. Prime Minister Manmohan Singh on December 14 ruled out normal relations with Pakistan until it ensured that its soil was not used for terrorist activities against India. Speaking in Kashmir, he said the fight against terrorism would continue at all cost and at all levels. "Pakistan should control situation in its country as it is evident that some people in Pakistan are engaged in carrying out terrorist attacks like the recent Mumbai attack in our country. Our relations with Pakistan will not improve until it curbs the terrorists who are operating on its soil to carry out terrorist attacks on India," he said. Dr. Singh said India had always wanted to have good relations with them but "our kind desire should not be treated as our weakness." "We want solution to all the problems, including Kashmir, through friendly relations," he said but repeated that "borders cannot be changed but unnecessary restrictions on the people's movement could be removed." He mentioned the steps taken by his government to open the roads across the Line of Control and said: "There is much headway and we will take further steps to remove the bottlenecks to make the exercise meaningful."

37. The next day on December 16 India cautioned that improvement of ties would have to wait until Islamabad took demonstrable action to get to

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the bottom of the Mumbai terror attacks. External Affairs Minister Pranab Mukherjee and Defence Minister A.K. Antony delivered the same message in Srinagar and New Delhi respectively: Pakistan must follow up on its promise of action against the "elements" which orchestrated the attacks in Mumbai last month and the future of bilateral ties depended on Pakistan sincerely investigating the incident. "We expect good sense will prevail in the backdrop of these assurances and [hope] a conducive atmosphere can be built up. That is possible only after words are followed by action," Mr. Mukherjee told media persons. Referring to Maulana Masood Azhar, Mr. Mukherjee asked, "What is the problem in handing him over?"

38. Dispelling any doubts that India wished to create panic or war hysteria Defence Minister AK Antony on the occasion of Vijay Diwas (Victory Day) marking the 37th anniversary of India's military victory over Pakistan in Bangladesh said on December 16: "We are not planning any military action... but at the same time unless Pakistan takes actions against those terrorists who are operating from their soil against India and also against all those who are behind the Mumbai terrorist attack, things will not be normal." On the issue of troop deployment along the Indo-Pak border, Antony said the situation there was "normal" and armed forces were "always ready". When further questioned he said "I cannot say what course of action we will take but unless Pakistan shows sincerity in whatever they are saying through their actions, one thing is very sure that there is no question of things as usual."

39. Repeated urgent messages for action against terrorist groups operating from Pakistani soil from the Indian leaders did not elicit any positive response from Islamabad. In its obdurate mood it continued to deny every thing and, as pointed out above, denied that the arrested terrorist Kasab was a Pakistani national notwithstanding the fact that Kasab's father had identified him and the Pakistani media both print and electronic had after an on the spot enquiries and investigations had declared him to be the resident of the village Faridkot in Okara district.

40. In its efforts to obfuscate the issue, Pakistan found reason to believe Indian involvement in an incident in Lahore, in which a woman was said to have been killed. It was claimed that of the four Indians involved, one had been arrested, *a l' affaire* Kasab of Mumbai. Pakistan drummed up war hysteria, its fighter aircraft made maneuvers over Lahore, Rawalpindi, Karachi and some other cities in apparent preparation for an any 'untoward eventuality'. The speeches from the Pakistani leaders created a sense of

panic in border areas on both sides of the border. The Pakistani leadership both at the highest level of political and military hierarchy made inflammatory statements in order to make the whole issue look one of India - Pakistan war than one of terrorism. Prime Minister Manmohan Singh was right in his observation that the issue was not one of war but one of terrorism and the option of war were not on Indian table at least. The External Affairs Minister Pranab Mukherjee in his statements never used 'the ready for war' rhetoric of the type emanated from Pakistani leadership both civil and military. As a minister looking after external relations he was always speaking of various international options to which he hoped Pakistan would respond. No senior Indian military officer indulged in bellicose lingo. Defence Minister *ab initio* had explicitly ruled out any military action in making Pakistan see reason.

41. India still persisted with its diplomatic pressure to make Pakistan see reason. On December 26, the Indian High Commissioner in Islamabad Satyabrata Pal called on the Pakistani Foreign Secretary and impressed upon him the need for action to bring the perpetrators of the Mumbai attack to justice. At the same time, he assured him that India had not moved any of its troops along the Pakistani border and the reports of any such movement were without foundation. Mr. Pal reportedly told Islamabad that the UN resolutions on terrorism required Pakistan government to take "judicial action" against the Jamat-ud-Dawah and individuals designated by Resolution 1267 as "terrorists". The next day, December 27 External Affairs Minister Mukherjee said in Behrampur, West Bengal "an unfortunate atmosphere is being created....I would like to state that the issue is not the defence of Pakistan or war. Instead the issue is the strike in Mumbai." Reacting to Indian pleas for action against the terrorists even if they were "non-state actors," President Zardari speaking on December 27, at the function to mark a year of the assassination of Benazir Bhutto, promised his country would act against "non-state actors" responsible for terrorism. A day earlier, Bruce Riedel, terrorism advisor to President-elect Obama transition team said in an interview to the *New York Times* that he saw the terrorist network in the mountains of Pakistan's northwest as the biggest threat to the incoming Obama Administration. He accused Pakistan of fleecing Washington of billions of dollars, ostensibly to be used in the fight against terrorism, while actually allowing the Al-Qaida to regroup in the tribal agency areas.

42. It was not until the visit of Chinese Vice Foreign Minister He Yafei on December 29 that conciliatory noises emanated from Islamabad. Mr. He during his stay in Islamabad met President Zardari, Prime Minister Gilani and Foreign Minister Qureshi and on the military side, both the Chief of Staff of the Army

General Kayani and Chairman of the Joint Chiefs of Staff Committee Gen. Tariq Majid. A press release issued by the Public Relations of the ISI said: "COAS highlighted the need to de-escalate and avoid conflict in the interest of peace and security." The second release from the same source on the Chinese visitor's meeting with Gen. Majid said: "CJCSC emphasized the need for avoidance of provocative belligerent posturing, initiation of reciprocal measures for immediate de-escalation and earliest resumption of the peace dialogue." He's meeting with Zardari resulted in a sober statement emphasizing that "cooperation and dialogue are the only way forward." Even though all the three top leaders of Pakistan government told Mr. He of Pakistan's joint investigation offer, their efforts failed to elicit Chinese support to this dubious game plan. Pakistan's effort to involve China in a mediatory role declaring that Mr. He had been given a blank cheque by Pakistan, was spurned by New Delhi without a second thought. India's uncompromising stance on Pakistan accepting its responsibility and action, saw Pakistan slowly but surely coming out of the denial mood. A day after the change of track by the top brass of the government and the army, the National Security Advisor Mahmud Ali Durrani opened a small window of hope, though at the cost of his job, that Pakistan after all wished to make amends. He said that the arrested terrorist Ajmal Amir Kasab "could be" a Pakistani national. Cautiously, he added, "I am not saying anything more than that", since Pakistan did not have the proof. About the other terrorists involved in the Mumbai attack, he was not sure. Thanks for small mercies, but one has to sympathize with him since he lost his job pronto.

43. Islamabad tried another trick to shrug off action. Now it said in the absence of an extradition treaty with India, Pakistan could not extradite its people suspected of involvement in Mumbai attacks. Unfortunately for Islamabad it held little water. Pakistan was reminded that as a signatory to international conventions including the SAARC Convention it was expected either to prosecute terror suspects or extradite them to the country that wanted to try them.

44. Taking a tough posture, the Home Minister P. Chidambaram said Pakistan would have to give "cast iron guarantees" that its soil was not used to launch terror attacks on India or else it would pay an "enormous price." Clarifying he said "guarantees have to come from those who control the levers of power and that means, the elected civilian government, plus the army. These are not guarantees that you can execute on a piece of paper. These are guarantees that have to be given to the international community."

45. On January 5, India provided full evidence showing that the Mumbai attack had its roots in Pakistani territory. The same evidence was provided to the United States, the United Kingdom, Israel, and others whose nationals were among those killed in the terror attack. To further mount international pressure, same evidence was shared with other members of the international community including China, to enable these countries to satisfy themselves of the Indian charge and bring pressure on Islamabad to cooperate.

46. Pakistan came out with one after another ploy to extricate itself. It said the evidence provided was information and not proof; it was examining it; it was conducting its own investigations; no Pakistani national can be extradited to India; the crime was not planned from the Pakistani soil, (without denying that its nationals were involved). Faced with the strength and enormity of the evidence provided to it, Pakistan has lately come out with yet another subterfuge. It leaked out stories that the attack was planned by the Bangladeshi outfit HUJI and some elements in Dubai were also involved. In short to absolve itself of any blemish in this sordid affairs, it sought to make it look like an international plot against India in which one or more Pakistani nationals were somehow involved.

III

Africa

47. In a major initiative to turn the existing relationship with Africa into one of partnership, New Delhi organized an India - Africa Forum Summit. The Common Market for Eastern and Southern AFRICA (CoMESA) with 405 million people, encompassing 25 countries stretching from Egypt and Libya to Zambia to Mauritius and Seychelles is one of the largest economic groupings in Africa with which India has already close interaction. Another grouping with which India has developed close affinity is South Africa Development Community (SADC). India - SADC Forum was launched in April 2006 in Namibia and is a framework for promoting technical cooperation in all fields of economic activity. A Techno-Economic Approach for Africa - TEAM-9 - was set up between India and eight West African countries in March 2004 to accelerate economic, social and cultural development of the member countries through transfer of technology, know-how and knowledge management involving governments, experts, and entrepreneurs. In April 2006 India had invited a high level delegation from the ECOWAS, which included four ministers and Executive Secretary of ECOWAS. India has the largest line of credit with ECOWAS countries amounting to 500 million US dollars. In 2006, during the visit of the ECOWAS delegation another 250

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million dollars line of credit was pledged. It may be recalled in 2006 at the G - 8 Summit India had presented a Non-paper underlining the close relations with Africa not as one of donor-recipient but of partnership for mutual development. India's technical cooperation programme with Africa is four decades old. It provides a wide range of training facilities and project expertise to African countries. The Indian approach has been one of strengthening of south-south linkages and promoting self-reliance through transfer of technologies appropriate to the needs of India's African partners. In monetary terms India has spent over a billion dollars on its technical cooperation programme for Africa and continues to provide training annually to almost 1000 officials in various capacity-building programmes. This is apart from hundreds of African students who join Indian universities and colleges annually. In 2004 during the visit of Indian President to Africa, India had announced its willingness to share the benefits of satellite-based technologies with the countries of Africa. Following that the Indian Space Research Organisation developed an ambitious plan to link 53 countries of Africa through a network that uses satellite fiber optic and wireless links. Since then India has established a network that joins learning centers, universities and hospitals in every African country with the counterpart institutions in India, with proven expertise in those fields.

48. It was in this background of already existent strong ties that the initiative for the Summit has to be seen. It was attended by the leaders of the 14 African countries and heads of the continent's regional economic groupings. The joint declaration adopted at the end of the summit identified food security, high oil prices and climate change as the top concerns of the developing world. India and Africa pledged to work together as partners to meet the economic and political challenges facing them. "The partnership will be based on the fundamental principles of equality, mutual respect and understanding," the joint statement stressed.

49. India received the best tribute for its efforts from Alpha Oumar Konare, Chairperson of the Commission of the African Union, when he said that the Summit showed that India "truly understood" the African continent's needs and aspirations. He said today's Africa did not need a "guiding hand" from any country and the continent could benefit from the advances India had made in areas such as health, information technology and agriculture. Prime Minister Manmohan Singh, highlighting the strong ties between India and Africa, hoped that the Summit would provide a solid foundation for a "new framework of cooperation".

50. The India-Africa summit and the meticulous preparations behind it underlined New Delhi's earnestness to engage Africa in a more dynamic way. Unlike the Western countries which reminded the African countries of the old colonial relationship, India, on the other hand, was looked upon as a role model. The Indian initiative to launch Africa Fund for dismantling the apartheid infrastructure in South Africa has not been forgotten.

51. India's trade with Africa rose from \$97 million in 1991 to \$20 billion in 2007. Lest India's initiative should be misunderstood as competing with the Chinese, Prime Minister Manmohan Singh said that India's renewed interest in Africa had nothing to do with Chinese expansion in the region. He told the media in New Delhi that India was "not in a race or competition with China or any other country". He pointed out that India and Africa had a shared colonial experience and had worked together in bilateral, regional and multilateral fora.

52. At the Summit, New Delhi pledged easier access for African exports to the Indian market. Prime Minister announcing this said that the 21st century could be turned into a "century of Asia and Africa". The India-Africa Framework of Cooperation agreed at the summit pledged to boost trade and investment and share expertise in agriculture, science and technology, water management and education. India pledged to provide preferential markets to the 34 "least developed" African nations. Prime Minister said that in the next five to six years, India would issue grants for projects in excess of \$500 million. He added that developing infrastructure in information technology, telecommunications, power and railways would be the priorities in Africa for the Indian government.

53. Mr. Jakaya Kikwete, President of Tanzania and the current Chairperson of the African Union (A.U.), made a significant announcement that the continent was "determined to take India to the citadel of power - the United Nations Security Council. We have reaffirmed our commitment to India."

54. The feelings of the African leaders, which found expression at the Summit that India should not look at Africa simply as a source of raw materials but should invest in the continent's human capital and share know-how and expertise with its nations already is at the core of its African policy pursued during the last four decades.

55. Since the liberalization of the Indian economy, the Indian entrepreneurs are looking outward and Africa is an important direction in line of their sight. Tata Steel has a \$1.5 billion joint venture in an iron project in Cote d'Ivoire,

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and Tanzania has become a magnet for Indian companies, attracting some \$825 million in investment since 1990. These companies are making up for time lost until the early 90s, when Africa's economic difficulties and India's inward-oriented development had kept them apart.

56. This is only the beginning and the hope is always in the future. One such prospect lies in Angola where a major breakthrough was achieved during the year when Angola's largest diamond producing company Endiama agreed to do business directly with the Indian diamond industry. In return, India promised to open an 'institute for jewellery manufacturing' and also a diamond cutting and polishing centre in Angola, which is the third largest producer of roughs in the world. Angola is particularly impressed with the success of Tata Motors, Angola's diamond company Endiama showed interest to tie up with Tata Motors to manufacture its own commercial vehicles, while Mahindra and Mahindra are too in demand for its tractors. Angola, a member of the Organisation of Petroleum Exporting Countries (OPEC) and third largest producer of crude in Africa, has also agreed to facilitate the bid of an oil consortium that includes ONGC Videsh, in three off-shore oil blocks. ONGC Videsh will be investing \$1 billion in these oil blocks. Angola has also offered a 30 per cent stake to India in its upcoming Libito refinery. On its part, India has promised to set up a centre of excellence in petroleum technology, besides constructing gas-based 300 MW power plant, rebuilding its railway infrastructure and its financial sector. India will also give technical support in the field of education and mining, particularly in the field of coal and iron ore.

57. Similarly, India and Namibia agreed to set up a joint working group to prepare a detailed plan for long-term partnership in the diamond sector where India would help Namibia in value-addition to its diamond industry, while India got the advantage of being able to procure rough diamonds for its own cutting and polishing industry. India will help Namibia on major infrastructure projects including modernisation of its crucial 300-km rail link between Walvis Bay and Windhoek. India has also offered help to set up a 300 MW power plant in Namibia, while the two governments have agreed to cooperate in the mining sector covering exploration, beneficiation and processing. In the education sector, India will help the University of Namibia to establish a Faculty of IT, a Faculty of Mining Technology and a Faculty of Management.

58. The success of Indian information technology giants in South Africa has now led to demands from various other African nations to TCS, Infosys, and Wipro to set up their units so that they too can catch up with the IT revolution that is happening around the globe. All in all a new chapter has begun with the Summit and its success will add luster to the existing shining relationship between India and Africa.

IV

Sri Lanka

59. As the year 2008 came to an end, Sri Lanka's security forces were buoyed by the success of their military operations against the LTTE. Having flushed out LTTE from the Eastern Province, Sri Lanka government was determined to push them out of the North too. At the start of the year, Colombo formally abrogated the Ceasefire Agreement of 2002, ending the fiction of ceasefire. Sri Lanka now felt free to deploy all its resources to achieve a decisive victory and have since claimed complete successes in that direction driving the Tigers out of most of their strongholds, destroying their naval wing, driving them out of their administrative capital Kilinochchi, and pushing them to the jungles of Mullattivu. This resulted in the civil population in the conflict zone suffering 'collateral' damage and their displacement from their hearths and homes. The Government of India was deeply concerned at this unfortunate development. Responding also to the sentiments and concerns of the Tamil population in Tamilnadu, a concerned New Delhi interceded with Colombo on several occasions to avoid casualties among the civil population. In October there were reports that a large body of civil population had been trapped in the conflict zone and was in distress. New Delhi felt disturbed. The National Security Advisor, Mr. Narayanan, summoned the Deputy High Commissioner of Sri Lanka and conveyed New Delhi's distress to him. The Prime Minister too personally being concerned told journalists on October 15 in New Delhi that Sri Lanka must respect the human rights of ethnic Tamils. He said the Government was concerned at the escalating hostilities, losses suffered by civilians and increasing number of displaced persons. "We always believe that the situation in Sri Lanka does not call for military victory. It calls for a negotiated, political settlement which respects the unity and integrity of Sri Lanka and at the same time respects the essential human rights of minorities, particularly Tamil minorities."

60. On its part, Colombo, at the highest level, assured New Delhi, that every effort would be made to minimize the difficulties of the internally displaced persons caught in the conflict zone. Colombo too responded

positively to the request of New Delhi that the relief supplies sent from Tamilnadu would be allowed to reach the internally displaced persons, who needed this assistance the most.

61. While New Delhi did not interfere with the decision of Colombo to fight out the issue with the LTTE, it remained convinced that "there is no military solution to the ethnic problem", which was the real issue in Sri Lanka. The way forward was "a peacefully negotiated political settlement within the framework of a united Sri Lanka acceptable to all communities, including the Tamils." This basic postulate of Indian policy towards Sri Lanka's ethnic problem was repeatedly conveyed by the Indian leadership at the highest level and on several occasions to Colombo. Colombo on the other hand while appearing to do every thing to relieve the distress of the civilian population caught in the conflict zone, was not prepared to settle for any thing short of LTTE's surrender.

62. Every time New Delhi expressed its fears on the plight of the civil population, Sri Lanka too on its part, went on repeating its assurance to be solicitous of the safety, security and well-being of the civil population caught in the conflict zone. This assurance was conveyed by President Mahinda Rajapaksa himself to Prime Minister Manmohan Singh in August and again in October when the two leaders met on the sidelines of the SAARC and the BIMSTEC Summits. Prime Minister Dr. Singh's remarks that one cannot envisage a prosperous India without strong links with her neighbours, were reassuring to Colombo. A reassured President did not hesitate to acknowledge the benefits Sri Lanka derived from the investments of Indian entrepreneurs and the Indian development cooperation to Sri Lanka, including the rehabilitation of the tsunami-affected Sri Lankan Railway.

63. In January 2009, both the Foreign Secretary and the External Affairs Minister crossed the Palk straits to be in Colombo to convey again their concerns for the safety of the civilians and Sri Lanka once again at the highest level assured both that Colombo will do every thing to ensure the safety of the civil population caught in the conflict zone. It warmed the cockles of Sri Lankan leadership when they heard Mukherjee saying that India was "fighting terrorists and all sorts of terrorism. Therefore, we have no sympathy for any organization indulging in terrorist activity, particularly the LTTE, which is a banned organization in India."

64. Following on Indian concerns, and vouching to prove that it was really concerned with the safety of the Tamils trapped in the conflict zone, Sri Lanka on 29th January 2009 announced a 48-hour ceasefire to enable the trapped

civilians to move to safer areas. It was Colombo's contention that the Tigers were holding the civilians to ransom and using them human shield. According to reports emanating from the war-zone, the LTTE would not let the people move out to safer areas to prove to the world that the civilians were not anxious to move out since they feared for their lives without its protection. The result was not many civilians either did not come out or were not allowed to move out of the conflict zone as the cease-fire limit expired, and the Sri Lankan security forces resumed their campaign with full force.

65. The safety of the Indian fishermen fishing in Gulf of Mannar remained another concern of New Delhi. There were innumerable occasions when the Indian fishermen fishing in the Gulf came under attack of the Sri Lankan navy, often with loss of life. The Sri Lankan navy maintained that such attacks were unavoidable since the Indian fishermen often crossed the International Maritime Boundary Line and got mixed up with the LTTE vessels. In October Senior Advisor to President and his brother Basil Rajapaksa visited New Delhi. Along with the plight of the internally displaced persons, the plight of fishermen figured in the talks. It was agreed to put in place practical arrangements to deal with the bona fide Indian and Sri Lankan fishermen crossing the International Maritime Boundary Line (IMBL). The practical arrangements included the "designation by the Government of Sri Lanka of sensitive areas along the Sri Lankan coastline and their intimation to the Government of India." The Indian fishing vessels were not to venture into the identified sensitive areas. The Sri Lankan navy agreed not to fire on Indian fishing vessels. For proper identification of Indian fishing vessels, they would carry valid registration/permit and the fishermen would have on their person valid identity cards issued by the Government of Tamil Nadu. With these arrangements in place, it is hoped there would be no more repetition of firing incidents in the Mannar involving Indian fishermen.

In the meantime, in May 2008, New Delhi extended its ban on the LTTE for another two years as a terrorist organization. This was also confirmed by the Review Tribunal as required by law in this regard.

V

Nepal

66. The constitutional process which was stuck for some time, received a shot in the arm, with the Nepalese Government responding positively to the concerns of the people from Tarai and reaching an agreement with them on February 28. It cleared the road for holding the elections to the Constituent

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Assembly (CA), which were completed in May. The Communist Party (Maoists) emerged as the single largest party.

67. This elections and the victory of the Maoists were welcomed in New Delhi. India's policy towards Nepal since the emergence of new forces was not only to strengthen democracy but also mainstream the Maoists. The elections finally brought into place a structure with greater legitimacy than the outgoing parliament which was elected nine years ago. On April 15 External Affairs Minister Pranab Mukherjee spoke to Maoist leader Pushpa Kamal Dahal, 'Prachanda' over the phone, to congratulate him and to convey India's willingness to work with his party towards building a stable Nepal.

68. The first action of the Constituent Assembly (C.A) was to abolish monarchy. The King in compliance with the CA resolution made his quiet exit, thus allowing the constitutional process to go ahead. Nepal was declared a Federal Democratic Republic. In July Dr. Ram Baran Yadav and Permanand Jha were elected the President and Vice President, respectively of the new republic.

69. In September 2008, new Prime Minister 'Prachanda' made his first official visit to New Delhi and conveyed his appreciation of "the positive support extended by the people and Government of India throughout the peaceful political democratic transformation in Nepal". Dr. Manmohan Singh once again expressed "full support to the peaceful, political, democratic transition in Nepal". The visit was marked by bonhomie and friendly understanding of the issues on both the sides. The Joint communiqué issued at the end of the visit underlined "the need to inject new dynamism into the relations between the two countries for a forward looking change, in tune with the realities of the time as well as the wishes and aspirations of the people of both the countries." To forge a forward looking relationship the two prime ministers agreed on the need "to review, adjust and update the 1950 Treaty of Peace and Friendship and other agreements, while giving due recognition to the special features of the bilateral relationship." India recommitted itself to continue to extend its assistance towards building economic assets, particularly in the infrastructure sector. As an immediate measure, New Delhi agreed to provide Rs.20 crores as immediate flood relief to the people in Nepal and rebuild the segments of the East-West Highway, damaged in the recent Kosi floods. To tie over the shortage of petroleum products India agreed to provide a credit of Rs. 150 crore and ensure for the next three month uninterrupted POL supplies in Nepal. To

relieve the shortage for the essential commodities New Delhi agreed to lift its ban on the export of rice, wheat, maize, sugar and sucrose for quantities agreed with Nepal.

70. As far as the review of the 1950-treaty was concerned, this was an old issue under discussion between the two countries for more than a decade. India never shied away from discussing it with a view either to review it or amend it to accommodate the Nepalese sensitivities. Even before Parchanda came to New Delhi, treaty revision had attracted a lot of political dust in Kathmandu and it was therefore natural for him to raise this issue to satisfy his domestic constituency.

71. Responding to the Nepalese aspirations for a treaty revision, Foreign Secretary Shivshankar Menon had as early as April 29 told journalists: "We have said consistently for many years now that we would be quite happy to discuss with Nepal new arrangements to govern the relationship." Mr. Menon, however drew satisfaction from the fact that the demand was either for "replacing it or changing it" and not scraping it altogether. "We are quite happy to do that exercise.and we will be happy to work with Nepal to that end." The matter rests there for the time being, while Nepal mulls the pros and cons of the emotional but sensitive question in its relations with India.

VI

Afghanistan

72. India remained committed to Afghanistan's development despite terrorism creating some problems. In January two of Indian personnel working on road projects there became victims of terror attack. The Indian Embassy in Kabul too came under terrorist attack in July when two senior diplomatic officers, security personnel and many Afghan visitors to the Mission lost their lives. President Karzai visited New Delhi in August on way back from Colombo after attending the SAARC Summit to convey his condolences and express his anguish at the dastardly incident. Both Prime Minister Dr. Manmohan Singh and President Hamid Karzai agreed that terrorism posed a serious threat not only to the security of the two countries but to the entire region, since it knew no barriers. But they determined that they would not let it stand in their way and fight it "unitedly and with full determination".

73. New Delhi conveyed to Mr. Karzai its "abiding commitment to Afghanistan's efforts to build a democratic, pluralistic and stable polity".

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During the visit, India committed an additional amount of US \$ 450 million over and above the already committed amount of US \$ 750 million to meet the requirements of the ongoing and forthcoming projects to be financed by India.

VII

Bangladesh

74. Bangladesh Chief of Army Staff and Advisor to the caretaker government General Moeen U. Ahmed visited India in February as guest of the Chief of Army Staff General Deepak Kapoor. After almost 37 years of the liberation of Bangladesh, Dhaka agreed, as a gesture of goodwill, henceforth to honour the memory of Indian soldiers who were martyred in the war for liberation of Bangladesh. The remembrance would be officially on March 25 each year, the day when the Pakistan Army began 'Operation Searchlight,' a brutal campaign of genocide and rape against the people of East Pakistan and the Awami League responded by declaring Independence. General Ahmed met with President Pratibha Patil, Prime Minister Manmohan Singh, External Affairs Minister Pranab Mukherjee, Defence Minister A.K. Antony and National Security Adviser M. K. Narayanan. It was expected that the visit would contribute to a greater commitment from the Bangladesh side to clamp down on anti-India militants perceived to be camping on the Bangladeshi territory. The need to reduce tensions on the Indo-Bangladesh border figured in the discussions as well as the question of illegal immigration.

75. In April, Maitri Express (Friendship Express) a train connecting Dhaka with Kolkata was inaugurated to facilitate people-to-people contacts.

76. The foreign secretaries and the Home Secretaries of the two countries met for their regular annual bilateral consultations. The two meetings "condemned terrorism in all its forms and manifestations, and reaffirmed ... commitment not to allow their territory to be used for any activity inimical to each other's interests."

77. Despite multiple assurances, India remained skeptical of Dacca's cooperation. This sense of exasperation was evident from Home Minister P. Chidambaram's remarks in the Lok Sabha on December 15 while replying to the debate on terrorism in the backdrop of terrorists attack in Mumbai. He said: "We continue to be concerned that the territory of our neighbour, Bangladesh is being used by Indian Insurgent Groups to plan

and execute terrorist acts against India and the Indian people. The Government of Bangladesh has repeatedly assured that they would not allow their territory to be used by the Indian Insurgent Groups. However, the regrettable fact is that many leaders of the Indian Insurgent Groups continue to use Bangladesh as a safe haven. It is our expectation that Bangladesh will implement its commitments and assurances not to permit the use of its territory for such actions or allow sanctuary to such militant groups."

78. Before the sun set on 2008, Democracy returned to Bangladesh after a hiatus of two years. A vote on December 28 saw the return to power of Awami League led by Sheikh Hasina Wajid with a convincing haul of 230 out of 299 seats. Its allies won another 32 seats taking the total to 262 for the alliance. The other alliance led by another former Prime Minister Begum Khaleda Zia could get only 30 seats.

79. India welcomed the return of democracy in its neighbourhood in the hope that a stable political regime would be a shot in the arm for development. It would help the emergence of healthy and stable socio-economic order in the neighbouring country. Prime Minister Dr. Manmohan Singh in his congratulatory message to Sheikh Hasina felt confident to say that under her "leadership Bangladesh will attain even greater heights." He committed India to "further strengthening and deepening of relations with Bangladesh". India can take heart from Sheikh Hasina's assurance that she wanted "continued good relations with neighbours" particularly with India and that she would not allow Bangladesh territory to be used for terrorism against her neighbours. India can keep the fingers crossed.

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Maldives

80. A new and important milestone in the history of Maldives marking the ushering in of a new era in democracy and political reform occurred in October with the election of a new President Mohamed Nasheed replacing its long serving President Gayoom. India expressed its appreciation "at the free and fair nature of the elections wherein the people of Maldives turned up in large numbers and made their choice." India and Maldives have traditionally enjoyed excellent bonds of friendship and cooperation. "We are confident that the new democratically elected

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government will strengthen these links and build on the close and multi-faceted engagement between the two countries," Mr. Mukherjee said in his message.

81. Showing his regard for New Delhi and its leaders, the new President Mohamed Nasheed made his maiden visit abroad to India. He offered his country's assistance in "observing" the Indian Ocean following the rise in piracy and the use of the sea route from Karachi to Mumbai in carrying out the Mumbai terror strikes. He said Maldives being a country of the Indian Ocean, "understands the topography of the Indian Ocean; and ready to cooperate in observing the Indian Ocean."

82. Keen on education for his people and to avoid Maldivian students going to Pakistani Madrasas, he said he would request India "to open up as much as possible to the Maldivian students so that there is no need for them to go to madrasas to satisfy that demand. No parent in his right mind would send children to madrasas if India opens up its educational institutions. The Indian government has given assurances in this regard," he said.

83. India extended a \$100-million standby credit facility, increased the State Bank of India's lending ceiling to a higher level and assured the visiting President that the Exim Bank would make more facilities available for Indian traders for expanding trade with Maldives. He thanked India for being receptive to Maldives' requirements.

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Bhutan

84. The dawn of 2008 saw India congratulating and saluting the people and the Royal Government of Bhutan. An official statement from the Government of India congratulated "the Royal Government of Bhutan for the successful conduct of the first ever elections for National Council (Upper House) of Bhutan that were held on December 31, 2007 for 15 Dzongkhags." The Statement added "This is indeed a great moment in Bhutan's history and an important step in Bhutan's transition into a new system of governance. India is committed to extending full support in the establishment of institutions required for the consolidation of Democratic Constitutional Monarchy in Bhutan." In March the Kingdom completed the election process for the National Assembly (Lower Hosue).

85. On May 16 and 17, Prime Minister Dr. Manmohan Singh visited Bhutan. It was a special year for Bhutan as Foreign Secretary Shivshankar Menon pointed out in his press briefing before the Prime Minister's departure. He said: "This is a special year for India-Bhutan relations. For Bhutan itself it is the centenary of the Wangchuk dynasty. It is also the year of Coronation of the new King of Bhutan. It is the year when democracy has been ushered in; Parliament has been elected; and Bhutan is going through an internal transition; so also when Bhutan's Tenth Plan begins. For India and Bhutan it is also the fiftieth anniversary of Pandit Jawaharlal Nehru's visit to Bhutan in 1958, which in a sense laid the foundations of all that we have seen since in this relationship which is uniquely warm, close and friendly." His emphasis on travel on horse back by Pt. Nehru was to remind the journalists of the revolution in communications that the kingdom had undergone in the last five decades.

86. Speaking to the members of the National Assembly, Prime Minister paid a handsome tribute "to the enlightened leadership and statesmanship provided by His Majesty Jigme Singye Wangchuck that Bhutan has succeeded in reaching these milestones in an atmosphere of utmost peace and stability while steadily improving the welfare of its people. During His Majesty's reign, Bhutan has witnessed unprecedented social and economic development. He is the architect of Bhutan's constitution and polity. Today His Majesty's vision of vesting sovereignty in the people of Bhutan has borne fruit." He also assured Bhutan that it "can continue to count on India, as a friend and - may I say - an admirer of Bhutan. India will stand by you as a factor of stability and support in your quest for greater prosperity and happiness." It may be recalled that only last year India and Bhutan had revised their treaty of friendship to bring the relationship in tune with the changing realities obtaining today.

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West Asia

87. In the extended neighbourhood of India, West Asia occupies an important place where ties have remained substantial and vibrant. Oil revenues and prudent fiscal policies followed by the countries of the region have generated substantial surpluses which in the past had flowed to the West. In the last few years there is a discernable change. Most of the Arab countries are looking eastward for investment opportunities. India's political, economic and social stability have given vibrancy to democratic institutions, resulting in high growth and a modern industrial society. The financial

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institutions that are in place today are internationally credible and make India an investment destination. It is important here to note that despite the global economic meltdown and global financial crisis, the Indian financial institutions, by and large have shown vibrancy compared to that of many other countries. The leaders of the oil-rich countries of the region, shrewd as they are, did not fail to notice emerging India's promising opportunities.

88. In January, the External Affairs Minister Pranab Mukherjee visited Oman. Among other things, he discussed enhanced cooperation with the six-nation Gulf Cooperation Council. The GCC is India's single most important source of energy. Trade between India and the countries comprising West Asia and North Africa has risen to \$34 billion.

89. In April, External Affairs Minister inaugurated the India-Arab Conclave organized by the Federation of Indian Chamber of Commerce and Industry (FICCI). The Conclave was aimed at businesspersons and potential investors, keen on establishing or expanding existing projects through enhanced financial, technical and managerial participation in India and in the Arab countries. It was also reflective of the desire of Indian industry to engage and increase its involvement in its extended neighbourhood. Mr. Mukherjee alluded to India's need for investible surplus funds from the rich Arab countries and India's capacity to absorb those in its massive infrastructure projects. The Conclave identified projects worth around \$200 billion in the energy and infrastructure sectors to be taken up in the near future.

90. The visit to New Delhi of Secretary General of the Arab League, Amre Moussa towards the end of the year was an important event. He jointly inaugurating with the External Affairs Minister, the India-Arab League Forum and held discussions with the Indian leadership. He also signed a Memorandum of Understanding to establish an India-Arab Cooperation Forum, as a framework for dialogue and cooperation for strengthening the foundations of the India-Arab relations and diversifying cooperation in such diverse fields as sustainable development, economic, commercial, educational, scientific, energy, Information Technology, culture, etc.

91. Earlier in April, External Affairs Minister had a successful visit to Saudi Arabia. In his meeting with his Saudi counterpart an agreement was reached on establishing a Saudi-India investment fund to help kick-start investments in major infrastructure projects in India. Mr. Mukherjee confirmed to journalists

that while calling on the Saudi King he reiterated India's requirement of an investment of around \$500-600 billion to build its infrastructure projects. To facilitate business contacts both the countries agreed to issue long-term visas to businessmen. On April 20th the Bilateral Investment Promotion and Protection Agreement was ratified by the two countries to remove a major legal impediment to closer business ties. This placement of a legal regime set the stage for the economic relationship to take-off. Acknowledging India's efforts to acquire energy security, Saudi Foreign Minister Prince Saud invited Indian companies to identify specific projects in Saudi Arabia, following an interaction with Saudi oil majors including the State-run Aramco.

92. To cap these efforts, Prime Minister made a successful visit to Oman and Muscat in November. With Muscat a Defence and Security Agreement was signed paving the way for joint maritime security, sharing of intelligence on threats posed by terrorism and cooperation in tackling trans-national crime. "We discussed the modality of Qatar investing about \$5 billion in India. In the next two to three months, we will work out the modalities to identify projects in the areas of energy, power, fertilizer and other related activities to enable the government of Qatar take firm decisions about the areas these investments could be directed," Prime Minister Manmohan Singh told the journalists while returning to New Delhi. India already has an agreement with Qatar for the supply of 7.5 million tons of LNG annually.

93. In Oman the Prime Minister discussed measures to intensify cooperation in the defence field by undertaking more high level exchanges of personnel and ships. India's largest joint venture project, Oman-India fertilizer Company is located in Oman. The MoU for the joint investment fund was signed between the State Bank of India and the State General Reserve Fund of the Sultanate of Oman. It would focus on infrastructure, tourism, health, telecom and urban infrastructure. The two countries also signed a MoU aimed at improving the working conditions of the Indians in Oman, especially in case of a dispute between the employee and employers. More important, the MoU stated that the two sides shall take measures to facilitate recruitment of Indian manpower and exchange of visits between officials for consultations in job creation and generation of employment opportunities. A landmark proposal discussed was to set up a joint investment fund whose seed money could go up to \$1.5 billion to finance infrastructure projects.

94. India has traditionally maintained very close contacts with the Palestinian people. Despite close relations with Israel, India's commitment

to the Palestinian cause remained steadfast. This point was stressed by Prime Minister Dr. Manmohan Singh in his speech at the Foundation stone laying ceremony of the Chancery building of the Palestinian State in New Delhi during the visit of Chairman Mohammed Abbas in October. "India and Palestine have been steadfast partners over decades. It is only fitting that India's commitment to Palestine and its future should find one of its embodiments in the building which stands before us. I have no doubt that it will serve as a symbol of our friendship and solidarity in the future," said Prime Minister Dr. Manmohan Singh. The construction of the building is being entirely funded by the Government of India as a gesture of Indian goodwill and friendship for the people of Palestine. Besides the Chancery building in New Delhi, India also signed an MOU to finance the construction of a school in Palestinian territory to be named after the first Prime Minister of India Jawaharlal Nehru. India announced a grant of US \$ 10 million as a budgetary support to the Palestinian National Authority to help meet its immediate requirements and an additional ten million dollars as assistance for development projects.

95. Towards the close of the year, as the 6-month old cease-fire agreement between Israeli and Hamas expired, there were some rocket attacks from the Gaza side on some Israeli civilian targets. In a disproportionate use of force, Israel chose to resort to aerial bombardments of Gaza followed by ground operations. The Government of India called for "an immediate end to the use of force against Palestinian civilians in the Gaza Strip that resulted in large numbers of casualties." With no end in sight to the fighting, on December 29, India again expressed its disappointment at the "disproportionate force" being used and called the Israeli action "unwarranted and condemnable".

96. On January 2, 2009 to somewhat alleviate the suffering of the Palestinians, New Delhi, in response to the Flash Appeal made by United Nations Refugee Welfare Agency (UNRWA), extended an assistance of US\$ 1 million for use by the Agency to provide shelters, cash assistance, essential household items etc., to affected families in Gaza.

97. In April India formally joined in the Turkmenistan-Afghanistan-Pakistan-India Gas Pipeline Project. While doing so, India had sought to dispel the impression that it had little interest left in the Iran-Pakistan-India gas pipeline project. The Minister for Petroleum and Natural Gas Murli Deora on April 23 said: "For us, both are equally important. As far as India is concerned, we want to settle and activate both because the energy demand in India is so

much and the oil prices are shooting up." The Iranians were also assured of the Indian interest in the Iran-Pakistan-India pipeline when India participated in the ministerial tripartite talks in Islamabad in April and again the same month when the Iranian President visited New Delhi. But the developments in India - Pakistan relations following the terrorist attack on Mumbai in November originating from Pakistani soil, threaten to cast ominous shadow on the security aspect of the pipeline passing through Pakistan. Gas price and cost of delivery too remain unsettled.

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China

98. Prime Minister Dr. Manmohans Singh's visit to China in January set the tone for the relations between the two countries. They had in their earlier meetings shared the view that there was enough space for India and China to grow together and their simultaneous rise would contribute to both peace and prosperity in Asia and beyond. Given the past history of relations, there was no doubt both India and China understood the need to manage their relations prudently as one of the highest priorities for both of them. There was recognition that their management of relations was going to have an impact on their own interests beyond Asia and the world as a whole. Flowing from this recognition was the tradition now fully established for frequent and regular engagements between the two at different levels. Indian and Chinese leaders have met regularly not only in their own capitals but also at regional and international fora. Senior officials too have been holding regular consultations on a range of regional and international issues in the annual Strategic Dialogue which commenced in 2005. There was a security dialogue focusing on counter-terrorism and a defence dialogue between their defence establishments. Exchange of visits by naval vessels and, more recently, friendly exercises between naval and land forces, provided valuable opportunities for confidence building. Both sides are committed to expanding such exchanges.

99. Apart from his annual summit meeting in Beijing with President Hu Jintao, Dr. Manmohan Singh met with him again in Hokkaido in July on the sidelines of the G-8 Summit. Prime Minister met the Chinese Premier Wen Jiabao in New York on the sidelines of the UNGA session. External Affairs Minister Pranab Mukherjee visited Beijing in June. In October the Chinese Foreign Minister came to India. Foreign Secretary Shivshankar Menon too visited Beijing in April. The two countries also opened their Consulate

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generals in Kolkata and Guangzhou as agreed between them in November 2006 during the visit of Hu Jintao to New Delhi.

100. In May Wenchuan in Sichuan province was struck by an earthquake, India announced an humanitarian assistance of US \$ 5 million.

101. After a year-long hiatus, Indian and Chinese Representatives met in September for the only time during the year for talks on the boundary question, as against thrice in 2007. Premier Wen Jaibao and Prime Minister Dr. Manmohan Singh meeting in New York on September 24 on the sidelines of UNGA, expressed "satisfaction" at the progress made by their delegations. On the question of Arunachal Pradesh, however, China continued to express its reservation, albeit at a low key. India on its part reiterated its claim to Arunachal Pradesh and reminded the Chinese that it was an integral part of the country and its constitutionally elected representatives sit in the Parliament.

102. During the course of the year there were occasions when there were some hiccups, but it is a matter of satisfaction that the mist of temporary misunderstanding lifted fast enough. One such occasion was the demonstrations by the Tibetan at the Chinese Embassy in New Delhi against human rights violations in Tibet. On another occasion at the Nuclear Suppliers' Group meeting in September to consider a waiver on India's nuclear trade, China's temporarily dithering created some concern in New Delhi. Sure enough before any damage could be done, it thought it prudent to fall in line and lend its weight to the waiver. At the end of the day the relations remained unscathed.

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Japan

102. The Prime Ministers of India and Japan met in Tokyo for their annual Summit in October. They shared the view that "India and Japan, as major countries in Asia, sharing common values and interests, must advance bilateral cooperation as well as cooperation in regional and multilateral areas with the objective of promoting peace, stability and prosperity in Asia and the world. They reaffirmed the importance of the Strategic and Global Partnership established in 2006 for this purpose and for harnessing the full potential of India-Japan relations.

103. India-Japan economic relationship too received a big momentum when Japan committed 225 billion Japanese Yen (Rs. 8582 crores) to India for undertaking nine new infrastructure projects in various parts of the country. New projects approved with Japanese assistance included Kolkata Metro Project, Hyderabad Outer Ring Road Project, Hogennakal Water Supply Project, Tamil Nadu Urban Infrastructure Project, Haryana Transmission System Project and UP Forestry and Poverty Alleviation Project. In addition, Government of Japan also committed to fund Phase-II of Delhi Metro Project, which was seen as a shining example of India-Japan relationship. Earlier in the year, Government of Japan also committed to fund Goa Water Supply and Sewerage Project and Maharashtra Transmission System Project.

The actual disbursements on ongoing projects reached a new high of 95 billion Japanese Yen (Rs. 3500 crores approx.) during the year which was a hike of 70% over the previous year. Already the two Governments have started negotiations to undertake several key infrastructure projects like Dedicated Freight Corridor, Delhi Mumbai Industrial Corridor, Chennai Metro besides several other infrastructure and social sector projects in the year 2008-09. Both Governments are also negotiating to set up an IIT in the country with involvement of Government of Japan.

104. India and Japan have worked out several levels of mechanism for dialogue in various sectors. During the Prime Minister's visit another mechanism for security dialogue was added. There already exists the Annual Strategic Dialogue between the Foreign Ministers as well as the other policy dialogues at respective levels. About defence cooperation the Joint Statement said: "They also welcomed the steady upgradation of defence exchanges and cooperation and decided to encourage their Defence Ministries to enhance their dialogue and collaboration further based on the Joint Statement of May, 2006. They also welcomed the contribution of established bilateral dialogue mechanisms and urged them to continue their valuable work."

105. The two countries are already working on the Economic Partnership Agreement / Comprehensive Economic Partnership Agreement on which substantial progress has been achieved. As far as the bilateral trade is concerned it is expected to touch the US \$ 20 billion target by 2010.

106. Another major landmark development had been the agreement to have a Bilateral Currency Swap Agreement to meet any short term liquidity crisis. Both countries also set up two important forums namely, High Level Policy Dialogue on Economic Development and India-Japan Strategic

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Dialogue on Economic Issues to discuss all important economic issues. These two dialogues are to be held annually.

107. The visit of Deputy Chairman Planning Commission, Dr. Montek Singh Ahluwalia, to Japan in September offered an opportunity to work out future areas of cooperation between the two countries. The Japanese side while welcoming India's recent formulation of the "National Action Plan on Climate Change" worked out with India action plan for enhanced cooperation in the energy sector to ensure energy security. The two countries agreed that focusing on key energy consuming sectors could enhance the effectiveness of respective national energy efficiency policies. It was recognized that a cooperative approach for enhancing energy efficiency through sectoral approaches could be a useful method for improving energy efficiency, and agreed to work collectively with the other countries on their practical development.

108. To achieve the objectives of energy security it was decided to work towards (1) Cooperation in Energy Efficiency and Conservation Sector (2) Cooperation in the Power and Coal Sectors; (3) Cooperation in the Renewable Energy Sector; and (4) Cooperation in the Oil and Natural Gas Sectors. It was agreed to start work in these areas and their modalities were identified. Setting the agenda for the future it was emphasized that "bilateral cooperation based on the Japan-India Energy Dialogue will not be limited to what has been identified above and that they will continue to further deepen their bilateral cooperation."

109. Japan as a member of the NSG was part of the consensus decision of the Group to the waiver for India's nuclear trade. As noted in the preceding paragraph, Japan agreeing in various forms of energy cooperation, the nuclear energy sector was left to be discussed in the future. The joint statement issued at the end of Mr. Ahluwalia's visit said: "The two Ministers noted that the Nuclear Suppliers Group adopted by consensus the Statement on Civil Nuclear Cooperation with India. They confirmed that they will exchange views and information on their respective nuclear energy policy". Despite Tokyo strong views on nuclear non-proliferation, Japan did not rule out cooperation in this sensitive field.

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Myanmar

110. Myanmar with 1600 Kms. long common border with India is a close and friendly neighbour and a gateway to South East Asia for India's 'Look East Policy'. With the Kaladan Multi Modal Transit Project gradually taking shape after the

signing of the Rs. 5500 million Kaladan Multi-Modal Transit Transport Facility in April, Myanmar in coming years would become an important link for India's northeastern states. It involves developing an alternative trade route between India and Myanmar to provide access to India's North East region.

111. In June the two countries signed four important agreements which would help enhance the economic links between them. These were the (i) Bilateral Investment Promotion Agreement; (ii) The 64 million US dollars credit agreement with the Exim Bank to finance the 230 kv transmission lines; (iii) another US \$ 20 million credit agreement with Exim Bank for an aluminium conductor steel reinforced wire manufacturing facility and (iv) Banking arrangement for financing border trade.

112. In March the Home Secretaries of the two countries met in New Delhi for their regular consultations. At this meeting both agreed to work closely for enhanced cooperation and in this context, discussed various institutional mechanisms particularly to strengthen security cooperation

113. Senior General Maung Aye, Vice Chairman of the State Peace and Development Council, the number two man in the Myanmar ruling hierarchy visited India in April. During his stay in New Delhi, among other Indian leaders he met the Prime Minister who stressed to him the importance of pursuing various cross-border projects to promote greater connectivity and economic engagement between the two countries. They agreed that more needed to be done to enhance trade between them and, towards this end, agreed to take steps to open up the existing border points in the North East States for regular trade. Both leaders recognized the need to cooperate closely in the hydrocarbon sector. PM reiterated India's commitment to support Myanmar in the Telecommunication and the IT sectors.

114. Noting the positive steps being taken by the Myanmar Government towards national reconciliation and political reforms, including the announcement of elections in 2010, Prime Minister Dr. Manmohan Singh underlined the need for Myanmar to expedite the process and make it broad-based to include all sections of society, including Daw Aung San Suu Kyi and the various ethnic groups in Myanmar.

115. It may be recalled that in February at the Foreign Secretary level Consultations, Mr. Shivshankar Menon had pointed out to his Myanmar counterpart the need for broad-based political reforms. In a departure from the position taken by the West, India opposed sanctions against Myanmar as it believed they would hit most the marginal and the destitute. India felt

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the desire for sanctions was directly proportionate to the distance from Myanmar of the country demanding it. New Delhi's stand operated within the parameters defined by External Affairs Minister Pranab Mukherjee: "We want political reforms and the process of reconciliation to start immediately and it has to be inclusive. As far as possible, important political prisoners should be released."

116. New Delhi was deeply distressed when in May Myanmar was hit by hurricane Nargis causing heavy damage to life and property. Over 100, 000 persons were reported dead and many thousands missing. In a spontaneous response two Indian Navy ships - INS Rana and INS Kirpan - carrying immediate relief and medical supplies, and five Indian aircraft carrying tents, medicine, roofing material and other relief items were rushed to Myanmar. External Affairs Minister Mr. Mukherjee reiterated India's "readiness to assist Myanmar in whatever way we can in both the relief and rehabilitation efforts." He also urged Myanmar to accept international relief supplies to supplement India's efforts. India also contributed US \$ 200, 000 for the repairs to the sacred Shwedagon Pagoda in Yangon heavily damaged during the cyclone.

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Vietnam and Indonesia

117. The President paid state visits to Vietnam and Indonesia in December. The visits were of great "significance from the point of view of India's 'Look East' policy with two members of ASEAN, Vietnam at its northern periphery and Indonesia at its southern rim." This was a great opportunity to establish contacts at the highest level of the leadership of the two countries and a cross section of their societies in the field of economic, commercial and social spheres. The leaders of the two countries expressed the desire to work closely with India to strengthen the Strategic Partnership. While condemning the terrorist attacks in Mumbai they expressed full support to India.

118. In her discussions with the leadership and in the official interaction at the delegations' level, great emphasis was laid on increased contacts through tourism, trade and commerce, assisted by air links. In Vietnam a MoU was concluded between the Chambers of Commerce and Industry of the two countries. India also decided to open a cultural centre in Hanoi.

119. In Indonesia the President in her talks with President Sushilo Yudhoyono, covered bilateral and other subjects of regional and international importance. It was agreed on the "need to give substance and content to the Joint Declaration on the Establishment of a Strategic Partnership between the two countries." The President and her counterparts expressed satisfaction at the growth of institutional linkages between India and the two countries visited by her. The rapid expansion in bilateral trade and investment and the development of closer linkages in science & technology and culture was particularly noted.

120. The President expressed her satisfaction at the feeling of genuine friendship that exists in both countries. In her statement at the end of the two visits she said "I am, therefore, satisfied that the objective of further deepening and strengthening relations with these countries have been achieved. My visit was a step in the 21st century, which offers us many opportunities and yet equally complex challenges. I am confident that with the experience, maturity and wisdom that all countries possess, we can work towards a bright future."

121. While still abroad, the President was grieved to receive the news of the death of former Prime Minister V. P. Singh and the terrorists attack in Mumbai. She cancelled her ceremonial engagements and after completing her official engagements in Indonesia, hastened back home to be with the people. In response to the expression of sympathy and support which she received she conveyed India's determination to face the challenges squarely and root out terrorism completely.

Brunei Darussalam

122. The visit of the Sultan of Brunei in May underlined the mutually beneficial cooperation and partnership existing between India and Brunei Darussalam. It offered an opportunity for discussion "on a wide range of subjects covering economic, trade and investment, defence, information and communication technology, space, shipping & ports, health, culture, arts & sports, and consular areas." The visit provided an opportunity to the two countries to sign five agreements: a) Agreement on Reciprocal Promotion and Protection of Investments; b) MOU of Cooperation in Information and Communication Technology; c) MOU on Cooperation in the fields of Culture, Arts and Sports; d) MOU on the Establishment of Joint Trade Committee and e) MOU on

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Cooperation in the Operation of the Telemetry Tracking and Telecomm and Station for Satellite and Launch Vehicles and for Cooperation in the field of Space Research Science and Applications.

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Australia

123. It may be recalled that Australian Government under John Howard, despite committed to the policy of not supplying uranium to a country that did not sign the NPT, had in 2007 decided to make an exception in the case of India. The new regime in Canberra under Mr. Kevin Rudd staying committed to the policy of making no exception was yet keen not to lose the goodwill of India. Foreign Minister Stephen Smith gave indication of this when he said in June that his country was "determined" to elevate its ties with India to "a new economic and strategic level" by shaping "practical initiatives" and by going "far beyond" the sensitive issue of Canberra's uranium export norms. Praising India's "strong record on non-proliferation," he appeared apologetic when he said, on the eve of Mr. Mukherjee's visit to Canberra in June, that the Kevin Rudd government's policy "is long standing and well known". The important point, he emphasized was that "Australia's relationship with India goes far beyond this single issue." He spoke of Australia's proposal of forming "a new Asia-Pacific Community" for "greater strategic stability in our rapidly-developing part of the world," which he said he proposed to discuss with Mr. Mukherjee. He desired New Delhi to become a member of the existing Asia-Pacific Economic Cooperation (APEC) forum when its "membership moratorium ends in 2010." Hailing India as a "positive force in Asia's future," Mr. Smith said Canberra "strongly believes" that New Delhi "should have a permanent seat on a reformed United Nations Security Council".

124. The visit of Mr. Mukherjee to Canberra was the occasion to hold the Second Foreign Ministers' Framework Dialogue. The Australian Foreign Minister made a return visit to India in September and reassured New Delhi of its support for membership of the UN Security Council. Despite its strong commitment to non-proliferation and reluctance to supply uranium, Australia was supportive of waiver for India when it came up for discussion at Vienna at the NSG meeting in September.

125. Indo-Australian trade which has been growing at 30 per cent a year currently was around more than ten billion US dollars. Australia is India's 10th largest trading partner while India is Australia's 9th largest partner. The Joint Statement issued at the end of Mr. Smith's visit spoke of "increasing

dynamism of the economic partnership, and noted in particular the growing diversification of trade and investment linkages." India and Australia are working towards a free trade agreement, which would determine the future growth of bilateral economic relations between the two countries.

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France

126. France and India have traditionally enjoyed closer relations between them. The binding force that holds the two countries together is democracy, which bestows on them common values of freedom, human rights, secularism, and rule of law, tolerance and belief in multilateralism in the international political and financial architecture as the means to tackle global challenges effectively. These human values are at the core of their enhanced cooperation and strategic partnership.

127. Two summit level visits in one year marked the warmth of relations between India and France. The French President came in January and Prime Minister Dr. Manmohan Singh visited Paris in September. President Sarkozy was the Guest of Honour at the Republic Day celebrations in New Delhi. The two countries have strategic partnership and have made substantial progress in expanding and deepening cooperation in diverse areas including political, defence, trade, economic, science and technology, culture and education. Bilateral trade has more than doubled in the last three years. It currently stands at US \$ 6.23 billion. France is the eighth largest investor in India with total investment commitments of US \$ 1.76 billion during the period 1991 to 2007. Major sectors for French investment and technology transfer have been fuels, chemicals, cement, gypsum products, glass, food-processing industries, electric equipment, industrial machinery and the transportation industry. Particular areas in science and technology which both countries are working on, include water technology - that includes ground water research - pharmacology, nanotechnology, neurosciences and so on. Cooperation in medical research is also an important aspect of the bilateral relationship. This is taking place through collaborated arrangements of ICMR in India and INSERM, which is the French medical research body.

128. In the political arena France has been one of the strongest supporters of India. It supports forcefully India's membership of the UN Security Council. It put all its weight behind the proposal to grant India a waiver for nuclear trade at the NSG meeting in Vienna in September. It wants G-8 to be expanded to include India. France in recognition of India's need for clean

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sources of energy and promotion of stable sustainable development was the first country after the NSG waiver to offer its cooperation in the development of nuclear energy in India and sign the bilateral agreement for civil nuclear energy cooperation, which will form the basis of wide-ranging bilateral collaboration in energy and research. Both have strong partnership in defence cooperation by increasing the range, level and frequency of their military joint-operations and cooperation.

129. Convinced that strong economic ties can be further built in a spirit of social and environmental responsibility, India and France have been eager to maintain the fast rising trend of their trade and the smart pace of their business to business relations. They are now working towards achieving an ambitious target of reaching 12 billion euro bilateral trade by 2012 and significantly stepping up investments.

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United Kingdom

130. At the start of the year 2008, British Prime Minister Gordon Brown came to New Delhi for the Fourth India-UK Summit. The first Summit between the two countries was held in September 2004 with the visit to London of Prime Minister Dr. Manmohan Singh. It was then decided to launch a Comprehensive Strategic Partnership between them. This has since developed in a multifaceted and substantive Comprehensive Strategic Partnership built on trade and investment, education, science and technology, and so on. Now it is aimed at further expansion of economic linkages, R&D collaboration, cooperation in higher education and academic exchanges, as well as cooperation in counter-terrorism.

131. Besides the frequent high-level interactions, there are several bilateral dialogue mechanisms which are in place including the Joint Economic and Trade Committee for trade and investment and the Science and Innovation Council for S&T cooperation. In terms of trade, the UK is India's fourth largest global trading partner and accounts for 3.56 per cent of Indian trade, second largest in the EU. The annual two-way figure of trade stands at Euro 8.5 billion. UK continues to be the largest cumulative investor in India with a figure of 3.4 billion pound sterling; and the third largest investor post-1991 with 3.6 billion US dollars. India has emerged as the second largest investor in the UK in terms of number of projects. Over a billion pounds have been invested in the UK and 50 Indian companies are actively trading on the

London Stock Exchange. In the field of higher education there is the UK-India Education and Research Initiative launched in April 2006.

132. At the 2008-Summit the two countries once again reiterated their commitment to the Strategic Partnership built between them based on their shared conviction in the values of democracy, fundamental freedoms, pluralism, rule of law, respect for human rights and multilateralism in the international political and financial architecture as the means to tackle global challenges effectively. Recognizing that nuclear energy is a safe, sustainable and non-polluting source of energy, which could make a significant contribution to meeting the global challenge of achieving energy security, sustainable development and economic growth, United Kingdom was a strong supporter of India-US civil nuclear co-operation initiative and supported New Delhi all the way to obtain the waiver from the NSG. London also agreed to work expeditiously towards a bilateral agreement for bilateral cooperation in this sector, in line with the strong commitment to non-proliferation. On the question of control of emissions, the United Kingdom agrees with New Delhi on the adaptation strategies in a manner that supports further economic and social development in particular of developing countries on the basis of per capita emission rates, as an important and equitable principle.

133. Great Britain agrees with India that terrorism is a global threat requiring a global response, needing joint international efforts in countering it, since terrorism could not be justified under any circumstances. It was in keeping with this recognition of its wide ranging ramification that when Mumbai was hit by terrorist in November, the British Prime Minister rushed to New Delhi to convey his sympathies. He described the Mumbai attacks as "horrific" and "a human tragedy on a terrible scale." He wanted the world community to ensure that there were "no safe havens for terrorists" and "no safe place for those who finance terrorist activities." He had no doubt about the origin of the attacks and said "We also know that the group responsible is LeT and they [Pakistan] have a great deal to answer for." He suggested that the world community must focus on choking the funding of non-state actors who have resorted to repeated acts of violence on unarmed civilians. The world must also "continue to expose the perverse and unacceptable messages that are sent out by extreme terrorist groups who are perversionists and misuse religion," he added.

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134. The British Prime Minister, more than underlined his own concerns and that of New Delhi in delivering a blunt message in Islamabad the next day (December 15). He asked Pakistan to clean out terrorists operating from its territory in order to make the world a more secure and safer place. "The time has come for action, not words," Mr. Brown said at a joint press conference with Pakistan President Asif Ali Zardari. Zardari squirmed when he asserted that a majority of terror plots investigated by the British intelligence had a Pakistani link. I have told President Zardari that three-quarters of the most serious terror plots investigated by British authorities have links to Al-Qaeda in Pakistan" said Mr. Brown.

135. Unfortunately, British Foreign Secretary David Miliband when in New Delhi in January 2009 muddled the waters of Indo-British understanding. He tried to link Pakistani terrorism with Kashmir. His utterances were negation of the so far articulated British views on terrorism, held not only by the present Prime Minister but also by the previous Prime Minister Tony Blair. One would like Miliband to read the India - British Joint Statement issued, on January 6, 2002, soon after the terrorist attack on the Indian Parliament in December 2001, which described terrorism as "an attack on the human rights and civil liberties of the citizens of the world", and condemned "all acts of terrorism whatever the motivation". Tony Blair gave went to his outrage unequivocally and most emphatically when he agreeing with New Delhi, said "We condemn all those who support terrorism, those that finance, train or provide support to terrorists share their guilt".

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United States

136. The high point of the India - US relations was the signing of the Civil Nuclear Energy Cooperation Agreement. Once New Delhi was ready to sign the agreement, after receiving parliamentary support, through the Motion of Confidence in the Government from its Parliament but not before there was realignment of domestic political forces, Bush Administration put its weight behind the deal all along, at the IAEA, NSG, and the Congress. The Agreement was finally signed on October 10 in Washington by External Affairs Minister Pranab Mukherjee and US Secretary of State Condoleezza Rice.

137. External Affairs Minister described the Indo - American relationship as "based on the bedrock of long-term commitments and a shared vision." Mr. Mukherjee spelled it out rather graphically to the Carnegie Foundation on March 24. He said: "Emblematic of this new relationship was the

willingness of both countries to shed the baggage of the last 30 years to launch a new era of cooperation in civil nuclear power to address India's burgeoning energy requirements." It is a matter of satisfaction that the civil nuclear energy initiative has reached its logical conclusion. Now, he said "we intend to press ahead on all these and other initiatives." Speaking of the economic linkages in the relationship, the External Affairs Minister said: "Economic cooperation looks particularly promising. Whether it is meeting the need for better infrastructure or addressing energy deficiency, improving telecommunications, or modernizing the manufacturing sector, the opportunities for US business and industry in India are huge. India has become the fastest growing export destination for US products, having registered a growth rate of 75% last year. The US is one of the largest foreign direct investors in India, while US-bound investment from India has grown dramatically in recent years, particularly in 2007. India's transparent economic policies, regulatory framework and judicial system are a source of reassurance to our foreign partners. I am confident that this economic synergy between India and United States is bound to continue in the coming years and decades." On the eve of his departure for New York in September, the Prime Minister speaking profusely of the new relationship said: "In recent years our relations have expanded significantly in areas of interest to us such as education, trade, business, technology, energy and agriculture. The engagement between the two countries has strengthened and we are pursuing the multi-faceted cooperation to our mutual benefit."

138. The US President, George W. Bush, in his meeting with the Prime Minister on September 26 acknowledging the new relationship said, "You and I have worked hard to change the relationship between our countries. India is a great country with an incredibly bright future, and it's in the U.S. interest to have a good, strong strategic relationship with India. And we've worked hard to achieve that."

139. Both India and the United States have been cooperating in the fight against terrorism, by recognizing it as a menace against humanity. The Joint Working Group on Counter Terrorism meets periodically to consider ways and means to tackle this horrendous crime against civil society. India for some years has been the victim of cross-border terrorism and the United States has lately recognized the role of Pakistani elements, even if they were non-state actors in promoting terror groups. That these groups used the Pakistani soil for training and mounting attacks on neighbouring countries no one had any doubts. Pakistan, as a responsible State of comity of nations,

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could hardly wash its hands of its responsibility for sheltering these groups. During the recent attack on the Indian Embassy in Kabul in July and again the terrorist attack on Mumbai in November, the United States joined New Delhi to put pressure on Islamabad to act against elements responsible for the heinous attacks. The US intelligence agencies did not hesitate to confront Pakistan with the evidence collected by them of the involvement of Pakistani elements for which Washington, like New Delhi, held it responsible. The United States publicly reminded Pakistan of its responsibility to act against them and cooperate with India in investigating these atrocious crimes.

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Central and South America

140. The Latin American Region comprising a large number of countries accounts for a combined GDP of US\$ 3.44 trillion and a trade turnover of US\$ 1.65 trillion and a population of 562 million people. It also includes five of the world's most bio-diverse countries - Brazil, Colombia, Ecuador, Mexico, and Peru - as well as the single most biologically diverse area in the world - the eastern slope of the Andes. The countries of the region are almost at the same stage of economic development as India, they offer the unique opportunity for south-south cooperation. Despite the distance and problems of connectivity, India, in recent years, has endeavoured to develop close relations with this region. The region has a very substantive presence of the Indian diaspora. Indian cultural centers have been set up in Georgetown, Paramaribo and Port-au-Spain. Some distinguished persons of Indian origin from these countries have been given Pravasi Bharatiya Awards and other recognition.

141. The President's visit to Brazil, Mexico and Chile during 2008 was the high mark of India's relations with the countries of this region. Of the three countries Brazil is India's biggest trade partner and there is a strategic partnership between the two. The two countries together interact on other fora as well-- IBSA (India-Brazil-South Africa forum) and BRIC, enlarged from trilateral cooperation forum among Russia, India and China to include Brazil. Brazil and Mexico along with India are among the Outreach countries that are associated with the G-8.

142. In June 2007 Brazilian President had visited India and was the Chief Guest at India's Republic Day celebrations. New Delhi had the pleasure of hosting him again in October 2008 for the IBSA Summit. Prime Minister Manmohan Singh paid a bilateral visit to Brazil in September, 2006, besides

visiting Cuba for the NAM Summit. External Affairs Minister Mukherjee visited Brazil in February. Apart from discussing various matters of common interest to the two countries, he signed three MoUs on Infrastructure, Combating Hunger & Poverty Alleviation and Cooperation in Sports & Youth Affairs which in coming years impart added momentum to the multifaceted bilateral engagement of India and Brazil.

143. Mexico, the second largest country in Latin America, is also the largest trading country. Mexican President Calderon had paid a State Visit to India in September 2007. The visit provided an opportunity to sign the India-Mexico Extradition Treaty besides an Agreement on Mutual Legal Assistance in Criminal Matters.

144. Chile-India trade relations predate our independence. Today Chile is one of the most open and liberal economies in the region. Relations with Chile have developed particularly well since the milestone Indian visit of the Chilean President Ricardo Lagos in January, 2005. Both the countries have a preferential trade arrangement which has helped to strengthen economic cooperation between them.

145. India's bilateral trade with the region in April 2007- March 2008 period was to the tune of US\$ 11.63 billion [imports- 6.5 billion and exports- US\$ 5.13 billion]. With Brazil alone the trade last year was \$ 3.2 billion, with Mexico it was about \$ 2 billion and with Chile about \$ 2.4 billion. With Brazil there is a trade target of \$ 10 billion by 2010 and with Mexico \$ 5 billion by the same date. As far as Chile is concerned, there are a large number of Indian companies working there. Some of them are -- Essar Steel, Bajaj Auto, UP Hotels, Jindal Steel, SEWA, NIIT, etc. In Brazil also there is a very good spread of the IT companies.

146. Indian companies, excluding those owned by Non-Resident or Overseas Indians, have either already invested or committed to invest US \$ 9.73 billion in LAC countries. Given the economic strengths of these countries, there are excellent opportunities for enhancing this relationship. The process has already begun. Indian Business Conclaves are being held in Latin America by apex Indian chambers of commerce and industry. Trade missions are also being organized and increased participation in trade events is being encouraged. Government of India's FOCUS -- LAC programme, which commenced in 1998, has been extended. Trade and investment missions from these countries are also being organized. The trade agreements signed with the MERCOSUR group of countries and individually will promote such initiatives. Bilateral Investment Promotion

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and Protection Agreements and Avoidance of Double Taxation Agreements have been signed with some countries and are being processed with others.

147. Apart from Chile, there is a long list of Indian companies having their presence in other Latin American countries. These include TCS, The Cellofarm, Zidus Cadilla, Glenmarc, Torrent, BEML, Mahindras, IRCON, Vijay Pharmaceuticals, Vijay Electricals, Pidilite, Bajaj Hindustan, Rajshri, Renuka Sugars, Raj Industries. Videocon, Ranbaxy, Claris Life Sciences, Dr. Reddy's, NIIT, Sasken Communications, Infosys, Aditya Birla Group, Reliance. These industries have generated a lot of employment opportunities in Latin American countries.

148. The fundamental changes that have taken place in the pattern of governance in Latin American countries too contributed to the closer relationship between India and the countries of the region. On June 20th the External Affairs Minister Pranab Mukherjee while addressing the Consultative Committee of Parliament attached to the Ministry of External Affairs recounted the many commonalities that bind India to the region. These, he said are "the multiculturalism, multilingualism, and multi-ethnicity, as well as common objectives of achieving inclusive growth through democratic systems".

149. These complementarities have provided strength to Indian initiatives in fields as diverse as agriculture, S&T, hydrocarbons, mining, defence, space, ICT and infrastructure. Cooperation with these countries is being pursued through bilateral agreements and MoUs and through interaction between experts from both sides. With air and maritime connectivity improving gradually, linkages between centres of excellence and academic institutions will also strengthen thus leading to a varied and multi-sectoral dialogue between the citizens of both sides.

150. In June, New Delhi hosted the meeting of the Foreign Ministers of the Central American Association for Integration (SICA), which gave an opportunity for extensive discussions with them. The galaxy of VIPs on the list were the Foreign Minister of Costa Rica; the First Vice-Prime Minister and Foreign Minister of Panama; the Foreign Minister of Guatemala; the Foreign Minister of Nicaragua; Vice-Foreign Ministers of El Salvador, Honduras, and Dominican Republic; as well as a representative of the SICA Secretariat. External Affairs Minister Mr. Mukherjee had met the Foreign Ministers of SICA in New York in October 2007, when the idea of the New Delhi meeting was decided.

151. The meeting discussed several proposals made by External Affairs Minister. India has already set up IT training centers in five SICA countries, namely, Panama, Guatemala, Nicaragua, El Salvador, and Honduras. Now there is a proposal to set up IT centers in Belize, Costa Rica and the Dominican Republic. In addition India had already offered lines of credit to the tune of 80 million dollars to all the SICA members with 10 million dollars for each country. Some of the countries have submitted concrete proposals. At this meeting Mr. Mukherjee requested the others to also send in their requirements and projects for infrastructure investment and capacity building. Investments in SICA countries from India in the automotive sector; pharmaceuticals, textiles and IT were discussed. Mr. Mukherjee held out the possibility of raising the number of scholarships for SICA countries from 68 to 100. He also offered to share expertise in agriculture, pharmaceuticals, small and medium industries, tourism, renewable energy, etc. The Exim Bank has agreed to extend a line of credit of 10 million dollars separately. Trade stands at 537 million dollars and it was felt that both sides should strive to double this figure in the coming three years. In addition, in their interventions, the SICA Foreign Ministers particularly focused on some areas of interest in which they wanted India to share expertise, particularly food security, and said that India's success in agriculture, etc., needed to be shared to build up food security in their countries. It was, therefore, decided to set up a Joint Technical Group with sufficient technical experts available to discuss this and other aspects of cooperation. They also signed agreements on diplomatic and official visas and Foreign Office Consultations. In discussing issues of international interest, there was a lot of commonality of views on UN Security Council reforms, Climate Change, Terrorism, Energy Security, Agriculture, Doha Round, nonproliferation, and nuclear disarmament. El Salvador, Guatemala and Honduras - have already committed their support to India's candidature for permanent seat on an expanded UN Security Council. With these initiatives, it is expected that India's ties with the countries of Latin America will gather momentum and grow from strength to strength.

152. The Minister of State in the Ministry of External Affairs Anand Sharma has visited these countries regularly. During 2008 he visited Venezuela, Guyana, and Suriname. With Venezuela India signed an important agreement for development and production of oil as a joint venture partner. The ONGC, Videsh (OVL) has chipped in with an investment of US \$ 356 million in the Venezuelan company Petroleos De Venezuele S.A to develop the San Cristobal Field in Junin, in the Orinoco Region of Venezuela to claim 40 percent of the production,

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from its present level of 20, 0000 barrels to 40, 000 barrels per day. India and Venezuela also signed an MOU in April to develop oil and gas exploration and production projects in that country. The Ecuadorian foreign Minister visited New Delhi in December 2008.

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Multilateral Cooperation

153. Occupation with bilateral diplomacy and domestic politics did not in any way diminish New Delhi's enthusiasm for regional and multilateral institutions. Prime Minister found time to travel to various destinations to fulfill his commitments to them. He traveled to Hokkaido (Japan) to participate in the G-8 Outreach Summit in July, to Colombo for the SAARC Summit in August, to Marseilles for the India - EU annual Summit in September, to New York for the UN General Assembly Session also in September, and to Beijing for the ASEM Summit in October. In between he chaired the BIMSTEC Summit in September and the IBSA Summit in October both at home. External Affairs Minister visited Yekaterinburg (Russia) for the Trilateral -- Russia-India- China Ministerial meeting in May and Tehran for the NAM Ministerial Council and the NAM Committee on Palestine meetings in July. In September he attended the Ministerial Meeting of the IBSA Dialogue Forum in New York. He chaired the BIMSTEC Foreign Ministers' meeting in New Delhi in August. He was represented by the Finance Minister for the Commonwealth Foreign Ministers meeting at New York in September. The Minister of State, Anand Sharma attended the Foreign Ministers' meeting of the East Asia Summit in Singapore in July, the CICA Ministerial meeting in August at Almaty and the 32nd Annual meeting of Ministers of Foreign Affairs of the G-77 in New York in September. The Commerce Minister attended the ASEAN Economic Minister's Consultations in Singapore in August. The Minister for Petroleum and Natural Gas Murli Deora attended the Shanghai Cooperation Organization Summit meeting as Observer for India in August at Dushanbe. Finance Minister attended the Madrid meeting of the SAARC Finance Ministers in May.

154. Towards the end of the year, the world was faced with a severe financial crisis, said to be the worst since the Great Depression of the thirties of the last century. US President George W. Bush took the initiative to invite the Heads of State/Government of the leading economies of the world for a conference in Washington in November to consider the way out of the financial impasse. The Prime Minister Dr. Manmohan Singh, responding to

President Bush's invitation attended the conference. In his speech at the meeting, Dr. Singh regretted that though the emerging economies "were not the cause of this crisis, they are amongst the worst affected victims." Pointing out its impact on India, he said "After growing at close to 9% for four years, our growth rate is expected to slow down to between 7 to 7.5% in the current financial year". He expressed his anguish that "slow down of growth in developing countries will push millions of people back into poverty, with adverse effects on nutrition, health, and education level." These he said, were not "transient impacts, but will impact a full generation." Describing the summit as timely, since the problem needed a global response, he said "the international community needs to consider special initiatives to counter the shrinkages of capital flows to developing countries". He suggested as a source of quick disbursing liquidity the establishment of short term swap arrangements, to reduce the burden on IMF, and add to confidence. He advocated new financial instruments for infrastructure financing, and provision of liquidity support to banking institutions. He, particularly underlined the need for "specific steps to support developing countries in this period of exceptional difficulty" and said their willingness to do so "will be a test of our collective leadership".

155. The G-20 summit adopted a Declaration which called for immediate, short term and long term "strong and significant actions ...to stimulate our economies, provide liquidity, strengthen the capital and financial institutions, protect savings and deposits, address regulatory deficiencies, unfreeze credit markets...." and hoped that "international financial institutions (IFIs) can provide critical support for the global economy."

156. Earlier at the ASEM Summit the Prime Minister called for needs to "analyse objectively how and why these failures (which caused global crisis) have occurred with such ferocity". On another occasion, he warned that "our preoccupation with the global financial crisis should not detract from pursuing the goal of fulfillment of Millennium Development Goals".

157. External Affairs Minister Mr. Mukherjee on November 8 speaking in Kolkata about the BIMSTEC admired how the Bay of Bengal initiative had evolved to bring in its fold more than 20 percent of the world population and provided a unique link between South and Southeast Asia. The Prime Minister called the BIMSTEC as the "bridge between South Asia and Southeast Asia" bound together by nature and geography." He, however cautioned about the "dangers posed by the sea" since much of the region is bound by the waters. Describing Asia as "the engine of the world economy", the Prime

Minister called BIMSTEC "an important part of the wider Asian Community", to the ideals and objectives of which "India is firmly committed".

158. The India-EU Marseilles Summit gave an opportunity for discussion on regional, global issues and bilateral relations. Among the global issues, the dominant concern was the recent meltdown in the global economy -- issues like food security and climate change etc. At the summit it was decided (i) to extend strategic partnership to new areas, (ii) to a joint work-programme on energy, clean development and climate change, (iii) to a horizontal civil aviation agreement and (iv) to launch a European Business and technology Centre in India, which shall support business-to-business and research cooperation between the EU and India.

159. Annual G-8 grouping of developed countries has recognized the importance of new emerging economies and the need for their cooperation to tackle the global economic issues. This recognition has found expression in the annual invitation extended to the new emerging economies, Brazil, China, India, Mexico and South Africa. The consultations that take place between them on this occasion provide an important input in the decisions of the G-8. This institutionalized arrangement provides an additional opportunity to the Five to consult among themselves and issue their own independent declarations and find independent solutions to their own problems besides taking a coordinated position in discussions with the G-8. At the Hokkaido Conference in July The Five particularly underlined this fact and in their declaration said: "Our increasing interdependence demands an integrated and concerted response to these global challenges. We must ensure development and prosperity on a sustainable path, both within and across nations. That is the historical challenge of our generation. To achieve this fundamental goal, we must act in a coordinated manner to ensure equitable growth with care for the environment, taking appropriate account of cross-border interactions in fulfillment of our shared responsibility." To that extent they made it known that they were not supplicant at the G-8 interaction. They were "ready to consolidate bilateral relations, improve our cooperation level, and mechanisms and continue the dialogue and collaboration with the G-8 and the international community at large" only on the basis of "principles of equality, mutual respect and cooperation for the common good". If these conditionalities were met, they declared they would continue to contribute to multilaterally promote "action-oriented global partnership for equitable and sustainable development, including by making positive contributions in such critical areas as global governance, financial stability, and climate change as well as food and energy security".

160. The 15th SAARC Summit in August was a landmark development. As the Prime Minister said in his message it moved 'from a phase of declaration to a phase of implementation and action.' As part of this approach he recounted several initiatives that were taken, "notably the establishment of the SAARC Development Fund, the SAARC Food Bank, the proposal to establish a South Asian University, SAFTA and greater people-to-people contacts." New Delhi drew satisfaction from the fact that most of these initiatives were Indian. There are no two opinions now that SAARC has emerged as a successful instrument of regional development. It is now being taken note of. Afghanistan joined it as full member last year bringing its strength to eight.

Though SAARC has been in existence for more than two decades, it is only now that major countries have started taking note of it. While China, Iran, Japan, Korean Republic, Mauritius, the United States and the European Union have already obtained Observer status, Australia and Myanmar got it now, at 2008 Summit.

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Climate Change

161. For the past few years, environmental pollution and climate change have become a matter of major concern to governments round the world and hence a subject of international discourse at any international gathering or even in bilateral relations. India is as concerned about it as any other country and has made it a matter of national commitment. In 2006 India adopted the National Environment Policy synergizing environmental and economic policies and appropriate institutional mechanisms to support the integration of three pillars of sustainable development, economic development and environmental protection. India has recognized that the environmental management cannot be treated separately from other developmental concerns. It has brought about a new model of partnership between the government and the civil society.

162. On June 30, Prime Minister Dr. Manmohan Singh formally launching the National Action Plan on Climate Change, held it out as reflecting the importance India attached to mobilizing the nation's energies in meeting the challenge of climate change. He said "Without a careful long-term strategy, climate change may undermine our development efforts, with adverse consequences, across the board, on our people's livelihood, the environment in which they live and work and their personal health and welfare. It is also a challenge which

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encompasses the interests of both present and future generations." Therefore he said "We have the moral responsibility to bequeath to our children a world which is safe, clean and productive, a world which should continue to inspire the human imagination with the immensity of the blue ocean, the loftiness of snow-covered mountains, the green expanse of extensive forests and the silver streams of ancient rivers."

163. On April 21, looking the subject of environment in civilizational context, Prime Minister's Special Envoy on Climate Change Syam Saran described it "a powerful asset". Speaking of India's "civilizational legacy" which places high value on the preservation of the environment and the maintenance of ecological balance, he said "We look upon Nature, instinctively, as a source of nurture, not as a force to be subdued." Quoting Mahatma Gandhi dictum: 'The earth has enough to meet our needs, but will never have enough to satisfy our greed', Mr. Saran said making excessive demands on earth's resources could be injurious to the larger interests of preserving the environment for the good of humanity.

164. Speaking to Asia Society on September 30 on Climate Change and Energy Security, External Affairs Minister Pranab Mukherjee reminded the world of India's commitment to environment by recalling that Mrs. Indira Gandhi was the only head of Government apart from the host state, who attended the first international conference on environment protection held in Sweden in 1972. India was among the first few countries in the world to set up a separate Ministry of Environment. As early as 1987 the late Prime Minister Rajiv Gandhi spoke of the need to balance development and conservation in his address to the United Nations, Mr. Mukherjee reminded the conference. He said "these leaders were not only pioneers in the global environment movement, but projected India's age-old conviction and commitment to environment protection. "Their beliefs were deeply rooted in our civilizational legacy, which emphasized the need for harmony between Man and Nature, rather than Man triumphing over Nature. Indeed, from ancient times, Nature has been deeply revered as a source of Man's sustenance. The concept of sacred groves, sacred trees and sacred animals created a spiritual framework of conservation, which is still observed in many parts of our country," said the Minister. Mr. Mukherjee reminded the audience that "despite this excellent track record of responsibility, India has taken major steps to further enhance the sustainability of its growth. This is not because we are under pressure to reduce our emissions, but because we genuinely believe that it is in India's best interests to pursue environmentally sustainable growth."

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165. It was a fast paced scenario that the Ministry of External Affairs encountered during the year. The Indian missions abroad play a very significant role in helping the Ministry to meet the challenges it faces and achieve the objectives it sets for itself. What are the objectives of Indian foreign policy, when defined by its history, geography and international environment? Simply put, they are to secure peace for development and seek security to preserve and secure those gains. To that end it is not only necessary to secure friendlier relations with the countries around and in its extended neighbourhood, but also beyond, whose interests co-join with its own interests.

166. The diplomatic outposts around the world are not only the eyes and ears of the Ministry but the two together constitute an integral whole. The conclave of the heads of mission around the world organized by the Ministry of External Affairs towards the close of the year 2008 was not only timely but in fact long overdue. In normal course each mission looks at the international scenario from the prism of its limited vision. The conclave was intended to give them a first hand feel of the international situation as seen from the broader perspective of New Delhi and emerging challenges posed by a new globalized world. The External Affairs Minister Mr. Pranab Mukherjee observed in his opening remarks to the conference that since the structure of international system was "changing at a rapid pace", the challenges too were evolving rapidly and they have to be prepared to face them in their daily functioning. This had become particularly necessary now since time and space have been cut short by the emergence of electronic media. Instant communications give little time to ponder over issues for too long and consult with the headquarters. Hence the Minister's emphasis on the need for a change of traditional approach to problems and adopting "more forward looking approaches of cooperative solutions".

167. The External Affairs Minister, speaking earlier to the National Defence College on November 3 had posed a pertinent question on our traditional diplomacy; and asked whether it had met our needs and requirements in a globalised world adequately. Mr. Mukherjee spoke of the increasingly demanding role that India was being called upon to play globally. He said that the country's ability to respond to these challenges would "shape and influence the future direction of our country. The past can act as a guide; but it is the decisions we take in the present which shape our future." It was in this context that the Minister while speaking to the Indian diplomats spoke of the evolving geo-political and economic re-alignment that was taking place

around India, and our interest necessarily and increasingly intersecting globally. His thesis that there was a shift in the center of gravity of the world economy and politics towards Asia and the Indian Ocean has come to have greater economic and strategic importance than ever before. It was valid and relevant. Existing and emerging threats in the form of piracy, drug trafficking, proliferation of weapons of mass destruction, pollution, accidents, closure of choke points, regional conflicts and other disputes have all become of vital concern internationally, observed Mr. Mukherjee. These are the new challenges for which Indian diplomacy and Indian diplomats have to prepare themselves.



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INDIA'S FOREIGN RELATIONS - 2008

SECTION - I

GENERAL

001. Speech by the External Affairs Minister Pranab Mukherjee at the Inauguration of the Exhibition and Seminar on "Cities, Roads and Caravan Sarais: An Emblem of Linkages Through the Ages" at the Indira Gandhi Centre for Arts.

New Delhi, January 8, 2008.

Shri Chinmaya Gharekhan,

Excellencies,

Distinguished Scholars,

Ladies & Gentlemen,

It is my privilege to inaugurate the Exhibition and Seminar on "Cities, Roads and Caravan Sarais: An Emblem of Linkages through the Ages" at this premier institution. It is also a pleasure to be in the company of so many scholars and experts from the Central and West Asian regions and beyond.

The Indira Gandhi National Centre for the Arts has chosen a very interesting subject focusing on regions that form part of India's extended neighbourhood and figure prominently in India's foreign policy priorities. For several millennia, India has been at the crossroads of an intense engagement between these regions, yielding a significant exchange of knowledge, ideas and culture. In the present times, these regions remain absorbing for us, not only in terms of people-to-people contacts, but also in the significant economic and commercial opportunities that exist for all sides. A seminar on linkages between these regions is therefore extremely timely.

One of the most abiding motifs that comes to mind when discussing India, Central Asia and West Asia is the Silk Road. As those present in this distinguished audience will know, the Silk Road was more than just a road and about more than just silk. Trade may have been the main imperative for this network of roads, which was supplemented by the sea routes from the Malabar Coast and western Indian cities to the Persian Gulf and the Arabian Peninsula. But a more significant and lasting imprint was left by the ideas emanating from the different regions and the influences resulting from exchanges among traders and travellers moving across cities, roads and caravan sarais. Their contacts with ordinary people, in particular, enriched these exchanges and led in no small way to the composite culture that we in India are immensely proud of.

Historians and archaeologists have traced links between India and the countries of the Central and West Asian regions in considerable detail. Many learned works have been written on the architectural similarities that the regions abound in, the shared traditions and history that can be found everywhere, and the linguistic and cultural parallels that even casual modern-day travellers encounter throughout the region. The diffusion of Buddhist traditions from India to Central Asia left its footprints in monasteries and monuments along the Silk Road. Sufism permeated the region and its impact in society and life can be felt even today. In the other direction, West Asia was the fountainhead of Judaism, Christianity and Islam, all of which made a deep impact and found a lasting home in India. We see the resulting connectivity and overlap in various ways, be it through the testimony of art and architecture, painting, calligraphy, music, literature, poetry, etc., or in the shared recollections of the era of empires. At a popular level, it is not a coincidence that people all over the region relish dishes such as pulao and kababs and naan, with undisguised delight. By the way, apart from the intellectual fare on offer, I do hope that these dishes also feature on the menu on the sidelines of this Seminar.

The historical contact and cultural linkages I refer to form the basis of the close affinity that has always existed between India and the various countries of these regions. It helps that many of our societies are pluralistic and marked by rich and colourful diversity, as well as an ethos of tolerance and respect. Our governments are engaged in realizing the objectives of socio-economic development for our peoples. Our shared ethos and culture thus make for an ideal platform on which to develop ties that are suited to meeting modern day challenges of securing development and combating extremism and terrorism.

India has been working together with the countries of the Central and West Asian regions to share experiences and cooperate in diverse fields. We have institutionalized mechanisms for pursuing cooperation, such as Foreign Office Consultations, Inter-Governmental Commissions and expert-level dialogues on specific subjects. Economic cooperation forms an important component of our exchanges. There are enormous complementarities for us to work together in the areas of trade, investment and economic development. India also has significant technical manpower which could contribute to the realization of the economic potential in these countries. For example, we have programmes for capacity building in nearly all the countries.

There are also natural convergences between India and these countries in terms of worldview and approach to issues in multilateral forums. These need to be strengthened in order to bring us even closer on contemporary issues of global importance. For example, the Central Asian countries supported India as an Observer state in the Shanghai Cooperation Organization. We are keen to contribute actively in economic development programmes, counter-terrorism and anti-narcotics trafficking efforts under the SCO. We are confident that given our historic experience in the flow and exchange of ideas, India's experience will be found useful.

Ladies and Gentlemen, I am confident that your exchanges over the coming days will be mutually beneficial, and I hope you will look at ways to further develop and consolidate the ties between our respective countries. I convey my best wishes for your deliberations at the Seminar and for the exhibition.

Thank You.



002. Speech by President Smt. Pratibha Devisingh Patil at the valedictory session and conferment of the Pravasi Bharatiya Saman Awards at the 6th Pravasi Bharatiya Diwas.

New Delhi, January 9, 2008.

I am delighted to be here in this gathering of over 1,500 Overseas Indians from across the world. The Pravasi Bharatiya Divas signifies the homecoming of the Pravasi. So let me say to all of you - welcome home and also I wish you a Happy New Year.

Nearly a century ago, on this day in 1915, the first great Pravasi, Mahatma Gandhi, returned home after his successful struggle against apartheid in South Africa. He energised a people to resist colonial rule and lead a uniquely successful non-violent struggle for the freedom of India. In the 21st century we are living in a world that is witnessing violence and acts of terror. These are times when the world must be inspired, once again, by the principles of Truth and Non-violence for which Mahatma Gandhi - the great apostle of peace - lived and died.

Globalisation is increasing prosperity across the world but at the same time

widening the wealth and income gaps between the rich and the poor. The world and indeed India must make efforts to reduce these gaps by adopting an approach of 'inclusive development' - which requires us to urgently address the task of the greater good of the greatest numbers. I am glad that the Conference this year focused on social development challenges that we face in India.

Over the last two days you would have deliberated on how you can contribute to the social development of India. Several ideas, I am sure, have emerged for building partnerships in health, education, rural development, empowerment of women and gender equality. These ideas must be transformed into individual initiative and community action. It will be "action on ground" that will contribute to improving the lives of the people who need help.

The overseas Indian community is impressive in terms of its size, spread and its growing influence. Estimated at about 25 million in 130 countries, the Indian Diaspora is a significant economic, social and cultural force in the world today. This vast and diverse overseas Indian community grew out of a variety of causes - mercantilism colonialism, and globalisation - and migration took place in different waves over several hundreds of years. The divergent patterns of settlement, the varying degrees of integration with their new homelands and the emergence of new identities and ethos make the Indian Diaspora unique. It is difficult to speak of one great 'Indian Diaspora'. There are communities within communities whose bond with India and the manner and extent of engagement is marked by its own experiences as well as by time and distance. However, what binds you all with India - is your origins, roots and links with India.

Overseas Indians are representatives of India and its people, regions, religions, languages, values, culture and history. The general reputation of Indians living abroad is that they are hardworking, as also loyal and committed to the country in which they live and work. This should be kept up. At the same time, overseas Indians should also look at ways in which they can be partners in the growth of India.

India is emerging on the global stage. India is today the fastest growing free market democracy. With a growth rate of 9 percent per annum over the last three years, the economy has demonstrated the capacity for sustained growth. With foreign exchange reserves in excess of US \$250 billion and Foreign Direct Investment of nearly US \$ 30 billion last year, we are confident

that we will attain a growth rate of 10 percent. This growth has helped us lift millions of people out of poverty. We have been able to expand access to education, healthcare and economic opportunities to a vast majority of our population.

Yet this is but work in progress and much remains to be done. The slow growth in agriculture is a cause for concern. With more than half the population directly dependent on this sector, low agricultural growth has implications for 'inclusiveness' of growth. We have embarked on a national action plan to significantly raise the level of investment, technology and innovation in Agriculture. We have also sought to address the mammoth task of health and education for all on a mission mode. Social Development is important for our stable growth. Investing in India's human capital to bring every citizen into the fold of economic development in a sustainable and quick manner is a mammoth task. The Indians living abroad can contribute to schemes and projects in the fields of education, health and rural development as also invest in infrastructure projects and enterprises whether they be small, medium or large sized industries.

There have been some recent initiatives, including partnerships involving overseas institutions and the Indian Diaspora, helping India to further its development goals and invest in its human capital. More such partnerships should be established. Linkages between institutions of advanced learning would also be useful. Overseas Indians could be catalysts and promoters of such linkages given that they represent a reservoir of knowledge, skills, resources and enterprise.

Overseas Indians, as doctors, engineers, scientists, lawyers, entrepreneurs, academics and statesmen have excelled in their spheres of activity. Some of you have been honoured today with the prestigious Pravasi Bharatiya Samman Awards. I must specially congratulate Dr. Navinchandra Ramgoolam, the Prime Minister of Mauritius. You are a special friend of India. You have led your country with distinction and statesmanship. Let me also congratulate all the other awardees on achieving this distinction. You have with excellence in your fields enhanced the image of India.

I call on the Overseas Indian community to engage proactively in contributing to the growth of India. I will leave all you with some ideas for raising the level of engagement. Ideas that can help build a critical mass for development. First, Overseas Indians must make use of the Overseas Citizenship of India scheme. It gives you a lifetime free visa to India and also allows you to live and work in India whenever you choose. Second, the newly established

Overseas Indian Facilitation Centre, can be the Diaspora's window to invest in and benefit from India. It will serve as your 'one stop shop'. Government has begun work on establishing a 'Diaspora Knowledge Network' - an electronic platform to enable the Indian Diaspora to transform ideas into individual initiatives and community action in India. I would urge you to participate actively in this project. The soon to be established 'India Development Foundation', will provide the Overseas Indian Community a credible window to contribute to social development causes such as empowerment of women and rural development in India.

I conclude by emphasizing that there is an important role that each one of you can play in India's journey to becoming a strong, just and equitable society. The time has come for a strong and sustained partnership between India and its Diaspora.

I have no doubt that together; we will keep our 'tryst with destiny'.

I wish you success in your endeavours.

Thank You.



003. Speech of Prime Minister Dr. Manmohan Singh at the Pravasi Bharatiya Diwas.

New Delhi, January 8, 2008.

Ladies and Gentlemen,

Let me begin by wishing all of you a very happy new year. Even though Delhi is cold right now, I assure our Pravasi Bharatiyas that a warm welcome awaits you in this land of our ancestors.

The Pravasi Bharatiya Diwas is a special day for all of us. Each of you represents the idea of India in different parts of the world. Like I had said last year, we are one family and the whole world is our home. The invisible thread that binds us together and bonds us with Mother India is 'Indian-ness'.

Each year we have the honour and privilege of having an eminent Pravasi as our Chief Guest. This year we have the distinguished Dr. Navin

Ramagoolam, the Honourable Prime Minister of Mauritius as the Chief Guest. The people of India and Mauritius have deep emotional links. Mauritius is a special friend of India and Dr. Ramagoolam a personal friend. It is indeed my pleasure to extend a very warm welcome to him.

As we begin the year 2008, we look back at the year gone by with some satisfaction. It has been a good year for the Indian economy, for our working people and our entrepreneurs. The conditions are today favourable to achieve and sustain nine to ten percent growth rates - which is our objective over the 11th Plan period. The growth process now underway will transform our economy to emerge as a major powerhouse of the globalised world.

At the heart of the development effort is the imperative to transform the quality of life of all our people and give them access to health, education and economic opportunity. This is the essence of the thinking that defines the 11th Five Year Plan. I have dubbed it India's "Education Plan".

In focusing on education, as an instrument of empowerment, we are inspired by the example of the Indian diaspora. After all, what other capital did most of your forefathers have when they left the shores of India? It is by investing in your capabilities that you have empowered yourselves. This is how I wish to see India empower itself.

We in India take pride in the achievements of the people of Indian origin in diverse fields of human endeavour in different parts of the world. I am particularly happy at the strides made by our women. Indra Nooyi, Sunita Williams, Kalpana Chawla and Jhumpa Lahiri are role models for our society seeking to give women a rightful place.

The ambitious growth rate that we seek to achieve will require determined efforts to raise our savings and investment rates. The bulk of resources for India's development must come from home. However, it is our sincere desire to create a framework which will provide profitable opportunities for overseas Indians to invest in India's development. It is also our sincere desire to benefit from the vast reservoir of technological, managerial and entrepreneurial skills represented by overseas Indian communities. We seek to encourage in every possible way our links and relations with overseas communities of Indian origin.

It is therefore appropriate that the theme of this year's Pravasi Bharatiya Divas is 'Engaging the Diaspora: The way forward'. I welcome all of you to be active partners in this exciting journey of India's progress and prosperity.

Ladies and Gentlemen,

India is a knowledge based economy and is fast emerging as an education hub. A key initiative on education that I had announced last year was a proposal to establish a PIO University in India for the benefit of children of overseas Indians from across the world.

I am happy to inform you that the government has approved the policy framework for this university. This university will be established in a public-private partnership with active participation of credible overseas Indian Trusts or Societies. The University will have the autonomy and flexibility in the disciplines that it offers and in its academic governance. The Ministry of Overseas Indian Affairs has through a due diligence process short listed a few of the proposals and a final decision is expected to be taken soon. I am confident the work on the university will commence this year.

An important constituent of the overseas Indian community is the Overseas Indian Worker. Estimated at about five million they are mostly located in the Gulf and South East Asia. They play an important role in India's economy. All of you know that India is the largest recipient of remittances from its overseas community - estimated at about US \$ 26 billion in 2006. What is less known is the fact that close to fifty percent of this comes from the Indian workers in the Gulf.

The Ministry of Overseas Indian Affairs has started a nation-wide skill up-gradation training programme for potential migrant workers. The scheme targets training of nearly two lakh emigrant workers over the 11th plan period. This will help create a strong cadre of highly skilled workers who will then be best placed to fill the large labour supply gaps emerging in the western world.

I am happy to announce today the launch of an 'Overseas Workers Resource Center' (OWRC) which will provide relevant information and assistance to potential migrant workers, and also operate a multi-lingual help line for grievance redressal and interventions for overseas workers in distress. This is a pioneering effort and I hope this center will in the long run expand the scope of services to promote legal migration.

You will be happy to know that the government has approved the setting up of the 'Council for the Promotion of Overseas Employment' to serve as a strategic 'Think -Tank'.

Last year I had spoken of the need for a single window facilitation for

overseas Indians to provide a host of advisory services. You will be happy to know that the Ministry of Overseas Indian Affairs has established the 'Overseas Indian Facilitation Center' (OIFC), which is a not for profit trust in partnership with the Confederation of Indian Industry.

Ladies and Gentlemen,

Diaspora philanthropy is not a new phenomenon. Apart from making contributions at times of national calamity, like earthquakes and the tsunami, many of you are already engaged in various development initiatives. Philanthropy is an ideal area where a number of new partnerships can be built, existing ones strengthened and the range and reach scaled up.

To give impetus to these partnerships, a proposal to promote an 'India Development Foundation', as an autonomous not-for-profit Trust, is being examined by the Ministry of Overseas Indian Affairs. The foundation will serve as a credible institutional mechanism to direct overseas Indian philanthropic propensities into human development efforts in India.

The Foundation will assist overseas Indians to contribute to the cause of education, health and rural development in their home village, district or state. It will also partner with credible NGO's and philanthropic organisations actively engaged in social development, thus providing a strong public-private partnership bridge between overseas Indians and their target beneficiaries.

Ladies and Gentlemen,

In this increasingly inter-dependent and inter-connected world, overseas Indians are becoming 'Global Citizens'. The overarching idea of a shared culture and shared values bonds us together. The Indian Diaspora is a pluralistic community just as India is. It holds within its fold people of different languages, faiths and regions. I call this multi-cultural identity, Indian-ness. The idea of India transcends the narrow barriers of religion, language, caste or class, both within and outside the Indian nation.

What then do our common cultural values stand for? Throughout history Indian culture has been a living example of pluralism, assimilation, tolerance, inclusiveness and the eternal values of truth and non-violence. It is these values of Indian-ness that unite us both in ideology and practice. That is what makes us globally Indian. It is these values that we must uphold to the world in all that we do.

This gathering of the Pravasi Bharatiya has, therefore, a global relevance. We can show our troubled, divided, embattled world a new pathway to living together inspired by our modern idea of "Unity in Diversity".

This message is especially relevant today as we see growing violence in many parts of the world where our communities are settled.

The security and welfare of Indian residents living abroad is a top priority of our diplomatic missions. I urge community leaders to develop better liaison and coordination with our missions to better serve our non-resident communities. It is through such engagement that the embassies will become more responsive to the needs of overseas Indians.

There is a clear recognition in India of the growing clout and influence of Indian communities in their adopted homes. The Public Diplomacy Division of the Ministry of External Affairs has initiated a programme of Indian origin Parliamentarians, whom I had the privilege to meet some months back. I had a lively discussion with them on their hopes and aspirations for their constituencies and I was struck by their enthusiasm for promoting links with India through innovative local efforts.

I wish to record our special gratitude to the Indian community in the USA for the efforts made by them in mobilising support of the political leadership in that country for Indo-US cooperation in civilian nuclear energy.

Ladies and Gentlemen,

I have decided to establish a Prime Minister's Global Advisory Council of People of Indian Origin. The Council would comprise of people of Indian origin from a variety of disciplines who are recognized as leaders in their respective fields, not only in their country of residence but globally as well. The Council would serve as a high level platform for the Prime Minister to draw upon the experience and knowledge of the best Indian minds wherever they may be based.

I would like this gathering to inspire our people, inspire people of Indian origin, inspire our region and our neighbours, inspire the world to learn to live together in peace and harmony despite our many diversities. I wish you well in all your noble endeavours.

Jai Hind.



004. Address of External Affairs Minister Pranab Mukherjee as Chief Guest at the Plenary Session on "Developmental Challenges of the States: Partnership Opportunities" (Plenary IV of Pravasi Bharatiya Divas 2008).

New Delhi, January 9, 2008.

**My colleague Minister of Overseas Indian Affairs, Shri Vayalar Raviji,
Chief Ministers and Ministers of various States represented on the dais,**

President CII Shri Sunil Bharti Mittal,

My brothers and sisters from the diaspora,

Distinguished guests,

Ladies and Gentlemen,

It is my privilege to be here this morning at this important plenary session on "Development Challenges facing the states". This debate could not have come at a better time. The public discourse on the development challenges that India faces must engage the attention of all us, whether in government or outside it. It should also engage the attention of civil society and the overseas Indian community.

The overseas Indian community has over the years in various parts of the world gained positions of prominence in the field of politics, academics, economics, science and technology, trade and business and have scripted many a success story of their individual and community successes. Simultaneously, there is, if I may say so, a silent revolution taking place in India with our country enjoying a significant growth trajectory of over 8% in the last 5 years and with current projection, will be soon touching a near double digit rate of growth.

Ladies and Gentlemen,

India's development process in the past few years has captured global imagination. The focus of the Eleventh Plan is on inclusive growth, poverty alleviation and good governance. How to balance growth with development is the biggest challenge for a rapidly growing and industrializing continental size country like ours with an enormous bouquet of diversities.

Today, I see many Chief Ministers and representatives of States present at this Session. You will be hearing from them the various strategies adopted at the state level for sustaining and promoting development. I deem this as one of the most important Sessions not only for informing and making aware the progress in their respective States for an overseas Indian gathering but also finding ways and means of bringing the resources, talents, expertise and experience of this widely diverse audience to bear on their development. This Session has two sub-texts, developmental challenges and partnership opportunities. Allow me to dilate on both.

The States of India in a federal polity like ours constitute the theatre of India's development efforts. States are both the harbingers as well as recipients of growth. However, there are vast divergences and, if I may say so, imbalances in the rates of growth achieved by different States. While some States offer attractive investment climates, others are lagging behind in infrastructure and social services. Progressive States have grown at a much faster rate than States who are below a certain threshold of development. To promote inclusive growth, it is critically important that all parts of the country share equally in the fruits of higher growth.

States in our federal system enjoy vast powers relating to matters that have a crucial bearing on growth, incomes and therefore shaping the lives of our people. It is understandable that our States should orient their policies for development according to their own particular needs and local conditions. However, at some level and particularly from a national perspective, there has to be a degree of homogeneity and a balanced view of certain primary conditions of every State which should put development and growth on a fast track. Certain areas which are crucial for national development, such as education, healthcare, infrastructure, agriculture, irrigation, etc. are those which fall well within the jurisdiction of the States. Unfortunately, these are the very same areas in which India on the whole has been making slow progress as compared to other areas that are in the domain of the Centre.

State level reforms therefore assume urgency. This has been emphasized time and again and in the recent meeting of the National Development Council was once again brought to the fore. It needs no reiteration that if India has to grow at the pace which it has already assumed and sustain that growth, it needs to develop at a balanced pace throughout the country in order to ensure equity and balanced regional growth. It is therefore essential that the States of India invigorate their efforts to invite investments and engagement of all concerned agencies, more particularly the overseas

Indian community who have proved their worth and their interest in bringing to their motherland not only economic investment but also their talents and skills, resources and ideas and above all, their emotional bonding.

Ladies and Gentlemen,

I recall at last year's Pravasi Bharatiya Divas, the Prime Minister had urged our overseas brothers and sisters to not only nurture their roots but also extend their branches, to invest in India not just financially but socially, culturally and above all emotionally. I am heartened to note that the overriding theme of this year's conference is to engage the diaspora in India's social development. This is indeed timely, particularly given the emphasis of our Government on "Aam Aadmi", the common man, and the number of ground-breaking measures which our Government has taken so as to benefit the lot of poor and the under-privileged. Just to name a few, the National Rural Employment Guarantee Scheme, National Rural Health Mission and above all the 'Bharat Nirman' programme which aims to make substantial investments in rural infrastructure to unlock the growth potential of rural India with provision of electricity, safe drinking water, telephone connectivity, rural road network, housing, additional irrigation capacity and the like. These measures will chart the course to significantly bridge the so-called rural-urban divide while empowering the masses and making them visible and integral entities in a vibrant democratic set up such as ours.

In my last year's address, I had highlighted six areas which I felt were extremely important where partnerships between the States and the diaspora could be meaningfully forged. At the cost of sounding repetitive, let me once again mention the very six areas. Foremost is the social sector, comprising social services such as, health, drinking water and sanitation to all villages. The others are infrastructure, agriculture, education, energy security and the basic research & development activities. These are the very sectors that will in substantial measure make or mar our future development. These are also the sectors that will need enormous and accelerated public investments in the ensuing years and a radical overhaul of the governance institutions in the states to enhance the efficiency and effectiveness of the public delivery system.

I had also stressed on the area of energy security. Today, more than ever before, the need for generating energy security for a rapidly growing economy like ours is acute. Today, a barrel of oil has touched 100 dollars and this has sent shock waves across the world. For India, it means

additional resource allocation of millions of dollars in our national plan. We are therefore making all possible efforts to build our energy stocks, explore alternative avenues of energy, research and produce renewable sources of energy and leverage multilateral and bilateral frameworks to secure energy supplies over the long term. The India-US civil nuclear energy cooperation is precisely intended to address our concerns on energy security.

The challenge for today's India is to balance the rights and needs of the populace with the growing demands of industrialization. Sustainable economic growth is more than a buzzword. It is the reality on which our society has to be built. Our Government is cautious in formulating a balanced policy in so far as SEZs are concerned, so that while we build up on our industrial and manufacturing strengths, we do not neglect the legitimate rights and demands of the people. This has, no doubt, become a sensitive area, but I am sure States are working out their own policies towards relief and rehabilitation and offering suitable compensation packages to the people impacted.

In my view, the fundamental challenge is to migrate from a vicious cycle of persistently high revenue deficits feeding into higher fiscal deficits and public debt, thereby constraining development of social and physical infrastructure with serious consequences on economic growth, employment and poverty reduction, to one that is virtuous, giving impetus to growth, employment and human development. Because they are enjoined with the responsibility of most elements of social and economic development, this transformation also becomes a fiscal responsibility imperative for the states. Many of you may know that the States incur almost 55 percent of total government expenditure in the country and raise over 37 percent of total revenues.

At the heart of fiscal responsibility is the objective of providing a better quality of life to the people - universal access to education, health and economic opportunity. The arithmetic of balancing the budget is not an end in itself. In the ultimate analysis, we must demonstrate that fiscal reform is essentially pro-people, pro-poor and pro-development.

Distinguished Guests,

India has been engaging in bilateral and regional trade agreements not only to boost its trade but also to give shape to its strategic partnerships with nations and groupings. Trade agreements are one aspect of India's growing external orientation. Strategic partnerships go beyond trade to include cooperation in investments, human resources, science and

technology, defense and security, and cultural exchanges. India seeks to involve itself inextricably with the world, and of course the diaspora, on all these aspects in order to enhance the competitiveness of its economy and open more avenues to globalization. Our States are uniquely placed to harvest the benefits arising of our external engagements. India's 'Look East Policy' and regional associations such as SAARC and ASEAN are poised for harnessing unprecedented economic dividends.

I am indeed happy to note that a unique feature of this year's Pravasi Bharatiya Divas has been the organizing of a "market place" by the newly set-up Overseas Indian Facilitation Centre, which intends to focus on one-to-one meetings between overseas Indians and the energy partners of OIFC, in areas as diverse as real estate, taxation, FDI, education, healthcare, rural development, women empowerment, small and medium enterprises, tourism and philanthropy in a buyer-seller format. I commend the Ministry of Overseas Indian Affairs for such an innovative idea and I wish that such ideas bear fruit in so far as actively energizing the overseas Indian community for India's socio-economic development is concerned.

Here I must commend those States who organize meets with their respective diasporas, which in turn garner significant engagement in the States' development. It is critical for the diaspora to engage with States as State Governments directly interact with the people and influence policies at the grassroots.

Ladies and gentlemen, I am sure the views expressed during this Session and in subsequent sessions at this Pravasi Bharatiya Divas will stimulate the minds of our overseas Indian brothers and sisters to come forward and take their resources and energies to whichever pocket of India they belong to, to work towards the composite development of this country. Let this be yet another success story, on a national scale, an abiding partnership between India and its diaspora.

Thanking you.



005. Remarks of Prime Minister Dr. Manmohan Singh while releasing the Journal: "India and Global Affairs".

New Delhi, January 11, 2008.

I compliment Abhijit Pawar and Dileep Padgaonkar for taking this important initiative to launch a new journal on "India and Global Affairs". I do hope this journal becomes an important and informed window to the outside world for thinking citizens of our country. I also hope it will help students and scholars in international affairs, diplomats and policymakers to get a better appreciation of the world around us.

We live in interesting times, indeed in challenging times, in this fast-changing world. There are great opportunities awaiting us but also profound challenges facing us. As India re-engages the world, as a more self-confident nation, we must be better informed about the world to be able to deal with it. Understanding the processes of change is the first step in trying to change these processes.

An honest, factually informed and analytically rigorous discussion is, therefore, necessary for us to be able to deal with reality, as it exists, and shape it in a manner that serves our national interest and global peace and stability.

I therefore hope that this journal will contribute to a better informed discourse on global change and the tasks before us as a nation. How will they impact on our country? How can we influence them so that we can ensure a neighbourhood of peace, prosperity and stability?

I find that the first issue of this journal is devoted to a discussion of political and social developments in Pakistan. It seems events have already overtaken the contents of the journal. The questions raised on the cover of this issue have acquired even greater importance. We must look for informed and convincing answers.

I have referred to some of these issues on more than one occasion in the past three years, including in the essay that has been published in this inaugural volume. I do feel that policy making at home is often more reactive than pro-active. Governments are driven by the force of events. One does not always have the luxury of time to plan. But, it is important and necessary to try to do so. Creating a body of informed opinion is part of that process of preparing oneself and our country to deal with unexpected events.

Proactive planning is the goal of strategic thinkers worldwide. This is where scholars and analysts must step in and identify problems, highlight trends, develop scenarios, and suggest policy options, before events and crises overtake us. I have often felt that there is a dearth of long term planning on strategic policy issues in our country. Of course, there is the problem that purely academic work can appear impractical to policy makers and, on the other hand, the policy options Governments deal with are sometimes bereft of long term vision.

There is a certain "chicken-and-egg" sort of problem with the relationship between the academia and government in these matters. Some in government feel purely academic analysis is ivory tower stuff and bereft of practical relevance. Some in academia feel governments are insular and knowledge-proof! A healthy interaction is useful for both. There is, therefore, a need to foster mutual interaction and respect between the world of policy making and the world of analysis.

The cost of investing in long-term policy making - in terms of time, money and energy - is quantifiable and immediate. Unfortunately, the benefits are reaped, if at all, in some distant future, and all too frequently, by successor governments. These benefits are also hard to quantify, since a crisis averted does not register on the popular consciousness.

The incentive for in-depth analysis and long-term policy planning may be weak, despite the obviously disastrous consequences of ignoring such efforts. I do feel, however, that it is incumbent upon us in Government to help foster creative thinking outside government on matters of national interest. This will allow the nation to consider alternative approaches to the resolution of a problems that we face as a nation.

At the same time, I also believe that it is incumbent upon analysts and opinion makers outside government to have a better appreciation of the changing reality and not adopt either rose-tinted or jaundiced perspectives on on-going trends, events and policy options.

I have often said that our national security must be based on three pillars. First, a strong economic, technological and social base; second, adequate defence capability; and, finally, mutually beneficial partnerships, in the strategic, economic and technological spheres, aimed at enlarging our policy choices and developmental options. Our engagements with major powers, and indeed with the world at large, must be set in this wider perspective.

I believe we must balance the pursuit of national interest with a clear appreciation of what other nations perceive as their core interests. To advance our own security interests, we must engage in cooperative, constructive and mutually beneficial relations with all major powers of the world. Most of all, we must engage in proactively strengthening multilateral mechanisms for financial, economic and political security. We have as a nation, a great stake in a rule based international system that is just, equitable and effective.

I believe that our great strength as a plural and liberal democracy is that public policy is shaped by a broad consensus, based on a rich and healthy tradition of open debate and public discussion. This has lent a measure of predictability and resilience to our policies, both domestic and external. Journals like the present one play an important role in shaping that public discourse and in evolving an informed consensus.

As Tennyson said once, knowledge comes, but wisdom lingers. True confidence comes from wisdom, while ignorance and limited knowledge make us tentative or foolhardy. There is today a surfeit of information, but all too often a paucity of knowledge and more so of wisdom. In this era of information explosion and knowledge revolution we must never lose sight of the need to pause, to analyse, to reflect and to ponder.

As a means of generating and spreading wisdom, based on accurate information and informed analysis this journal can play an important role. I compliment Dileep Padgaonkar on the initiative that he has taken. I hope it will promote a responsible, informed and intelligent debate on the issues confronting our nation and our world today. I also hope it will instill a sense of confidence in our people and our political and intellectual leadership. This is the need of the hour. I wish you well in your endeavour to this end.



006. Valedictory Address by External Affairs Minister Pranab Mukherjee at the Global Summit of Management Accountants.

New Delhi, January 12, 2008.

Dear Shri Wadhwa, President ICWAI

Mr. Cabraal, Governor, Central Bank of Sri Lanka

Mr. A.N. Raman, Chairman Global Summit

Distinguished Guests,

Ladies & gentlemen,

I am indeed privileged to be here amongst the professionals who have assembled from various parts of the globe and more so as many of them are from SAARC countries. I appreciate the efforts made by the organizers of this Global Summit to come up with an idea for Repositioning the Management Accountant. I hope the participants have acquired vast treasure of knowledge over a period of three days by listening to great speakers like Dr. Robert Kaplan, Mr. Gary Cokins, Prof. Okano Hiroshi, Prof. V.G. Narayanan, Mr. R.S. Sharma, Prof. M.B. Athreya, Mr. D. Sundaram, Mr. V. Srinivas and other eminent speakers from India and abroad.

I am also delighted to present the SAFA (South Asian Federation of Accountants) Best Presented Accounts Award this year. The Award has gained recognition since its institution a decade ago and reflects how the domain of accounting is not just a figure building exercise, but has the potential of grasping the entire ethos of an enterprise. The development of professionalism in cost and accountancy has gained the corporate mind space in recent years. This development requires a partnership of all stakeholders including government, corporates and the practitioners.

I have been informed by the President and organizing members of the summit about the sub-themes of various sessions. I find that the summit has deliberated on the managerial accounting practices, techniques, strategy and management of enterprises.

Distinguished Guests, Ladies & gentlemen,

There is a new dynamism in the stakeholders of the resurgent India. This dynamism entails that the enterprise governance and cost audit has to

move beyond the compliance oriented mechanism. As professionals, all of you are aware that the dynamics of global business calls for rule shaping and strategizing rather than simply ensuring compliance. Innovation is the driving force behind excellence in enterprises. Innovative practices will pave the way for effective and optimum resource utilization to achieve higher levels of output for the enterprise and the economy as a whole. I hope that the cost audit framework in India is being aligned with the enterprise governance concept in the global context.

A decade and a half ago India embarked on economic reforms. In the 11th Five Year Plan which takes off this year, the Government has set a target of 9% growth in GDP. This can only be attained by increasing our competitiveness as a nation. The crucial areas that need to be addressed for this are education, agricultural productivity, infrastructure development and external engagement. These are also the areas critical for ensuring sustained and inclusive growth.

Education and skill development is the key to equitable development. In keeping with this need, the government spending is being given a massive threefold increase in the share of education. The plan outlay on education will go up from 7.68% of the Central gross budgetary support in the 10th Plan to over 19% in the 11th Plan. Given that 52% of India's population is below 25 years of age, our country stands to gain a significant demographic dividend. This has to be harnessed with imparting education at all levels, both vocational as well as non-vocational, as also building of schools so as to generate domestic employment. Institutions such as ICWAI could help to build a vast pool of skilled professionals who can substantially narrow down the gap.

While we can take some satisfaction in gaining industrial productivity as a result of deregulation and liberalization of industrial activity, we have a lot to do on the growth front. Farm employment continues to be the dominant form of occupation and livelihood for the majority of our people, and the resultant pressure on land leads to both, low land and labour productivity. To raise productivity therefore, also implies better utilization of land and more off-farm employment opportunities. Much remains to be done by way of reforms, which have so far bypassed the sector. To reverse the downward trend in agriculture, emphasis has to be placed on using more advanced technologies for value addition and greater market linkages with increased support of corporates.

Distinguished Guests,

There has been a distinct improvement in our speed of decision making in development of infrastructure. This is reflected in rapidly increasing investments being made in this sector. Investment requirements for India over the next decade, as projected by the Planning Commission, will be in the order of nearly US\$ 1.5 trillion. Foreign Direct Investment in infrastructure must grow from the current levels to compliment the huge funds required to sustain growth. The opportunities available for investment are immense, be it roads, ports, airports, highways, telecommunications, and transport corridors.

The other vital area of concern to us that has a direct impact on our fledgling growth is the energy security. Oil is demanding \$100 a barrel. Continuous escalation in oil prices is exerting tremendous pressure on the economy. It is one of the major hurdles we face in achieving high growth rate as it means huge resource allocation in our national plan to build our energy stocks. The rising external security concerns together with the cost of managing the environmental concerns on global warming are making huge impact on the country's energy security. The task of investing in overseas energy assets for the country has, therefore, become an important aspect of our economic policy. Evolving a suitable mechanism and its cost management through "Carbon Credit" accounting system among the member countries are the sunrise areas for the professionals like you.

External engagement of the Indian economy has also made good progress. Our trades in goods and services now forms about 48% of our GDP, with trade of services being particularly encouraging at over \$ 76 billion for 2006-07. This has helped us manage our current account deficit and impart stability to our trade with rest of the world. India is already one of the world's largest exporters of software services, and these are on track to achieve the \$60 billion target in the next two years. You may be aware that the multilateral trading system has been extended to cover trade in services through GATS which provides for legally enforceable rights to trade in services. With the establishment of the new regime in trade and services in WTO, you as professionals, have to meet the challenges and plethora of opportunities to extend your reach beyond Indian shores.

The sustainability of the economic growth will depend upon how good we are at the task of risk management. There are several areas of high threat that need to be adequately managed. These relate to unequal growth opportunities, environmental damage and climate change and energy

security. The surest way to mitigating these risks is to continue to build the climate for rapid economic growth by mainstreaming those who remain socially and economically marginalized. This would call for developing participative models build on public-private partnerships, engage civil society bodies and take basic social services such as health, drinking water and sanitation to all villages. India cannot afford to control carbon emission at the cost of its development. However, we can learn from other countries and introduce technologies that have already been tried and tested in developed countries for energy efficiency, reducing Green House gas emissions and clean industrial development.

Distinguished Guests, Ladies & gentlemen,

The challenge for today's India is to balance the rights and needs of populace with the growing demands of industrialization. There are visible changes in the behaviour among corporate stakeholders as a result of the awareness that sustainable business models have to undertake social responsibilities. The corporate social responsibility has to change from an individualistic mindset to a more holistic and qualitative delivery system. The professionals should find balance in clients' interest and public interest without disregarding one for the other. Essential to this is the belief in transparency and ethical practices in corporate governance. I see a major task cut-out for the management accountants in designing and shaping up the corporate responsibilities in mainstreaming the economically marginalized in keeping with our motto of inclusive growth.

The professional fraternity having played the crucial role in rejuvenating the Indian economy is entrusted with onerous responsibilities. A summit of this order and magnitude to me reassure of the country's march towards global repositioning. I would look upon all of you, as professionals, to ethically drive enterprises in the emerging global context. In our country, the role of government in shaping the future of corporate world is enormous and as professionals, the management accountant should take lead in helping the government in policy making to ensure good governance. The professionals of today have to be self-innovative through effective communication skills, self-regulation, adaptability to new changes and proactive attitude towards various stakeholders. You are the wealth creators of tomorrow.

I understand that the summit has been hosted with the objective to showcase the management accountant as a strategist and performance management specialists. As I see, the theme to reposition the management accountant

is not only from the Indian perspective but also from the global perspective. I hope the consensus arrived at during the summit would be taken forward and all Indians would work in tandem to frame and present the complete blue-print for further growth.

Thank you



**007. Interview of External Affairs Minister Pranab Mukherjee
by Karan Thapar for CNBC/TV18.**

New Delhi, January 13, 2008.

Interviewer (Mr. Karan Thapar): Foreign Minister, let us start with Pakistan. There is a widespread belief that the country faces the gravest threat to its unity in sixty years at a time when worse still the Government in Islamabad has perhaps lost all credibility with the people. How do you view the state of affairs in Pakistan?

External Affairs Minister (Mr. Pranab Mukherjee): There is a problem, no doubt. At the same time I am quite confident of the resilience of the system and the people of Pakistan and I do hope that they will overcome this crisis. After all we shall have to keep in mind that in different phases there have been different types of problems in the history of Pakistan, but somehow or other the people of Pakistan and the system there have managed the situation. Let us hope so because in our own interest we want a stable, peaceful and prosperous Pakistan as it is an important neighbour of ours, and in our neighbourhood we would like to have peace, stability and development.

Interviewer: You are talking about the resilience of Pakistan and the resilience of the Pakistani people. Does that mean that you do not share the fear, many experts have it, that Pakistan could be breaking up?

External Affairs Minister: I am not coming to any such conclusion. Experts have their liberty of passing their judgment and making analysis. That is the privilege of the analysts or the journalists. As a representative of the Government my job is to deal with the representatives of Pakistan.

Interviewer: Let me quote to you what the American scholar Stephen Cohen wrote on December the 27, the day Benazir Bhutto was assassinated. He

wrote, "I fear for Pakistan. Its further decay will affect all its neighbours in unpredictable and unpleasant ways". Do you share that concern?

External Affairs Minister: Of course. The problem is that whenever there is instability in the neighbourhood it has its impact on the other countries here in the neighbourhood. It goes without saying. Interviewer: So, instability in Pakistan will have an impact.

External Affairs Minister: If there be instability in Pakistan, naturally it will have adverse impact on us and on other neighbours of Pakistan. But I am not coming to a definitive conclusion. Let us hope that Pakistan would be able to address the problems in the way they want to address; stability will be brought back; peace, prosperity and development will take place.

Interviewer: Do you have a special Committee or special monitors watching then situation for you carefully at the moment? Have you put in place mechanisms to watch closely what is happening?

External Affairs Minister: There is a mechanism to share information.

Interviewer: To watch Pakistan too?

External Affairs Minister: There is no such group of experts to watch developments in Pakistan but we are watching. We are getting reports from our Mission. We are analyzing the reports coming from different sources and trying to share our perceptions.

Interviewer: Now you say that you are getting regular reports from your Mission in Islamabad. Does your Mission view General Musharraf as part of the problem or does it see General Musharraf as part of the solution?

External Affairs Minister: Firstly, your question is like a leading question of a criminal lawyer. If I say yes there is one set of problems and if I say no, there is another set of problems.

Interviewer: You have to grant it is better than a misleading question.

External Affairs Minister: First of all, we are interested in peace, stability and development of Pakistan. As I mentioned in response to another question, we are to deal with whoever is in office in Pakistan. Therefore, we do not make any value judgment of any individual.

Interviewer: Don't make a value judgment but the people of India look upon you as Foreign Minister for some sense of understanding, for some

sense of guidance on what is happening in Pakistan. In that light let me ask you, do you believe that General Musharraf is stable and the moment or is he in danger of being removed perhaps by the Army, perhaps overtaken by political developments?

External Affairs Minister: Only future events will show what course of action will be taken by the establishment in Pakistan or the people of Pakistan. From the last history we have seen that developments have taken a particular turn at a particular point of time, but it is not always predictable.

Interviewer: So, unpredictability is really the key word for Pakistan at the moment.

External Affairs Minister: I am not saying that unpredictability is there but an element of unpredictability is there. I cannot say that situation will not turn around in a positive manner. I started my observations by saying that I have tremendous faith in the resilience of the Pakistani people to manage their crisis.

Interviewer: It was reported in the Indian papers that the Government wanted to send you as Foreign Minister to attend Benazir Bhutto's funeral but you were advised by the Pakistani Government that it might be better for you not to come. Is that correct?

External Affairs Minister: It is correct. It was not merely in respect of me but was in respect of all other countries. Various countries showed interest but they were advised not to go. That was because firstly it was declared as some sort of a state mourning but it was not a state funeral as such and the arrangements were not made to that extent; and secondly, the law and order situation at the place where burial took place was not conducive to receive the representatives of the foreign governments. In this hour of difficulty, we did not want to embarrass the authorities and we listened to that advice.

Interviewer: As you assess Benazir Bhutto, did you see her as a friend of India?

External Affairs Minister: In fact, when she was in Government earlier she was Prime Minister and I was the Foreign Minister. Not in Pakistan or in India but at the margins of various international events several times I had interaction with her. It appeared to me that she had a sincere desire to improve the relationship between India and Pakistan.

Interviewer: So, her death is in a sense a setback to the improvement of Delhi - Islamabad relations?

External Affairs Minister: If a tall leader dies, naturally always we feel - and particularly in our neighbourhood - sad because he or she might have contributed to the improvement of the relationship between our two countries.

Interviewer: And in Benazir Bhutto's case there was a real prospect for the improvement, you believe.

External Affairs Minister: Her coming back to Pakistan after a long time, the process of democratization, regular elections, kindled hopes for the restoration of normal democratic process in Pakistan to a considerable extent.

Interviewer: The Hindu on the 5th of January reports that as the turmoil in Pakistan gets worse, groups such as the Lashkar have begun to replenish their cadre and rebuild their operational capabilities. Are you worried that you could see a sharp increase in infiltration as well as in Jihadi activity targeted at India?

External Affairs Minister: We shall have to wait till the snow melts and the passes are cleared particularly in Jammu and Kashmir. Infiltration has never stopped completely. Sometimes the number has increased; sometimes the number has decreased. Therefore, our advice to the security forces has always been "Be on alert. Maintain your vigil."

Interviewer: But once again you are keeping yourself alert to the possibility that infiltration and Jihadi activity could build up because of the turmoil in the country.

External Affairs Minister: As I said, let us not link it with the turmoil in the country because terrorist activities from the other side of the border have never completely stopped.

Interviewer: In other words, this is a situation you have to watch. The Prime Minister on Sunday goes to China. It is a visit that is taking place after months of reports in the papers of alleged Chinese incursions across the Line of Actual Control and even into Bhutan. Are these reports of frequent Chinese incursions both in number and in scale and scope accurate?

External Affairs Minister: Sometimes incursions take place and we immediately take it up. There is a regular channel through which we exchange information. There is an institutional mechanism in the border. You know

we signed the Treaty of Peace and Tranquility on the border in 1993 and again in 1996. Thereafter certain mechanisms have` been established through which we address this type of problems.

Interviewer: Absolutely. But has the number and the frequency of incursions increased?

External Affairs Minister: It is normal as usual. It has suddenly not increased.

Interviewer: So, there is nothing worrying about this?

External Affairs Minister: There is nothing to be worried at this point of time; the mechanisms which we have are doing well.

Interviewer: The Hindustan Times claims that the head of the Indo-Tibetan Border Police has said that in the year ending October 2007 there were over a 140 incursions. India Today claims that a few of them in September went as far as five kilometers deep into Indian territory.

External Affairs Minister: Sometimes incursions take place, as I mentioned to you. Every incursion is taken care of. It is being addressed through the established mechanism and the same practice is continuing.

Interviewer: Side by side, The Indian Express has had a report a couple of days ago which says that Chinese infrastructure in terms of road and railway around the border area of Arunachal Pradesh has increased and improved so significantly that now they can move two Divisions, which is 10,000 troops, in just 20-25 days. Apparently, earlier it took anywhere between three and six months. Does that concern you?

External Affairs Minister: As far as the development of infrastructure on the other side of the Indo-China border is concerned, their infrastructure in terms of road, electricity and availability of other facilities is much superior to that of the infrastructural facilities available on our side of the border. It is a known fact. That is why recently we have decided that we should also build up roads and other type of infrastructural facilities.

Interviewer: In the meantime, speaking privately Generals in the Indian Army do not deny that the difference in the infrastructure between the two sides gives the Chinese troops a significant advantage over Indian troops. As someone who was Defence Minister just sixteen months ago, are they right to be concerned?

External Affairs Minister: With the situation which is prevailing right now at the border along the LoC, there is no need of pressing any panic button. Peace and tranquility are being retained there and various confidence-building measures were taken up - for instance, participation of troops on both sides on different occasions including the National Days, holding various festivals, etc.

Interviewer: But the important thing is there is no need to press the panic button.

External Affairs Minister: As I told you, one should remain alert, vigilant, but need not be panicky.

Interviewer: Last week the Sri Lankan Government announced that with effect from the 15th of January they intend to abrogate the ceasefire agreement with the LTTE. In your eyes, is this a mistake or is this - given the spate of LTTE attacks in recent weeks and months - both understandable and perhaps also inevitable?

External Affairs Minister: We shall have to see what impact it has. Of late, the clashes between Sri Lankan forces and LTTE terrorists have increased. As far as terrorism is concerned, I made our position quite clear. India's position in respect of terrorism is 'zero tolerance'. Therefore, any country which takes action against the terrorists is free to do so within its legal system.

Interviewer: But you are not criticizing Sri Lanka for abrogating the accord.

External Affairs Minister: That is because we are not a party to it. Please remember that we were never a party to it. Attempts were made to drag us to be a party to it but we scrupulously avoided it for the obvious reasons as we had to pay a very high price.

Interviewer: I understand. So, you have no comment to make about the abrogation either.

External Affairs Minister: As I have stated, the fight against terrorists is one issue. But as far as finding a solution to the problem of ethnic minorities including the Tamilians so that their legitimate aspirations are fulfilled within the system of Sri Lanka is concerned, that effort should not be lax and the effort should continue to arrive at a solution.

Interviewer: It is well known that the Prime Minister has been invited to visit

Sri Lanka to be the Chief Guest at their 60th anniversary celebrations, which are on the 4th of February. Clearly this is a significant honour for the Indian Prime Minister. The question is, will he accept?

External Affairs Minister: It has not yet been decided.

Interviewer: Is not it getting a bit rude and discourteous to Sri Lanka not to make up your mind one way or the other?

External Affairs Minister: No, because we require time.

Interviewer: But the event is three weeks away.

External Affairs Minister: As and when it will be decided we will let you know. No decision has yet been taken.

Interviewer: Are you hostage to Indian Tamil politics in deciding this issue?

External Affairs Minister: This has nothing to do with it. There are certain things. Sri Lanka is going to host the SAARC Summit this year. Naturally we will be going there if it takes place.

Interviewer: That is a commitment.

External Affairs Minister: Of course, it is a SAARC commitment. If they do not hold the summit, how would I go? If they hold the summit, surely we will be going. But as far as participating in their independence day is concerned, no decision has yet been taken.

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Interviewer: Foreign Minister, there is a widespread perception that after the Congress Party's substantial defeat in Gujarat and Himachal Pradesh and given the unchanging attitude of the Left parties, it is only a matter of time before the Government accepts that they cannot take the nuclear deal to completion. Would you accept that?

External Affairs Minister: You are fully aware of the fact that we are engaged in discussions with the Left parties and the UPA Chairperson appointed a small group to iron out the differences. Several rounds of discussions have taken place. We have not yet been able to completely iron out the differences. Of course, there was agreement to initiate discussions with IAEA for India-specific safeguards arrangement which are currently going on. As per the decision of the last meeting which we

had on 16th of October, we are to show them the agreed text of the India specific safeguards arrangement which our negotiators will enter into with the IAEA authorities. After that, the Left parties and the UPA partners in the UPA-Left Coordination Committee will decide what course of action they will take.

Interviewer: I understand that. The reason I sounded cautious, if not skeptical, is Prakash Karat has gone on record at the end of December to say that the Left parties do not want the Government to complete the agreement. Debabrata Biswas, the General Secretary of the Forward Bloc, in fact had said that the only reason the Left gave you permission to go to the IAEA was so that you could have an honourable exit.

External Affairs Minister: The fact of the matter is that various interpretations are coming and I am not going to comment on that. We are aware of the position stated by various Left parties from time to time. Despite that we are talking with each other. The current discussions in which our negotiators are engaged with them IAEA Technical Team are as per the decision taken in the meeting of the Left- UPA Coordination Committee.

Interviewer: Quite right. Outside that Committee, A.B. Bardhan says that the Parliament majority shown in the last session is against the deal and you are honour-bound to abandon it.

External Affairs Minister: The fact of the matter is various political parties have expressed their views inside Parliament and outside, and it is known. Yes, in speeches the Members had expressed their views but the issue was not framed before the Members. As per the parliamentary practice, there was no scope of ascertaining the opinion of the House on the discussion because the discussion took place under a rule in which this is not required and this is not relevant.

Interviewer: You are saying something very important. You are saying, therefore, that discussion in the House in December does not constitute a sense of the House against the deal.

External Affairs Minister: I am not saying that because we did not seek the sense of the House. When somebody asked if we were not going to take the sense of the House, I told him that as per the commitment of the Prime Minister I will come to the House when the entire process is complete. The process has not yet been completed and the Government did not seek the opinion of the House.

Interviewer: That is your position, not Karat's.

External Affairs Minister: Whoever might have said it, as per the parliamentary practice there is a definitive way to ascertain the view of the Parliament and that was not done in this case deliberately, with the consent of everyone.

Interviewer: Do you think your Left allies will accept that?

External Affairs Minister: What they will accept and what they will not shall have to be discussed by us and we are discussing.

Interviewer: This is the problem. Let me quote what A.B. Bardhan says. He says, "The sense of the House is that the majority of the Members are opposed to the deal". You are disagreeing with that. You have got a problem.

External Affairs Minister: I am not disagreeing that majority of the Members did not speak against the deal. The fact of the matter is that majority of the Members who participated in the discussion expressed their views against Government proceeding further. That point is all right. What I am disputing is your contention that it was the opinion of the Parliament which was sought in that debate. It was a discussion. Normally in parliamentary language in these discussions the issue is not talked out; the House does not express its views.

Interviewer: Okay. You have very clearly put the Government's position. The Left may agree or not, that is their prerogative. Let me put something else to you. Has your ability or your willingness to take the deal to conclusion been affected by defeat in Gujarat and Himachal Pradesh elections? Have you lost the political leeway?

External Affairs Minister: No. When we began the negotiations various political parties expressed their views against this deal. The discussion which we had in the Parliament recently was not the first one. On every major development in this deal we came to Parliament. We suo motu initiated discussions and the Members expressed their views.

Interviewer: But Gujarat and Himachal may have changed the landscape. Do you still have the capacity, you have the leeway?

External Affairs Minister: That is a different thing. I do not have the capacity if the Government becomes a minority Government. I made it quite clear that we would not like to proceed with the deal if the Left parties withdraw support from the Government.

Interviewer: But can a Government damaged by Gujarat pursue it?

External Affairs Minister: Please try to understand this. Defeat or success in an election in a provincial Assembly in a federal structure like ours does not matter in this sense because there was no referendum on this issue in the Gujarat election. Gujarat election was fought completely on different issues.

Interviewer: So you are saying Gujarat is irrelevant.

External Affairs Minister: A success in Gujarat election would not have added to the Government's capacity nor has it reduced the Government's capacity now because not a single Member has been added or deducted from the existing strength of the various political parties in Parliament. It has nothing to do with this deal.

Interviewer: In which case let us then come to the talks you are having with the IAEA. Has the IAEA accepted India's Separation Plan, and in particular have they accepted that India wants the capacity to take corrective measures if there is any disruption in fuel supplies? Have they accepted that?

External Affairs Minister: The talks are still going on. I would not like to comment on what is appearing in the newspaper because I do not have that luxury. I shall have to go through the text word by word as and when it is finalized. When it will be available to us I will share it with the Left parties and the country will come to know it.

Interviewer: Let me, for the audience's sake, flag up two issues that are critical for India and ask you whether you believe progress is being made. The first critical issue is India wants reflected in the safeguards agreement its negotiated position with America that it can have lifetime supplies of fuel. The IAEA it seems is reluctant to do this because they do not want to set a precedent. Have you got over that?

External Affairs Minister: You are placing the cart before the horse, Karan. I am concerned on three matters, not on two.

Interviewer: Which are?

External Affairs Minister: I am concerned about (1) the assured fuel supply; (2) India should have the right to build up strategic reserves in case of unintended disruption in the supply of fuel, and (3) India's strategic programme should be pursued independently and it should not be affected

in any way. I would expect that these concerns get adequately reflected in the India-specific safeguards arrangements. That is why we are talking of India-specific safeguards arrangement, which is different from other safeguards arrangements. Unless I have the text on all issues, I would not like to make any comment in between.

Interviewer: The only problem is that newspapers have revealed that the IAEA may be prepared to reflect your concerns in a preamble or in a separate statement but not in the operative part of the text.

External Affairs Minister: I have neither seen the preamble nor the articles of the agreement. So, it is not possible for me to comment and I would not like to make a comment in between unless I see the text.

Interviewer: Okay. Is satisfactory progress being made or are you facing resistance?

External Affairs Minister: This is a question which is to some extent hypothetical and is some sort of a value judgment. I have no scope of indulging in this type of speculative questions and answers because as Government of the day I shall have to approve it or I shall have to reject it, as the Board will have to approve it or the Board will have to reject it.

Interviewer: Absolutely. Governments of the day always sound optimistic. They send out a message to the people that progress is being made. I have in front of me a Minister who refuses to talk about progress, who refuses to suggest that it is being made even incrementally. Therefore, I have to ask you this. Are you covering up for problems with the IAEA? Are you meeting resistance which is why you cannot be more positive?

External Affairs Minister: There is no question of covering up anything. I am just stating the fact. The fact is that we are having negotiations and I am happy with the way the negotiations are going on. As to whether it will address all our concerns or not, unless I get the agreed text it is not possible for me to make any comment.

Interviewer: But it sounds, from the way you are answering, that there is a possibility it may not address all your concerns. Otherwise, you would not raise that possibility.

External Affairs Minister: No, I am not saying that. This is your own interpretation.

Interviewer: Okay. Assuming you get a satisfactory outcome from the IAEA, are you confident that you can get a clean and unconditional clearance from the NSG?

External Affairs Minister: How can I say that unless it goes to NSG? In NSG there are 45 countries and all these 45 countries have their different views. Therefore, we will try. That is why repeatedly I am saying on the floor of the House and outside that there are three stages. To just say, 'you accept it or you reject it' even before we reach near the goalpost is absolutely irrelevant.

Interviewer: The reason I brought up the NSG is because now it is becoming clear, and I am sure that your officials have told you this, that countries like Austria and Netherlands could possibly insist upon an NSG right of return in the event that India carries out further nuclear tests. That would be a major obstacle. Does it worry you?

External Affairs Minister: In these issues I am not to be guided merely by what information or advice I get from outside. Sometime back Austrian Foreign Minister visited India. I had a discussion with her and she made quite clear their position in respect of nuclear proliferation. They say that they are against any sort of nuclear proliferation. So, naturally these views may get reflected in the meeting of the NSG. But the fact of the matter is, how could I comment on what stand, what individual country will take when the agreed text is not even before the Board?

Interviewer: All right, I understand that. Then let me put it like this. Do you have a date in mind by when you would like the deal to go back to the US Congress so that it gets passed whilst President Bush is still in office?

External Affairs Minister: We will try but it does not depend on me because what is required first of all is that one stage we have passed and that is the 123 agreement. Text has been agreed and initialed. Second is India-specific safeguards arrangement. It will have to be approved by the Board as per the USA's requirement. Then the third stage is NSG agreement. All these three documents will have to be placed on the table of the Congress and they will remain there for 90 days or so after which the US Congress will take it up. Therefore, these procedures have to be followed.

Interviewer: So, you cannot be sure Bush will still be in office.

External Affairs Minister: I do not know. That is why I am saying that it is

difficult for me to point out as to at what point of time it will be approved by the US Congress.

Interviewer: In which case let me put it this way. If operationalisation slips beyond the American elections - which could easily happen - and if the new President is a Democrat - which is perhaps very likely - does it worry you that the new Administration may want to seek changes in the 123 to India's disadvantage?

External Affairs Minister: So many 'ifs' you are talking of.

Interviewer: But very likely 'ifs', not hypothetical.

External Affairs Minister: It is likely and it is equally unlikely. The fact of the matter is, if you look at the pattern of the voting in Congress both in the House of Representatives and the Senate, this particular Bill received overwhelming majority and bipartisan support. Therefore, I am not going to make any comment on whether a Republican President will support it fully or a Democratic President will oppose it. We will have to see as and when things happen. Let us not presume. That is your prerogative. That is not my prerogative.

Interviewer: Let us not presume but it also sounds as if you are saying, 'I am keeping my fingers crossed. I am hoping for the best.'

External Affairs Minister: Thank you.

Interviewer: And that is what you are saying, aren't you? You are keeping your fingers crossed.

External Affairs Minister: I always keep my fingers crossed because unless I achieve every objective, unless I cross every stage, how can I say that it is going to be implemented, it is going to be approved. We do not have that luxury.

Interviewer: Mr. Mukherjee, if India were to put the deal on hold because of domestic political compulsions, what do you believe will be the reaction of the Bush Administration?

External Affairs Minister: We are in discussion with each other. They understand our political difficulties and the ground realities there as we understand the political situation prevailing there.

Interviewer: You are saying they will accept?

External Affairs Minister: Everybody is to await the outcome of these negotiations, and particularly after the IAEA stage we shall have to go to the NSG stage.

Interviewer: And what would be the impact of India pulling out, on our ambition to become a permanent member of the United Nations Security Council and our desire to be recognized as a major international player?

External Affairs Minister: As far as the role of India in the international field is concerned, India is playing an important role in the international arena from the very beginning of its Independence. Therefore, I do not know what you mean by that. If you talk of the permanent membership of the Security Council, there are so many stages which have to be overcome and ...

Interviewer: You are saying this will have no impact on it?

External Affairs Minister: You are talking of just catching a train which is yet to arrive at the platform. As far as the expansion of ...

Interviewer: I am talking of a train waiting at the platform which you miss because you do not have the guts to get on. That is what I am talking about.

External Affairs Minister: No, that is not the point. As far as the Security Council is concerned, the discussion in the open-ended Working Group appointed by the UN General Assembly President is still continuing. There are various formations. Various ideas are there.

Interviewer: But will anyone recognize India as a legitimate member?

External Affairs Minister: The claim for permanent membership of the Security Council is nowhere visible. There is no question of arriving at the platform.

Interviewer: I put it to you that if India backs out of the nuclear deal it will have lost credibility and face internationally, and it will not be considered by people as a legitimate claimant ...

External Affairs Minister: That is your assumption. I do not share your assumption.

Interviewer: A lot of your retired Foreign Secretaries say this.

External Affairs Minister: That has nothing to do with it. The question is

that if you fail to implement or operationalise a major international deal, it has some adverse impact. But it has nothing to do with the permanent membership of the Security Council as there is no guarantee that even if this agreement is fructified we will get our seat as a permanent member in the Security Council.

Interviewer: If you get a satisfactory outcome from the IAEA but the Left do not permit you to go to the next stage, will you defy the Left to secure the deal or will you sacrifice the deal to appease the Left?

External Affairs Minister: This is an absolutely hypothetical question.

Interviewer: Of course, it is. But it happens very quickly.

External Affairs Minister: It is a totally hypothetical question. Before I went to IAEA the position was. "No, you do not proceed further". From that position we have improved somewhat and we have gone to the IAEA.

Interviewer: So, you think you can push the Left incrementally.

External Affairs Minister: It is not a question of pushing in or pushing out. It is a question of accepting the ground reality as and when it unfolds itself. Let us wait, first let us have the agreed text. Let us discuss with the Left leaders in the Committee and wait for the outcome of it.

Interviewer: And let us keep our fingers even more tightly crossed. At that point when you are smiling, pleasure talking to you Minister.

External Affairs Minister: Thank you.



008. Special lecture by External Affairs Minister Pranab Mukherjee on the occasion of Platinum Jubilee Celebrations of Indian Statistical Institute, Kolkata.

Kolkata, January 19, 2008.

Topic: 'Looking towards the East: the pioneering role of Professor P.C. Mahalanobis and the present possibilities'

**Respected Shri Jyoti Basu,
Director ISI, Professor Sankar Pal,
Professor Tarun Kabiraj,
Professor Atis Dasgupta and friends,**

We have inherited a great legacy left behind by Professor Prasanta Chandra Mahalanobis who founded the Indian Statistical Institute in Kolkata on 17th December, 1931. We are trying to fathom the depth of this legacy through various academic programmes that are being organized in the Institute in course of the Platinum Jubilee celebration over the last one year. One aspect of this rich legacy is connected with Professor Mahalanobis's pioneering role in looking towards the East. In this regard, he envisaged a comprehensive discourse which drew its main sustenance from India's innovative experiment in national planning in the context of the emerging role of welfare state in the wake of independence of the country. He sought to situate his path-breaking perception of statistics as a 'key technology' in the midst of the planning process and interlace it with national sample survey which he had initiated in ISI in 1950.

2. These major events, which Professor Mahalanobis could bring into focus with the inspiration and cooperation of Pandit Jawaharlal Nehru, the first Prime Minister of India, attracted the attention of several eminent scientists and front-ranking statesmen from abroad. Chou-en-Lai, Prime Minister of Peoples' Republic of China, and Ho-Chi-Minh, President of Peoples' Republic of Vietnam, were invited by Pandit Jawaharlal Nehru to visit India and come to ISI. I would trace the contribution of Pandit Jawaharlal Nehru and Professor Mahalanobis in introducing the national planning process, then, briefly explain the significant visits of Chou-en-Lai and Ho-Chi-Minh in ISI and, thereafter, relate the new possibilities of looking towards the East in the present situation.

3. The closeness of Professor Mahalanobis with Pandit Jawaharlal Nehru in respect of planning for national development can be traced to 1940, when they had the occasion to begin in-depth discussion. Let me recapitulate from the writings of Professor Mahalanobis as mentioned in 'Talks on Planning': "After the day's work was over, we started talking and after dinner we sat up till after two in the morning". During the Silver Jubilee celebration of the Institute, Pandit Jawaharlal Nehru sent a message to Professor Mahalanobis, which Shri C.D. Deshmukh, the President of the Institute, read out in the meeting held on 17th December, 1956: "The Indian Statistical Institute has gained a reputation for itself not only in India but in every country where statistics is studied. It has grown in recent years and has performed important functions in connection with our planning work. Indeed, it is an essential part now of our planning organization. On the occasion of its Silver Jubilee, I send to all my good wishes". In India, statistics came to centre stage in national life through national sample survey which Professor Mahalanobis and his colleagues initiated in ISI in 1950 for carrying out socio-economic survey of all-India coverage on a continuing basis. This provided the Central Government, for the first time, with a database for various developmental programmes, particularly in respect of the Five-Year Plans of the country. It is well known that in 1954 Prime Minister Jawaharlal Nehru entrusted him and his colleagues in the Institute with the responsibility of preparation of the draft Second Five-Year Plan of the country.
4. Many projects initiated by Professor Mahalanobis at the ISI yielded information of great social relevance that pertained to rural indebtedness, road development, family budgets, traffic flow, etc. At the request of the then Government of Burma, the Institute helped in organising a sample survey of economic conditions in Rangoon in 1948-49.
5. After the historic Bandung Conference, which stood out as a land mark event for enunciation of non-alignment policy for developing countries, Chou-en-Lai, then Prime Minister of China, came to India and visited Indian Statistical Institute on 9th December 1956 to interact with Professor Mahalanobis on the role of ISI in the planning process of India. On this occasion Professor Mahalanobis said in his welcome speech: "Your Excellency, we welcome you on behalf of our workers, members and friends. As time is very short, I shall briefly

mention that this is an Institute which is now working in close co-operation with the Planning Commission in carrying on studies for national development. That, I think, is the principal work being done here. We are also carrying on work in mathematical statistics in its application to various branches of science, agriculture and industry. Two years ago, Prime Minister Nehru inaugurated in this Institute basic studies on planning, and this Institute helped in preparing the Draft Plan-frame which was submitted to the Government last year, and was accepted as the basis of the Second Five-Year Plan. We also have here an International Statistical Education Centre where students come from 14 or 15 Asian countries". He continued: "Our aim is to make this Institute a centre of fruitful work in cooperation with the scientists from other countries to promote national development and human welfare.

We recall the cultural contact between China and India that was established 2,000 years ago and was renewed by the visit of Rabindra Nath Tagore to China in 1924, and has been strengthened by the exchange of visits by the Premier of China and the Prime Minister of India. We now look forward to Chinese scholars and scientists coming to this Institute to work with us in harmony and goodwill. We thank you, Your Excellency, for having planted a young mango tree in our garden. This tree, as it grows from year to year, will be a living symbol of the growing friendship between China and India".

6. Chou-en-Lai, in his reply, said: "We hope that among the 14 or 15 countries who have students here, there would be one more Asian country, China. We are willing to make the study in this Institute as a beginning of our learning from the wisdom of India". As mentioned by Professor Mahalanobis, Chou-en-Lai planted a mango sapling near 'Amrapali' in ISI during his visit. After the formal ceremony, some officials asked the gardener to complete the job in order to save time. But Chou-en-Lai insisted on putting back the earth himself. He remarked: "Let me actually plant it myself, otherwise it will be his work and not mine". Soon after, Chou-en-Lai cordially invited Professor Mahalanobis to visit China. In June 1957, Professor went to China and, as requested by Premier Chou-en-Lai gave his incisive views on how to implement large-scale sample survey for enriching the planning process in China.

7. On 13th February 1958, Professor Mahalanobis received Ho Chi Minh, President of Peoples' Republic of Vietnam, in ISI, when the historic struggle against imperialism of the West was going on in Vietnam. Ho Chi Minh spoke to a large gathering in the Institute: "In India planning work is very large and very high. I see that we have to learn much from you". Ho Chi Minh further said that India and Vietnam were working together for democracy, brotherhood and humanity and that both followed the principles of Lord Buddha.
8. For the country as a whole, the challenges now appear to be more complex, but, at the same time, laden with greater possibilities. Resurgence of the role of welfare state is being presently emphasized in the context of the 11th Five-Year Plan of India with more emphasis on Human Development indicators and the improvement of quality of life of the common people. This is being reflected in expanding the ambit of work of National Sample Survey Organization, where the participation of ISI in strengthening the base of official statistics should be solicited in a more comprehensive manner.
9. The seventies and the eighties saw the emergence and consolidation of engineering and management education in India. It was the obvious culmination of the process of industrialization of India that first demanded technologists and then managers to control and assist the growth of production and innovation. It is particularly in the latter aspect, that is, in management education that we see the vision of Professor Mahalanobis emerge into reality.

Professor Mahalanobis demonstrated that statistics is an essential tool for rational decision making based on fallible information in all activities related to sciences, industry, trade and administration. He called statistics as a "key technology". It is therefore hardly surprising that one of the compulsory subjects of study in any management curriculum is Statistics and Probability. It is the starting point of any form assessment of an existing process or system that is in need of optimization. The application of statistics brings order to any situation: whether it is inventory management or market research or brand recall or process control, a sample survey is the first step. This helps us in estimation and developing a suitable solution. These steps, in appropriate situations, help innovation.
10. To quote the Professor: "Statisticians, in fact, have a four-fold task in national development. Firstly, to conduct properly organised surveys

for the collection, analysis, and interpretation of relevant statistical data. Secondly, on the basis of such information, to help in the choice of an efficient programme of action. Thirdly, when the plan goes into operation, to measure the progress of work and to assess the results achieved. And, finally, on the basis of such assessment, either to report that the work is proceeding as desired or to give the danger signal that the results attained are not proceeding in accordance with the plan or are not commensurate with the effort; in which case the plan itself may have to be modified. In this way the four-step cycle would begin again." This is the core concept in management education. Today when we see enterprises whether in the manufacturing sector or in the services sector, it is a signal tribute to the vision of Professor Mahalanobis who foresaw the immense possibilities in a developing society like ours.

To give an example: In the last few years, India has established Entrepreneurship Development Centres in Laos, Vietnam and Cambodia and is in the process of doing so in Myanmar. To quote yet another example: In the Indian Technical and Economic Cooperation (ITEC) programme being implemented by the Ministry of External Affairs subjects related to office management and entrepreneurship are among the most popular. Trainees come from all round the world and especially from south east Asian countries. These would not have been possible were it not for the vision of Professor Mahalanobis who conceived of India's second five year plan of industrialization and strongly endorsed the use and study of statistics in national development. The former helped us produce entrepreneurs and the latter helped us guide our reform process using techniques of management. In today's age of globalization and decentralization, if Professor Mahalanobis were amidst us he would not have felt out of place at all.

11. I distinctly recollect that, during the inauguration of P.C. Mahalanobis Birth Centenary celebration on 29th June, 1993, the issue of the basic autonomous character of ISI for the furtherance of the scientific activities was brought to a sharp focus by Shri P.N. Haksar, the then Chairman of the ISI Council, in the presence of Shri P.V. Narasimha Rao, the then Prime Minister of India and Shri Jyoti Basu, where I was also present.

Shri Haksar pointed out: "Since you, Hon'ble Prime Minister, have graced this occasion, I shall be failing in my duty if I do not point out that we have to understand that Indian Statistical Institute is not an attached and subordinate office to the Government of India. I might take this occasion to remind ourselves that when piloting Bill for the ISI Act of 1959, Pandit Jawaharlal Nehru, endowed as he was with the unusual sense and sensibility, said in the Parliament that he knew that science and the spirit of enquiry could not flourish in government institutions and that's why he said he had ensured that Indian Statistical Institute should remain autonomous".

12. The process of growth of ISI, across the last 75 years, has been phenomenal due to the relentless contribution of Professor Mahalanobis and his associates. Over the decades, the Institute has expanded significantly by setting up seven scientific divisions at the headquarters in Kolkata, along with two Centres in Delhi and Bangalore, a Branch in Giridih, a network of Statistical Quality Control Units in some provinces of the country, and a station at Takdah in Darjeeling. The Institute has also envisaged to set up a Centre at Chennai and upgrade the Giridih Branch to the level of a Centre.
13. Let me conclude with a passage from Rabindranath Tagore's, brilliant essay 'Crisis in Civilisation', which bears an enduring significance in the context of the overview for looking towards the East: "The wheels of fate will someday compel the English to give up their Indian empire. But what kind of India will they leave behind? What stark misery? ... I had one time believed the springs of civilization would issue out of the heart of Europe. But today, when I am about to quit the world, that faith has gone bankrupt altogetherAs I look around, I see crumbling ruins of a proud civilization strewn like vast heap of futility. I hope that the message of reassurance and liberation will come from the cottages of the East, and I shall not commit the grievous sin of loosing faith in man."



009. Address by External Affairs Minister Pranab Mukherjee at the Defence Services Staff College on "Shaping India's Foreign policy to its Rightful Place in the Comity of Nations".

Wellington, January 22, 2008.

Commandant Lt. Gen B J Gupta,

Members of the faculty and staff,

Student officers,

Ladies and gentlemen,

I am happy to be at this premier institution of training in command and staff responsibilities for members of the armed forces and civil servants. You have a long and glorious history going back to pre-independence India. Since independence, you have carved out a distinct identity for yourself as a tri-service institution. This includes an established international dimension with officers from several countries now regularly participating in the training. I believe that 430 officer students from all three services qualified for the award of a post graduate degree in Defence and Strategic Studies given by Madras University after completion of the last course. This is an impressive number. Your alumni constitute a veritable Who's Who list. I commend you on your achievements and wish you continued success.

The subject that I have been asked to speak on is evocative. It takes us back to our struggle for freedom. The leaders of our National Movement were aware of what had been India's position in the world and the decline that had set in bringing the country under colonial domination. India's struggle for freedom was not only to throw off foreign rule. It saw itself as an active participant in international affairs, making a contribution to freedom everywhere. Here I would like to quote Pt. Jawaharlal Nehru, not as the prime Minister of India, but as one of the outstanding leaders of pre-independent India on one of his European tours, when asked to define his objectives of freedom, replied "when we talk of freedom, I mean freedom from slavery, economic bondage and freedom from cultural stagnation". Decolonization, in fact, was the dominant theme in India's foreign policy in the early years following independence. It is only logical that the comity of nations has always been considered in the Indian tradition as one family - Vasudeva Kutumbakam as our ancient seers put it so eloquently. India,

immediately after independence, snapped off its bilateral ties with South Africa due to the policy of apartheid. In early 1990's when I was the Commerce Minister, I had the privilege to restore these ties.

The objective of our engagement with the world, from the earliest years of our independence, has been to create and maintain an international context that would provide an enabling environment for democratic governance, social and economic development leading to the alleviation of poverty and the fostering of an inclusive society based on equity, justice and prosperity for all our people. Equally our foreign policy has aimed at making a contribution to put in place an equitable, peaceful and stable world order. It would be appropriate to examine if we have succeeded in some measure in achieving our objectives in these areas.

It would be no exaggeration to say that the Indian economy has been completely transformed from what it was in 1947. Building on the base that was created in the first four decades of our independence, the reform agenda pursued since 1991 has made our economy one of the most energetic and amongst the fastest growing in the world. This has now attracted international attention and is being globally acknowledged. From 6% in the 1990s, the GDP growth rate has accelerated to 7% in the seven-year period 2000-01 to 2006-07. While the growth rate in the last four years averaged 8.6 per cent, it has been still higher at 9.0 per cent and 9.4 per cent respectively in the last two years. We expect the current year to end with 9% growth. The economic performance of recent years has been supported significantly by domestic savings and investment and has been accompanied by productivity growth. Further, inflation, a sensitive indicator in a democracy, has remained under control even as growth has accelerated. The value of both exports and imports, in US dollar terms, is three times what it was in 2000-01. Foreign exchange reserves at more than US \$ 275 billion are currently much higher than the external debt. India's growing and broad based entrepreneurial class, with its innovative practices and professionalism, has impressed its global peers and is increasingly attracting partners from across the globe.

In a sense, the Indian economy is rediscovering its global role. Two thousand years ago, when the Roman Empire ruled the west, India and China were the largest economies in the world contributing more than half of the global output. This contribution remained more or less constant till the beginning of the industrial revolution, when relative decline set in. Today, India and China are contributing nearly 40% of the world's incremental output and the

day is not far when they would contribute a similar percentage of the world's total output. The contribution of the Indian economy to the global economy would continue to rise, especially since India can reap a "demographic dividend". As important as the numbers will be the intangible contribution India and Indians make to the global knowledge economy through innovation, ideas and other critical human inputs. In this context, it is notable that 125 of the Fortune 500 companies already have R&D centers in India. This is, in a sense, an expansion of India's traditional soft power, which has been placed on a firm, modern footing through our investments in science and technology, education and governance.

India has conclusively demonstrated that substantive social and economic progress is possible through true democratic governance. In our success, we have proved wrong the sceptics who had argued that democracy could not be sustained in a country of continental size, hosting all the religions of the world, a bewildering array of languages and cultures, as well as vast disparities in social and economic status. Indeed, we have established that in a pluralistic society, democracy is the way to promote socio-economic transformation for the betterment of all sections of the people, especially the under-privileged and the deprived. Our experience also shows that as the world becomes more connected and inter-dependent, the management of global diversity would require the application of democratic principles to global governance as well. India, with its experience of democratic governance, is ready to contribute to this process.

India has demonstrated its ability to contribute to peace and security in the region and beyond. This ability is now backed by significant capabilities developed, maintained and deployed in a responsible manner by India. Our capabilities and new responsibilities have led to a new and intense engagement with the major powers on India's role in international security. Our longstanding commitment to disarmament, non-proliferation and international security has been acknowledged in these dialogues. We reached out swiftly to our neighbours after the Indian Ocean tsunami of 2004, despite having been severely affected ourselves. We remain actively involved in different forums in Asia on disaster relief, maritime security and counter-terrorism. In the United Nations, India has contributed to the Peace-building Fund and is a member of the Organisational Committee of the Peace-building Commission. We are among the top five providers of military personnel and civilian police to UN peacekeeping operations. More than 90,000 Indian troops, military observers and civilian police officers have participated in 43 of the 61 peacekeeping missions launched since the

inception of the UN. Indian troops are currently participating in two complex and challenging missions in Congo and Sudan under Chapter VII mandates. We are ready to assume even more responsibility for international peace and security in a reformed and revitalized UN Security Council.

I will attempt a brief survey of how India's foreign policy is being currently shaped so that it contributes to the well-being of our people and to peace and prosperity in the wider world. To begin with, we are working from a realization that an economy that is growing at 9%, possibly 10%, would require investments, resources, energy and technology at a hitherto unprecedented scale. In all of India's bilateral relationships and in all her multilateral engagement, the focus is on the facilitation of trade and investment flows, the modernization of infrastructure, the assuring of predictable and affordable energy supplies and the widest possible access to technologies. India is strengthening her relationships with all the major powers - US, Russia, EU, China and Japan - as well as with emerging economies in Asia, Latin America and Africa, with an eye on all these critical ingredients of economic success. We are also investing energy in crafting bilateral and multilateral trade arrangements and measures to promote investment and technology flows.

In the crafting of foreign policy, priority and special attention has to be given to a country's neighbourhood. We do not believe in territorial expansion and neither do we believe in exporting ideology. A peaceful and stable neighbourhood is conducive to growth and development. India is no exception. Thus, we are convinced that a stable and peaceful neighbourhood is essential to India's future. We are therefore according the highest priority to closer political and economic ties with all of our neighbours. Our objective is to promote inter-dependence, create stakes in each other's stability and develop cross border infrastructure and other links. South Asia has flourished most when connected to itself and to the rest of the world. Connectivity - physical, economic and of the mind - is the key to the full use of South Asia's geographical and resource endowments. This is a priority area of focus for us as the Chair of the South Asia Association for Regional Cooperation (SAARC). As the largest economy in the region, India is ready to offer its market and resources as an engine for the region's growth.

India is committed to peace, friendship and good neighbourly relations with Pakistan. We are happy that people-to-people contact is making headway. We would like to purposefully build on this beginning. Of course, we have continuing and serious concerns on cross-border terrorism and attach

importance to Pakistan fulfilling its own commitments in this regard as was reflected in its commitment in the Joint Statement on 6th January 2004. We wish Pakistan well and hope the people of Pakistan can emerge soon from their current difficulties. With Afghanistan, India has had a historically friendly relationship and we are actively engaged in the reconstruction and development of Afghanistan. Our assistance commitment to Afghanistan, since 2002 stands at US \$ 750 million and includes development initiatives in key infrastructure sectors. We are not engaged in providing security which is done by NATO and others. We are engaged in reconstruction activities such as power projects, power transmission lines, roads, education etc.

Among our other neighbours, Nepal is going through a difficult transition. India whole-heartedly supports the restoration of multi-party democracy and political stability in the country. We are committed to a long term partnership with Bangladesh and wish to see a peaceful, stable and democratic Bangladesh. In Sri Lanka, the resumption and intensification of hostilities is a cause for concern. We are convinced that there is no military solution and the only way to resolve the ethnic issue is through a negotiated, political settlement acceptable to all communities in Sri Lanka. Resolving the ethnic problem and terrorism should not be clubbed together. We have zero-tolerance to terrorism. Ethnic conflict should be resolved by political process. India supports the process of national reconciliation and political reform in Myanmar, another important neighbour with which we are strengthening cooperation.

The Gulf and Central Asia are part of India's extended neighbourhood. We are adding important elements to our traditional ties with the countries of the Gulf and the Central Asian regions by leveraging economic opportunities and long standing cultural and people to people links.

Our Look East policy, which was based on ASEAN's economic, political and strategic importance in the Asia-Pacific region and its potential to become a major partner of India in trade and investment, has now evolved to include the Far Eastern and Pacific regions. Our trade with countries of the East Asia Summit, including the ASEAN, has crossed US \$ 80 billion. A virtual Asian Economic Community is emerging, which could be the third pole of the world economy, after the EU and the NAFTA.

Let me discuss briefly our relations with the major powers. Our bilateral engagement with the United States covers an unprecedented agenda today. Shared values, the private sector in both countries and the Indian community

in the US are among the key drivers of our bilateral partnership, and the US is India's single largest trade partner and leading foreign investor. The India-US initiative on civil nuclear energy is a measure of the importance we attach to energy security and India's access to high technology. India and Russia enjoy traditionally friendly and cooperative relations. We are strengthening our strategic partnership in the areas of trade, defence, energy, space and technology. With the European Union India has a strategic partnership. The EU remains India's largest export destination and one of the largest sources of foreign investment. EU member states, notably UK, Germany and France, are also key destinations for Indian investments. We have also launched negotiations for a broad-based Trade & Investment Agreement that we hope will be completed at an early date.

Prime Minister has just returned from a successful visit to China. Our bilateral trade crossed 38 billion \$ last year, up from a little below \$ 3 billion in 2000. Two-way investments are growing. Now we have fixed a target of US \$ 60 billion by 2010. The bilateral economic relationship is set to become one of the most important in the global economy. As Prime Minister Dr. Manmohan Singh has very clearly stated "the rise of India and China is a global public good". There is space for both of us to grow. Of course there are some unresolved issues in the bilateral relationship. We are committed to working with China to resolve these issues while remaining sensitive to each other's concerns and aspirations. With Japan, our relations have witnessed a transformation following Prime Minister's landmark visit in December 2006. We have established an India-Japan Strategic and Global Partnership and agreed to double our trade by 2010 to \$20 billion. Our comprehensive economic partnership is being given substance through infrastructure collaboration on flagship projects like the Dedicated Freight Corridors Project. We are also aiming for a Comprehensive Economic Partnership Agreement by the end of the year.

In today's interdependent world no nation can be an island. India's international engagement therefore has an important multilateral component. We work with major powers in forums such as the UN, the G8, East Asia Summit and ASEAN Regional Forum, the trilateral initiative with Russia and China and the IBSA forum with Brazil and South Africa. This allows us to contribute actively on issues such as regional and international security, climatic change and environmental protection, economic growth, pandemics, energy and terrorism. We are conscious that India's economic growth has global implications. That is why we have made an important commitment,

in the context of common but differentiated responsibility, that India's per capita emissions of green house gases would not cross the developed country average.

In this brief survey, my attempt has been to highlight the rapid expansion and qualitative change in India's foreign policy perspectives. This is not only in India's interest but is also a positive development for international peace and stability in a rapidly changing world. As new trans-national challenges emerge from the forces of globalisation and technological change, India, with its unique blend of 'hard' and 'soft' power, would be an indispensable player in strengthening peace, stability and prosperity in its region and indeed in the world.

In closing, let me say that how delighted I am to be at the Staff College today. As a former Minister of defence, this is not unlike a homecoming and I am thankful for the opportunity of being able to spend and interact with these young mighty minds. The Indian Army and its training institutions are among the finest in the world. I bring to you my best wishes in the New Year and great success in the years ahead.

Thank you.



**010. Address by External Affairs Minister Pranab Mukherjee
at the 176th Annual General Meeting of the Calcutta
Chamber of Commerce.**

Kolkata, February 3, 2008.

Shri Patodia,

Distinguished members of the Chamber,

Ladies and Gentlemen,

At the outset, let me thank Mr. Patodia for the honour and privilege of addressing the 176th AGM of the Calcutta Chamber of Commerce. We know this Chamber holds the proud distinction of being the oldest in Asia. What started as a modest association more than a century and three quarters back, has evolved over the years into a vital and vibrant body engaged in shaping and guiding business prospects in the country, and more so in the eastern region of India. The active association of leading names in business and enterprises has modeled the chamber into a formidable body which has constantly engaged the government, its peers and other stakeholders to partner in seeking solutions to the emerging challenges arising out of Indian economic reforms and globalization.

In a few weeks from now, we shall be launching the 11th Five Year Plan. The Plan has set a target of achieving an average 9 per cent GDP growth in the five year period beginning April 2008. Our economic growth during the last five years has averaged about 8.5 per cent per year. This stellar performance has created confidence that we can do even better. The plan on anvil provides an opportunity to restructure our economic policies to achieve faster, more broad based, sustainable and inclusive growth building on our past experiences. The formulation of this Plan provides a renewed vision to better handle the opportunities and challenges that we face today. Allow me to reflect briefly on some of these challenges and opportunities.

Enhancing agricultural productivity is our foremost challenge. In the last five years, agriculture has grown at an average of 2 per cent per annum and we will have to make an all out effort to achieve 4 per cent growth as targeted in the 11th Plan. We need to assist farmers in increasing yields and productivity through management chains and appropriate technological inputs. This would entail creation of better infrastructure in irrigation facilities, improved quality of seeds, improved farm practices in terms of harvest and

post harvest management, including cold chains and development of Commodity Exchanges and Forward Markets. The investments in irrigation still have the potential to give high incremental capital output ratio and provide millions of jobs, apart from improving food and water security of the nation. The rural road network for improved access to market will have to be built. The easy availability of credit and its facilitation in this sector will have the effect of value-addition and increasing the purchasing power of farmers. Simultaneously, the population pressure on land has to be eased by tapping the potential available for moving into agro-based food processing, for which I see enough scope through public-private partnerships.

Employment generation is an integral part of the growth process. We have to devise strategies directed to accelerate not only growth of employment but also for increase in wages of the poorly paid. Recent surveys indicate evidence of reduction in underemployment and disguised employment in the informal sector and larger work opportunities. However, creation of productive employment needs a very high priority. About 50 million jobs were created in the last five years and in the next five years our goal is to create jobs for 70 million people. It is not only the quantities or the numbers that are important. Equally important is the quality of jobs that we create.

This can only be achieved with people gaining access to more productive assets by which they can generate decent incomes. An economic growth that generates sufficient demand for wage labour is the way forward. A significant part of this would be achieved by doubling the agricultural growth. Besides, additional employment opportunities will have to be generated in the manufacturing and services sectors. What I see is a major boost required for labour intensive manufacturing activities such as food processing, leather products, footwear, textiles and service sector activities such as tourism and construction.

Employment opportunities need to be enhanced through a multi-pronged strategy. We must train people vocationally so that we create employability. The organized labour force is growing marginally. Major changes are required to boost organized employment. The potential of Small Scale Industries in this context is significant. SSI in India is the second largest manpower employer in the country, next only to agriculture. In the tenth plan period, the average annual growth in employment in this sector was around 4.75 %. In order to meet the future employment goals, the need is to increase the use of labour intensive and capital saving technology to

rejuvenate growth of employment in both unorganized as well as organized sectors.

The city of Kolkata and its suburbs offer immense potential and massive opportunities in creating employment in these sectors. Indeed, this part of the country has a comparative advantage in trade & manufacturing of labour intensive items, backed by its historical location as a hub of manufacturing and industrial activity.

Distinguished members,

Indian industry has achieved an impressive growth over the last decade, ranging from 8 to 11.5 per cent per year. The growth has been led largely by the manufacturing sector, which grew by 9 to 12.5 per cent a year. We are definitely hopeful of achieving manufacturing and industrial growth of around 12 per cent in the 11th Plan.

There has also been evidence of pick up in productivity and efficiency of capital use. The feasibility of attaining 9 per cent growth in GDP depends on large improvements in efficiency and optimum utilization of scarce resources, both in the public as well as in the private sector. Recent studies on India have indicated an increase in Total Factor Productivity (TFP) growth in recent years. However, this is a continuous process and we shall have to constantly address and remove any constraints on efficient allocation of resources.

To a large extent, our growth story depends on how we handle investments in infrastructure and remove bottlenecks. Massive creation of infrastructure is required spanning across all sectors. It is estimated that infrastructure alone will require an investment of more than US \$ 500 billion in the next five years. We are on track to take speedy and faster decisions regarding investments in infrastructure such as rail, ports, airports, transport corridors, shipping, telecom, to name a few. Foreign Direct Investment has to increase substantially in these sectors to complement domestic investments.

The strengthening of economic activity in recent years has been supported by increase in domestic investment rates from less than 23 per cent of GDP in 2001-02 to more than 33 per cent in 2005-06. Domestic saving rates have also improved from 23.5 per cent to 32.4 per cent during the same period. We have also successfully managed to keep the average inflation rate benign and contained well below five per cent. Exports have been growing at an average rate of 24 per cent during the last five years.

Our current foreign exchange reserves of around US \$ 275 billion exceed the country's external debt, reflecting improved external sector sustainability of the economy.

We have an unprecedented challenge in the form of ensuring our energy security. India has to depend, to a large extent, on import of hydro carbon and other fossil fuels for meeting its energy needs. Our energy needs will grow in keeping with our projected economic growth. Oil prices averaging at US\$100 a barrel, are a drag on our resources that could have gone for more productive purposes. The only way out is by investing to build future assets in energy. My Ministry is aware of these challenges and we are making all attempts by focusing bilateral and multilateral engagements for cooperation with source countries. The agreements on Civil Nuclear Cooperation with various countries will, in particular, help in increasing the share of civil nuclear power in our energy mix.

As we focus on economic growth, Indian business and industry will also have to respond to the growing concerns about climate change and environmental protection. Though our per-capita emission of green house gases is well below the world average, the global imperative to adopt environmentally sound policies is not lost on us. In aggregate terms, India, with 17% of the world population, has only 4% of global GHG emissions. We are also prepared to contribute on the basis of the well-recognized principle of common but differentiated responsibilities and respective capabilities.

Distinguished members,

Economic growth cannot be the only objective of national planning. Over the years, development objectives are being defined not just in terms of increase in GDP or per capita income, but also in broader terms of enhancement of human well-being. This includes the expansion of economic and social opportunities for all individuals and groups. It is important to ensure that growth is inclusive and equitable. The two are intimately linked to the growth objective and attainment of one may not be possible without the other. Going by the data of human development indicators, the country has met with reasonable success in the past decade and a half. The number of people living below the poverty line has come down from 36 per cent in 1993-94 to about 22 per cent in 2004-05. Life expectancy has gone up from less than 60 years in 1991 to close to 65 years now. The literacy rates have gone up by more than 10 percentage points in the same period.

However, these are the very indicators that remind us of our task ahead. They remind us that there are still over 250 million people, living on less than \$1 a day. Similarly, one-third of our population remains illiterate. Several estimates put the number of unemployed between 250 to 300 million. These staggering figures are not only numbers; they are also pointers as to how sustainable our growth could be in the future.

Since I am in Kolkata, I would like to take the opportunity of highlighting some aspects of our foreign policy that have a particular bearing on this region. Now that the Nathula border in Sikkim has opened to trade, the entire Eastern and North Eastern hinterland can benefit from increased trade relations with China. Our business and diplomatic ties in each others' countries will also be enhanced by the presence of consulates in Guangzhou and Kolkata.

Kolkata and the eastern region are also uniquely placed to reap higher benefits arising out of the improved trade and investment ties that we are building with the ASEAN region. The State of West Bengal has an important role to play in realizing the objectives of our Look East Policy and benefit from our warm and dynamic relationships with our South-Eastern neighbours. Through West Bengal, India shares international boundaries with three countries in South Asia and this can speed up industrial and trade relations with these countries. This is one of the fastest growing States in India and is strategically located to attract foreign investment. In fact, it can play a crucial role in opening the doors for investment and business opportunities for the whole of eastern and north eastern India.

The Calcutta Chamber can play a key role in the process of economic development in this region. I hope the members of this august body will deliberate on many of these opportunities, challenges and potential with a view to contributing to the process of economic development. Surely, the deliberations in today's AGM would come up with informed opinions on these issues. I look forward to the outcome of the proceedings.

Thank you.



011. Keynote Address by External Affairs Minister Pranab Mukherjee at the 10th Asian Security Conference organized by the Institute of Defence Studies and Analysis on "Asian Security in the 21st Century".

New Delhi, February 5, 2008.

Shri A. K. Antony, Defence Minister of India,

Director IDSA,

Excellencies, Ladies and Gentlemen,

It is indeed an honour to address this distinguished gathering of scholars and experts from around the world. IDSA has been at the forefront of the Indian debate on national and international security issues for the last 42 years. Its annual Asian Security Conference has served as an important international forum for the last 10 years. Each year, distinguished experts have assembled here to share and debate their views and perspectives on Asian security and on how to manage it better. On the 10th anniversary of this forum, IDSA has rightly chosen to focus on some of the pressing security issues that face Asia as a whole. I am sure your discussions over the next three days would go a long way in enlarging our understanding of Asia's many security dilemmas and help devise better solutions to manage them.

This morning I would like to offer you my thoughts on some key issues relating to Asian security in the 21st Century.

Asia in the 21st Century will be a very different place than what it was in the past. For over 200 years, external powers played a dominant role in shaping Asia's political, social, economic and cultural arenas. This situation has been undergoing significant changes for quite some time now.

The balance of influence on Asian affairs has begun to shift in favour of the countries of Asia. Japan was a lone swallow in the first half of the 20th Century. But in its second half, it blazed a trail that was followed by the East and Southeast Asian tiger economies. China and India have further fanned this Asian revival with their prowess in the manufacturing and service sectors. Asia today contributes just around a quarter of the global GDP, and this share is expected to rise to more than 50 per cent of the world by 2025. As Prime Minister Dr. Manmohan Singh recently noted, by the middle of the century, Asia may well account for more than 50 percent of foreign trade, income, saving, investment and financial transactions of the globe.

Asia's economic revival has given rise to many predictions about its future. These projections are based on two factors. The first is Asia's growing and relatively youthful population. It has been estimated that by 2010, 60 per cent of the world's population in the age group of 20 to 35 is likely to be Asian. And the second is the rapid growth of several Asian economies during the last few decades. China, for example, has been averaging a growth rate of about 9 per cent a year since 1980. For its part, India has averaged 8.5 per cent a year in the last five years. It is believed that these two factors would enable Asian countries to dominate the international economy and, by extension, international politics and security.

Whether this scenario comes about or not depends on a number of domestic and external factors. But what seems certain is the growing influence of major Asian countries on the structures and processes of international relations in Asia. At the same time, we cannot overlook the influence of external actors on the continent. Asian security in the 21st Century will thus be shaped by the interactions between major Asian powers and influential external actors such as EU, Russia and the United States.

Many security challenges confront Asia today-the spread of nuclear weapons, the threat of terrorism, threats to energy security, and so on. And many more challenges are likely to arise in the course of the Century, including the issue of climate change.

India has a critical role to play in tackling these challenges. With its economy growing at an impressive rate over the last few years, India has emerged as one of the driver of economic growth in the world. India is a unique example of a country where development and democracy have gone hand in hand. Its role has become crucial for international economic integration and trade organisation, for preventing the spread of nuclear weapons, for tackling the threat of terrorism, for stabilising conflict-affected states like Afghanistan, for dealing with the issue of climate change, for building and strengthening multilateral institutions, and for collective and co-operative security in Asia.

Ladies and Gentlemen, a principal cause of concern in recent years has been the threat of nuclear proliferation. This is not limited only to new states acquiring nuclear weapons capability. It also extends to the very real threat of terrorist groups laying their hands on nuclear material and even fully assembled nuclear weapons.

These two security challenges are interlinked. And they are products of the demand-supply dynamic. On the supply side, the proliferation problem is a

product of two factors. One is the inability of states to sufficiently safeguard their nuclear material, technology and facilities against attempts to procure WMD relevant items. The second factor is deliberate and callous proliferation by states including state failure to exercise adequate control over personnel engaged in nuclear programmes. It is well known how transfer of uranium enrichment technology, equipment and even weapon design has taken place clandestinely and flagrantly in our region. Even more alarming is the interest shown by radical terrorist groups in acquiring nuclear material and technology and the linkages that they had forged with a few nuclear scientists.

The challenge before us is to make sure that national laws and international commitments are better implemented by states to prevent leakage of material and technology from established nuclear programmes. The challenge also is to do this consistently and without short-term considerations of political expediency.

On the demand side, the best way to address the dilemmas in the nuclear domain is to focus our efforts on the goal of global nuclear disarmament.

India, as you know, has held a principled position on the issue of nuclear weapons since the dawn of the nuclear age. It has many firsts to its credit in promoting arms control, disarmament and non-proliferation. As early as 1954, Pandit Jawaharlal Nehru issued the first ever call for a standstill to nuclear weapons tests. In 1965, it was India that first put forward the principles for a Nuclear Non-Proliferation Treaty. Indian enthusiasm for the NPT waned when it saw the reluctance of established nuclear powers to give up their arsenals. But in all these years, we have strictly abided by all the basic obligations enshrined in this Treaty as they apply to nuclear weapon States. Today, as a responsible nuclear weapon power, we are even more mindful of our duty to control the spread of WMD technologies and their delivery systems. We have signalled our willingness to be a part of the international consensus by adopting a comprehensive WMD Export Control legislation. We have also harmonised our export control lists with those prescribed by the Nuclear Suppliers Group and Missile Technology Control Regime. These measures also fulfill the obligations prescribed by UN Security Council Resolution 1540, which calls upon states to refrain from supporting non-state actors in their quest for weapons of mass destruction and their delivery systems.

We do not wish to see the emergence of additional nuclear weapon states, for it will only further endanger international security. And our goal continues

to be a world free of nuclear weapons. This year marks twenty years the since the late Shri Rajiv Gandhi presented a bold Action Plan for a nuclear weapon free and non-violent world order. The central premises of the 1988 Rajiv Gandhi Action Plan are of current significance and relevance as they were two decades ago:

- First, a binding commitment by all nations to eliminate nuclear weapons in stages;
- Second, participation by all states in the process of nuclear disarmament; and here I would like to emphasis that nuclear disarmament does not alone mean arms control;
- Third, demonstration of good faith and building of confidence through tangible progress towards the common goal of a nuclear weapon free world;
- Fourth, changes in doctrines, policies and institutions to sustain a world free of nuclear weapons.

The vision of Shri Rajiv Gandhi continues to guide India's approach to nuclear disarmament. Personalities such as Henry Kissinger, George Shultz, Sam Nunn and William Perry who were at the center of crafting nuclear policy and who thought that nuclear weapons were essential to the security of their state are having a rethink today. We welcome this development and hope it leads, as envisaged in the Rajiv Gandhi Action Plan, to a commitment by all states to a nuclear weapon free world. As a responsible nuclear weapon power, India is ready to play its part in the process leading to global, non-discriminatory and verifiable elimination of nuclear weapons.

Ladies and Gentlemen,

I now turn to the challenge of terrorism which haunts the world today. Asia in particular is home to by far the largest number of terrorist groups in the world. India has been facing this curse since the nineteen-eighties; first in Punjab, then in Jammu and Kashmir, and now in other parts of the country as well. We have consistently highlighted the need for a unified international response to trans-national and trans-border terrorism.

Terrorists derive their justification from politics, perceived or genuine grievances and economic disadvantage. In our view, no goal or grievance can justify the targeting of innocent people. In our view, terrorism is best defined as the deliberate targeting of innocent men, women and children.

The September 11 attacks, the Madrid train bombing, the tragedy at Beslan, targeting of the London Underground, the serial bombs that ripped through Mumbai's commuter trains during rush hour in July 2006, all demonstrate this basic fact. Secondly the fact that terrorists have successfully used weakly governed territories to organise attacks, recruit and train their cadres should not obscure the responsibility of the state concerned to prevent the misuse of its territory for terrorist attacks. Terrorism is not a political tool to be deployed and withdrawn at will, for it can turn around and critically wound the state that wields it.

Afghanistan under Taliban rule was the most telling example in this regard. Continuing to allow these groups to enjoy the luxury of this space will have terrible consequences for the world at large. It is vital that Afghanistan emerges as a stable and peaceful country that no longer serves as a base for these groups.

The legitimately elected government in Kabul must be enabled to extend its rule throughout the country. Reconstruction activities need to go hand in hand with efforts to combat radical groups and ensure security. India is one of the largest contributors to the reconstruction effort in Afghanistan. We have committed around 800 million US dollars. Three thousand five hundred Indians work in various projects in that country. We will persevere with our earnest efforts in this regard and we will continue to co-ordinate these efforts with those of the international community.

It is equally important to stabilise Iraq, which is being torn apart by various factors including sectarian conflict and a violent insurgency. Failure will have repercussions throughout the West Asian region. Regional instability could damage the international economy by disrupting energy supplies and further driving up oil prices which have already breached the 100 dollar mark.

In the context of instability in West Asia, we need to reflect on issues impinging on energy security. Rapid economic growth, especially in Asia, is causing increased demands for fossil fuel. At the same time, reserves are estimated to deplete in future. There is the additional fear that energy flows could be disrupted either by the actions of states or non-state actors. Asian countries, which predominantly source their fossil fuel requirements from the Persian Gulf, seem particularly vulnerable to such disruptions. They all feel the acute need to ensure the security, stability and sustainability of fossil fuel supplies.

Ladies and Gentlemen, allow me to share with you my thoughts on another important future challenge that will confront Asia as well as the world at large. This is the issue of climate change due to the accumulated and continuing emissions of carbon dioxide and other greenhouse gases. Weak and fragile states are particularly vulnerable to the damaging effects of climate change. You will recall that a few months ago UN Secretary General Ban Ki-moon highlighted the correlation between climate change and the crisis in Sudan's Darfur region. Climate change is truly a global problem and it requires global solutions. Developing countries like India cannot be expected to unilaterally forego the economic aspirations of their people. Advanced economies indeed have a greater obligation to cut down on emissions by encouraging more sustainable patterns of consumption. We need to devote greater efforts to generate alternate technologies and industrial processes that are environment-friendly and these technologies must be provided at affordable cost. The key principle is common but differentiated responsibility.

Ladies and Gentlemen, none of the challenges I have outlined can be effectively tackled by individual countries on their own. Pooling national efforts and resources and channelling them through the co-operative structures of multilateral frameworks and institutions is essential. Only then can we muster the necessary will and resources to tackle these challenges.

Former UN Secretary-General Kofi Annan succinctly pointed out in an address at Harvard University in June 2004, and I quote a few lines from there: "It is in the interest of every country to have international rules and to abide by them. And such a system can only work if, in devising and applying the rules, the legitimate interests and points of view of different countries are accommodated, and decisions are reached collectively. That is the essence of multilateralism ..." Unquote.

May I conclude by wishing you all success in your deliberations. Before I thank you, I apologise for lengthening my observations.



012. Speech of Defence Minister A. K. Antony at the 10th Asian security Conference organized by the Institute of Defence Studies and Analysis on "Nations Must Devise Ways and Means to Cooperate to effectively Counter Terrorism".

New Delhi, February 5, 2008.

"I am glad to be present at the opening of the 10th Asian Security Conference.

IDSA serves as a useful platform for frank interactions between experts - both military and civilian and the Government on security-related issues of national and international importance.

Of late, the Asian region has acquired a unique centrality in global strategic affairs.

The challenges for the Asian region - and indeed all the nations the world over are of a similar nature. Terrorism, nuclear proliferation and sectarian conflicts are some of issues that require our urgent and focussed attention.

Today, the world has truly become a global village. Thus, security of nations cannot be restricted to narrow geographical and political boundaries.

With increasing globalisation, it is often argued that the chances of the breakout of a conventional war are remote. All the same, we have to be eternally vigilant and ever-prepared for any eventuality.

In recent years, conflicts have broken out between states and non-state players. Such conflicts are differently categorised as civil war, insurgency, ethnic conflict, irregular war, or even - terrorism. The nature of conflicts notwithstanding, it is the civilian population that bears the brunt of such conflicts. The traditional distinction between soldiers and the civilians is increasingly being obliterated, for both are targets for terrorists.

It is well-known that no price is too high for the security of a nation. Global defence expenditure during the 1990s had registered a marginal decline. However, of late, global defence expenditure has registered a sharp upward growth.

The world today realises that no nation can consider itself to be immune from terrorism. The lessons learnt elsewhere can prove to be useful in devising our policies. Similarly, other nations too can benefit from our experiences. Nations must devise ways and means to cooperate to effectively counter terrorism.

The Indian policy makers will keenly look forward to these deliberations as they have implications for our own strategies. I also urge IDSA scholars to continue to pay attention to this phenomenon on a long-term basis and generate ideas and policy options that are useful to decision makers.

Increasing use of information technology will mean that wars in future will be hi-tech, intense, yet brief. The mobility and destructive capacity of weapons has gone up several times. Experts apprehend that with proliferation of technologies - particularly information technology, space technology, bio-technology, nano-technology and genetic engineering will only multiply the lethal force of new weapons.

Nuclear proliferation continues to be a serious challenge for mankind. I am sure that experts attending this Conference will deliberate on the future of the nuclear order, its relevance and implications for security of the Asian region.

The emergence of non-state players is another grave challenge confronting all nations. These non-state players do not recognise any territorial boundaries. They utilise latest global communication and transport networks and rely on garnering international support. Their common objective is to disturb existing state apparatus, destabilise neighbouring states and create new states based on ethno-cultural identity. Most of these non-state players are not fighting for a national identity, or territory and have abstract notions of carving out a separate and unique identity of their own based on ethnicity, religious and tribal basis.

According to estimates of Military Balance, out of the 343 non-state armed groups operating in the world, 187 groups operate in Asian region.

India has been the target of disruptive elements for several years. Major powers of the world then believed that they would be immune to such elements and had as such, little sympathy for our concerns. However, now all nations realise and accept the need for greater cooperation in effectively meeting such challenges.

The conference will also consider another important issue that has a direct bearing on Asian Security in the 21st century - the generic issue of fragile states and nation building, with Afghanistan as a live case.

Trends indicate that international efforts at nation building are faltering on many counts. This is a potentially dangerous situation. It is therefore only appropriate that this conference will consider the challenges posed by the recent developments in Afghanistan.

The deliberations during the special session will address the questions such as - what is the assessment of major players regarding the future course of action in Afghanistan? What can be done to stabilise Afghanistan? I am hopeful that the Conference will come up with creative solutions for the well-being of Afghanistan.

I have briefly referred to some of the principal challenges that Asia and other regions of the world are likely to face. All these challenges are transnational, or have the potential of becoming transnational. While we must guard against the outbreak of conventional wars, we must recognise that newer forms of conflict are more likely. In my view, the following measures can help the Asian states in meeting various challenges effectively.

The first one is to maintain an active dialogue process, not only among governments, but also defence establishments to build strong channels of communication and dispel mistrust. Secondly, we must develop mechanisms to share intelligence about terror groups, criminal elements, drug cartels and other transnational networks that foment violence and subvert states.

Thirdly, we must attempt to devise common solutions to common challenges that threaten our collective security. We need to develop multilateral frameworks to promote dialogue and prepare strategies for cooperative action.

It is heartening that this year's Asian Security Conference will touch upon several important issues and will conclude with a discussion on cooperative frameworks for Asian Security in the 21st century. I am sure that the deliberations by eminent scholars and experts on security issues at the Conference will be fruitful and provide crucial inputs on security-related issues.

With these words, I am pleased to inaugurate this important conference and convey my best wishes for its success".



013. Inaugural Speech of Prime Minister Dr. Manmohan Singh at the Indian Ocean Naval Symposium¹.

New Delhi, February 14, 2008.

It is a matter of great privilege for me to be present with you on the occasion of the launch of the Indian Ocean Naval Symposium. This is a unique gathering of Chiefs of Navies and Heads of Maritime Security Organizations representing the littoral states of the Indian Ocean.

Spanning 28 million square kilometers, the Indian Ocean is host to a third of the world's population. The littoral states of the Indian Ocean account for 25% of the global landmass and 40% of the world's energy sources. They have a rich heritage and share close socio-cultural ties.

Above all, they are linked by a history of sea faring. A significant share of international trade passes through the sea-lanes of the region. Regrettably the Indian Ocean also accounts for 70% of the world's natural disasters.

These are all reasons why we must pool our resources and act for the common good of all. Your presence here is a testimony to your belief in the need for cooperative action.

Indian Ocean littoral States have witnessed rapid economic growth. These high levels of growth are translating into increased intra-regional trade and global trade, a significant portion of which is seaborne.

The sea-lanes of the region have thus emerged as one of the most important lines of communication in the world. Container handling at the ports of Colombo, Mumbai, Chittagong, Bangkok and Malaysia's Port Klang are registering double-digit growth rates. A growing percentage of the world's large merchant ships and bulk carrier ships fly an Asian flag. This expansion in trade and economic growth dictates the need to ensure the safety and security of the sea lines.

Recent years have seen a rise in crimes such as terrorism, smuggling, including of narcotics, arms and weapons, piracy, and robbery. These activities not only pose a threat to our growing naval commerce but also

¹ The Seminar was organised by the Indian Navy. The participants included all the 33 Indian Ocean Rim Countries. It was aimed to increase maritime cooperation among navies of the IOR countries by providing a forum for discussion of maritime issues.

affect innocent fishermen and tourists. In addition there is the abominable practice of trafficking in human beings.

The perpetrators of these crimes are well organized and well-funded transnational crime syndicates who take full advantage of the vastness of the oceans. The need for cooperation among the Navies of the region in preventing such transnational crimes is therefore of paramount importance.

The monsoons play a vital role in the lives of the peoples of the Indian Ocean littoral states. They have also been pivotal in determining the sea routes that would transport precious cargo, be it spices from western India or rubber from the plantations of Malaysia.

Recent years have witnessed a marked rise in incidents of natural disasters. We look upon our Navies to protect our citizens from natural disasters and mitigate the effects on our coastal zones from phenomena like cyclones and tsunamis. Our coastal ecosystems sustain livelihoods and are host to a diverse species of marine life. We must have robust capabilities to deal with environmental emergencies.

Our coastal ecosystems sustain livelihoods and are host to a diverse species of marine life. The United Nations Convention on the Law of Sea sets out the legal framework within which all activities in the oceans and the seas must be carried out. The Indian Ocean is a repository of rich fish and mineral resources. We should address the issues relating to navigation, conservation and management of these resources, and for the conservation and management of biological diversity of the sea-bed in areas beyond national jurisdiction.

A better understanding of the oceans through the application of marine science and technology, and greater synergy between scientific knowledge and decision making are necessary for the sustainable use and management of the oceans. India would be happy to share its experience with countries of the region in harnessing the resources of Indian Ocean for sustainable economic development.

The concept of maritime security needs to be viewed in the above background. It should ensure freedom from threats arising either in or from the sea. You, as the guardians of the seas, are well placed to deliberate on current and emerging threats, and develop a comprehensive cooperative framework of maritime security.

I also hope that the Symposium will harness the remarkable diversity among us, and reinforce the commonalities that bind us. It should provide a platform for discussions on how we can further accelerate the pace at which we are engaging each other. We need greater connectivity among us, not just in trade and commerce but of ideas, people and cultures.

This requires a consensus based approach, with a focus on pooling of resources and capacity building, information-exchanges and development of interoperability in doctrinal and operational terms.

You have a rich agenda before you. I am sure that with your professionalism and desire for mutually beneficial cooperation, the Symposium will come up with sound practical ideas to address our common challenges. The Symposium is an important milestone in our quest for a cooperative and inclusive world order.

India remains committed to an Indian Ocean region that is stable and peaceful. We would like to cooperate with all like minded countries so as to ensure the freedom of the seas for all nations and to deepen trade and economic linkages between the Indian Ocean Rim countries.

I wish you all success in your deliberations.



014. Speech of Defence Minister A. K. Antony at the opening of the Indian Ocean Naval Symposium.

New Delhi, February 14, 2008.

Ladies and Gentlemen, GOOD MORNING,

At the outset, I welcome you all to the 'IONS' - Indian ocean Naval symposium. 'IONS', the word itself, connotes 'movement' and, as such, is the apt acronym for the Indian Ocean Naval Symposium. It is entirely fitting that the Indian Navy and the National Maritime Foundation have jointly taken the initiative of hosting the inaugural activity of the IONS initiative, namely, the IONS Seminar-2008.

Ladies and Gentlemen, we all know that safety, stability and security are prime requirements of mankind for physical economic prosperity and also for spiritual well-being. The happenings in the maritime domain, whether natural or manmade and whether occurring for good or ill, impact upon man's natural land-habitat. As such, the maritime domain is demanding and deserving of continuous study, discussion and debate. The fact that the littoral states of the Indian Ocean Region too, realise this and understand its implications is clearly evident from your presence here at the launch of the 'Indian Ocean Naval Symposium' initiative.

I find IONS to be uniquely consultative and cooperative initiative...one that holds so much promise for the future for cooperative security within the maritime domain. It encourages us all to view the oceanic expanses of our region as bridges that integrate national-states. This is why the Navy's peaceful forays overseas are often described as building 'Bridges of Friendship'.

In providing a forum to discuss issues and concerns that bear upon regional maritime security and consensually, the 'IONS Initiative' fulfils a long-felt need for cooperative engagement in the face of present-day maritime challenges.

Today we are privileged to sit amongst the assembled Chiefs-of-Navy of very nearly all the littoral states of the Indian Ocean. I would like to warmly welcome them and the distinguished members of their respective delegations to India. We are also surrounded by an entire galaxy of national and international luminaries drawn from various disciplines and segments and the members from print and electronic media. We are all here to...'dream

the Indian Ocean Dream'...We have come together to share and explore the contours of a grand vision of a coalesced, prosperous and progressive Indian Ocean. This is a vision that is neither diminished nor daunted by our diversity.

I would like to exhort all present and future members of the 'IONS Initiative' to resist the temptation of trying either to provide a prescriptive set of answers to a prescribed set of problems or challenges. I would caution them against seeking to import extra-regional template. I would, instead, ask them to tap the huge intellectual and innovative resources available within the IOR littoral. I encourage them to explore a variety of regionally-relevant and regionally-sensitive solutions to problems whose very definition is given form and shape - not by extra-regional players often pursuing, agendas of their own - but by the regional players themselves, acting in close consultation with one another and cooperating freely for the common good of all.

The principal interlocutors of the Indian Ocean Naval Symposium are, of course, the navies of the region. However, I hope that these interlocutors will not remain restricted to the apex levels represented here this morning by the assembled Chiefs-of-Navy. I, for one, would be extremely happy to see a much wider and more dispersed representation of young or mid-level officers and sailors, engaging and interacting with one another to their mutual benefit. It is, after all, they who will have to face the nebulous but nevertheless deadly threats of the future and it is, consequently, they who must be prepared and armed to face them.

The threats facing present day law-abiding states are not arising from the territorial or ideological ambitions of other nation-states. They are, instead, a bewildering variety of manifestations of malevolent non-state entities. Within the maritime environment, thieves and robbers, illegal traffickers in guns, drugs and human beings, poachers, polluters, pirates, warlords, terrorists are establishing pan-oceanic and trans-oceanic connectivities that lend to make a mockery of our boundaries and borders. To these problems must be added natural disasters and manmade catastrophes such as cyclones, earthquakes, landslides, floods, tsunamis, and the very real threat of widespread coastal inundation caused by global warming. These are common threats and demand common approaches and common solutions.

It is these very solutions and, indeed, this very commonality of approach that this inaugural IONS seminar and the seminars and other activities that are to follow, must find. In your ensuing deliberations, debates and

discussions on these and allied issues, I wish each one of you- speakers, panellists, and listeners alike - every success. In the end, I would like to assure you of our continued support to the Indian Ocean Naval Symposium and all its present and envisaged cooperative and consultative activities.



015. Address of Vice President M. Hamid Ansari at the Indian Ocean Naval Symposium -2008.

New Delhi, February 15, 2008.

Once upon a time the commander-in-chief of a rising land power, unfamiliar with seafaring and uneasy about it, asked one of his field commanders to describe the sea and seafarers to him. The officer dutifully reported:

'Verily I have seen a great creature [that is, the sea] ridden by a small one [that is, man]. When it is calm it renders the heart with anxiety, and if it is agitated it leads the mind into confusion. On it certainty shrinks and doubt increases. Those who are on it are like a worm on a twig; if it bends he is drowned, and if he is saved he is astounded'.

In another region of the world, in the island of Bali, the traditional belief considered the sea to be full of demons; hence to be approached with care if not avoided.

In both cases, perhaps, the immenseness of the body of water and the mysteries in its depths acted as a deterrent.

These examples can be multiplied. History is witness to great land powers failing to comprehend the relevance of the sea as an instrument of statecraft. The historian Paul Kennedy attributes the rise of European powers, sixteenth century onwards, to 'technological change and military competitiveness'; he may have added, with equal justice, that seafaring was an equally relevant ingredient of promoting trade, competing with rivals, and eventually overcoming them.

The fact nevertheless remains that for a good percentage of humankind, the sea is not in the same category of familiarity as the land. This may be

no more than an accident of natural history and the manner in which humans assumed a centrality on this planet. On the other hand, certain facts relating to this planet of ours may suggest correctives to such a slanted approach.

Earth is a planet of oceans. They constitute 71 percent of its total area. In a very real sense, they sustain life on earth. Cheap transportation is possible through them. They are in increasing measure a source of food, energy and minerals.

The Indian Ocean is the third largest ocean in terms of area but unquestionably the first in terms of its impact on human civilisation. The reason for this is obvious; some of the oldest civilisations took shape and blossomed in lands around the Indian Ocean or the seas adjacent to it. They interacted with each other principally through trade. For this reason alone, a gathering of people from Indian Ocean lands would provide a useful collection of perspectives.

II

Today's conference, I believe, goes beyond an exercise in history and ethnology. Its timing and purpose are sharply focused on the world of today and tomorrow. A look at recent history provides the perspective.

The Portuguese discovery of the sea route to India was of such critical importance that the King of Portugal thought it fit to reflect it in his formal titles. Its wording is to be noted: 'Lord of Conquest, Navigation and Commerce, of Ethiopia, Arabia, India and Persia'. Their hegemony lasted for two centuries, to be replaced by the British who followed the pattern and the new jewel in the Crown justified the additional title of Empress of India.

The end of the British era saw the enhancement of the role of the United States. Alongside, the Cold War witnessed super-power rivalry extended itself in the Indian Ocean littoral. In each of these, the external impulse remained the dominant one. The littoral states themselves had little or no input into it.

Whatever be the past, the imperative today is of a qualitatively different situation in the Indian Ocean littoral. The external impulses have in good measure given way to internal dynamics of individual societies. This, however, is not easily comprehended and older patterns of thinking persist. A few years back a scholar in Honolulu delved in futurology pertaining to the Indian Ocean:

'We do not yet understand the political geography of the 21st century. However, no region is likely to feature as prominently in that geography as the Indian Ocean due to its combination of oil, Islam and the likely rise - and probable mutual rivalry of both India and China. Indian Ocean regionalism, or regional integration, remains quite retarded when perceived through an economic lens. Sadly, however, it is the converse conclusion that seems warranted when the region is perceived through the prism of geopolitics and nuclear weapons'.

This prognosis, and many other similar ones, is premised partly on the location specifics of the Indian Ocean and partly on the known behaviour pattern of states. It is argued, with regard to the first, that unlike the Atlantic and the Pacific Oceans, the Indian Ocean can be accessed through several choke points and thus necessitates intense policing. With regard to the second, it is asserted that only one-fifth of the total trade flowing through the Ocean is conducted among the countries of the IOR, that 80 per cent of it is extra-regional, and that local conflicts in the Indian Ocean littoral have the potential to acquire international dimensions in view of the need to safeguard the Sea Lines of Communication (SLOCs). These are augmented by actual and potential threats, of varying intensity, from non-state actors. In addition, most of the contemporary international conflicts from Iran-Iraq war, to Operation Enduring Freedom and Operation Iraqi Freedom have taken place in the Indian Ocean Region.

There is merit in both sets of arguments. The quest for security of SLOCs is most vividly demonstrated in the case of Japan where, as shown by Euan Graham in an excellent study published in 2006, it has been the lifeline of the economy and seen as the core security concern. Given the nature of the trade passing through the Indian Ocean, the logic holds good for a great many other regional and extra-regional states.

In this globalised world of today, 95% of world trade is conducted through the sea. Around 100,000 ships transit the expanse of the Indian Ocean annually. Roughly 40% of this sea-borne trade is accounted for by the Straits of Malacca. The Persian Gulf and adjoining region accounts for 50% of the world's containerised cargo and 33% of bulk cargo. Every day 15.5 million barrels of oil, or 40% of the entire global oil trade passes through the Straits of Hormuz and 11 million barrels of oil pass through the Malacca and Singapore Straits.

At the same time, the argument of securing maritime traffic or lessening

the vulnerability of sea-lanes has also been used as a rationale to build up naval capabilities and thus give rise to questions about intentions.

The SLOC argument, valid in itself, is nevertheless reflective of partial reality. The ocean is admittedly a channel of communication; it is also a resource both for basic forms of existence and for sustaining advanced forms of civilisation. It supports life on earth, regulates temperatures, humidity, rainfall and seasons. It can and does generate catastrophic convulsions affecting the human race.

Any discussion of the ocean therefore, must be multi-dimensional and reflective of four aspects:

- The security paradigm
- Disaster management
- Oceanic resources
- Environmental questions.

Solutions, likewise, would need to be comprehensive and balanced rather than slanted in favour of one aspect, however weighty.

III

Throughout recorded history, maritime security has been the prime concern of states and of their nationals undertaking international trade. In an earlier era, piracy by entrepreneurs for themselves or on behalf of states was common. Then came a time when the balance of advantage was found to lie in the suppression of piracy. The same pattern was followed in regard to slave trade. Economic interests and prevailing moral norms played and continue to play a role in shaping perceptions as is evident by the present-day measures against narcotics. Some would no doubt recall that in another age a great European power used its military superiority to dump opium on an Asian people in order to correct trade imbalance.

In the past, initiatives for maritime security generally emanated from a strong power driven principally by express or tacit hegemonic perceptions. They received cooperation at times and aroused apprehensions at others.

In conceptual terms, the requirement of maritime security is of necessity linked to threat perception. In the period of the Cold War, security perceptions were based on identified threats and on the need to contain them. The

approach, therefore, was cooperative amongst allies and competitive in relation to perceived enemies. In the period after 1990, the focus shifted and attention came to be riveted on questions of common concern. The expectation was that a more comprehensive cooperative approach, on a non-discriminatory basis, would gradually take shape. It would not dispense with the traditional paradigm of requiring naval power to defend territory or essential national interests but would, instead, add a dimension that would minimise if not eliminate the need to resort to the use of force.

In practical terms, maritime security is to be considered at three levels:

- Measures to create transparency - these include advance notice of exercises and of ship movements.
- Measures to build confidence - these could be undertaken through joint exercises, training, joint naval hydrographic operations, joint task forces for policing and agreement on avoidance of incidents at high sea.
- Measures to build security - regular gatherings of littoral states, user states and other stakeholders to discuss matters of concern and undertaking initiatives to establish regional maritime security mechanisms.

This gathering, I venture to hope, is indicative of a broad acceptance of the need to take these three sets of measures to further maritime security in the Indian Ocean Region. Overtime, these may lead to what a distinguished Indian had described many years back as an 'Indian Ocean Panchayat, a self-governing council or collective Ombudsman empowered to take decisions on behalf of the community, settle disputes, and suggest ways to prevent disputes.

The voyage even to this point has not been eventless. The recent effort at pursuing security at choke points in the Indian Ocean was highly selective and predominantly extra-regional. It emanated from the Global War on Terror (GWOT) and the Iraq War, and is focused on the western Indian Ocean, the Persian Gulf, Gulf of Aden, Red Sea, Gulf of Oman and the Arabian Sea and extends out to Pakistan's border with India. It functions through a Coalition Task Force known as CTF 150 and includes ships principally from the navies of the United States, UK, Australia, Germany, Italy and France. Its three non-NATO members are Australia, New Zealand and Pakistan. The Task Force is mandated to prevent terrorist attacks on

maritime targets, and disruption of shipment of arms and material to terrorists in Persian Gulf and thereby secure the ocean for use by 'legitimate mariners'. It is currently led by the Pakistani Navy.

An initiative aimed at the eastern choke point was taken in August 2005 when the governments of Indonesia, Malaysia and Singapore convened a meeting at Batam for creating a forum for the purpose of making a framework of cooperation to enhance the safety of navigation, environmental protection and security in the Straits of Malacca and Singapore while respecting the sovereignty and sovereign rights of littoral states. In September 2006 the three states convened a larger meeting under the International Maritime Organisation's Protection of Vital Shipping Lanes Initiative. It was attended by 34 countries including 11 Indian Ocean littoral states.

Also in September 2006, the Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia (ReCAAP) came into force involving ASEAN, Japan, China, South Korea, India, Bangladesh and Sri Lanka. Subsequent meetings have reinforced the need for cooperation between the littoral states, user states and users of the Straits of Malacca and Singapore. A cooperative mechanism has also been established.

The difference between the two approaches, in respect to the western and the eastern choke points respectively, is significant. The former primarily involves the extra-regional powers and gives the impression of being hegemonic; the latter primarily involves the littoral and user states and is focussed on cooperation. This gathering would, undoubtedly, make its own judgements.

IV

Security against anticipated threats is one aspect of the matter. In human terms, situations created by natural disasters and accidents are equally relevant. Tsunamis and cyclones take a heavy toll every year. 70 percent of the world's natural disasters take place in the Indian Ocean region. Environmental disasters, oil spills etc hold the potential for large-scale damage. These happenings do not respect national boundaries. The response, accordingly, has to go beyond national efforts to be meaningful. A very good example of international cooperation is the effort mounted after the December 2004 tsunami. The Indian Navy undertook a commendable operation on that occasion. More recently, the Indian Navy provided help and succour to the victims of the earthquake in Indonesia.

Gentlemen

The innate sense of curiosity of the human mind, and the progress of science, has opened the doors on the mysteries of the sea. These, when unravelled, indicate the immensity of resources that the oceans possess. These can be accessed rationally or irrationally. Our generation has not been slow to learn lessons from the past. Hence the comprehensive effort that resulted in the UN Convention on the Law of the Sea and the subsequent Agreement to create the International Seabed Authority charged with the responsibility to organise and control all mineral-related activities in the international seabed beyond the limits of national jurisdiction.

The exercise of regulating the exploitation of the Common Heritage of Mankind has some teething problems that, hopefully, would be overcome. While exploratory ventures have been made, the consensus at this stage is that technology for economic mining of the ocean depths is probably a decade away. This interval is a blessing; deep-sea ecosystems are the main reservoirs of global biodiversity and the scientific and legal framework for protecting them and minimising the potential environmental impact of such mining is yet to be put in place.

V

Given the diversity of ocean-related activities of humankind, the responsibility of undertaking them is shouldered by various segments of society. Each of these requires an atmosphere of peace and stability. The maintenance of peace is a politico-military exercise necessitating intelligent use of available resources to achieve desired ends. The challenge always is to ensure that contention and cooperation are in harmony. The totality of objectives sought to be achieved in the Indian Ocean region by the littoral, hinterland and user states can only be achieved through a methodology of cooperation.

It has been said, with justice, that the narrative of conflict, as advanced by belligerents, is always one of grievance. The causes, conditions and consequences of conflict almost invariably relate to economic, social and environmental factors. Each of these is better addressed by common endeavour.

The Indian Ocean Region is among the fastest growing regions of the world. The existing structure of cooperation in this broad region is primarily based around five groupings, namely ASEAN, GCC, SAARC, SADC and SCO. These are not formally linked to each other; their overlapping and

overarching framework is an implicit recognition of each other's sensitivities and concerns. It is also reflective of the tenuous equilibrium of the region. An earlier effort, to create an Indian Ocean Rim grouping, did not produce the desired results.

Within the region, and around it, are important political and economic powers that have a stake in peace, stability and progress. They could form the nucleus of an eventual Asian Economic Community.

Gentlemen

India is and will remain a maritime nation. In keeping with its maritime heritage, its overseas presence would be based on its soft power and cooperation.

- With 7516 km long coastline, 27 islands of the Lakshadweep chain and 572 islands of the Andaman and Nicobar chain, 13 major and 185 minor ports and a merchant shipping fleet of over 750 ships, the security imperatives are compelling.
- Disaster management in a multilateral framework of cooperation for speedy and effective relief operations is an important element of our maritime approach.
- India is a UN recognised pioneer investor in deep-sea mining and has been allotted a mining area of 150,000 sq. kms in the central Indian Ocean. In addition, the EEZ of India is set to increase to 2.54 million sq. km. Furthermore, around 20% of our overall petroleum demand is met by offshore production.
- Environmental issues are now global themes and India has a vital stake in the approaches towards management of global environmental issues.

By disposition, and by inherent capacities, India is well placed to be part of bilateral and non-discriminatory and inclusive regional and multilateral arrangements for maritime security, in consonance with international law and respecting the sovereignty of littoral states.

The evolution of perceptions takes time. The key to the future, in the words of Prime Minister Manmohan Singh, is the development of new synergies. This needs to be a comprehensive endeavour. A convergence of interests in the maintenance of peace and in the creation of a co-prosperity area

would greatly facilitate the effort. This gathering of the Chiefs of Navies of the Indian Ocean region attends to one aspect of the matter.

I thank Admiral Sureesh Mehta for inviting me to address this distinguished gathering. I am confident your discussions would further the larger objective of promoting understanding and cooperation among the nations represented here.



016. Remarks by Prime Minister Dr. Manmohan Singh while releasing a book titled: 'INDIA TO BE A GLOBAL POWER'.

New Delhi, February 15, 2008.

I am delighted to release my esteemed friend, Shri *Vasant Satheji's new book. I have had the privilege of long years of association with him. I recall where I was the Deputy Chairman of the Planning Commission, some very stimulating discussions that I had with him leading through thought-provoking comments by him on many aspects of our economic and political management. Thereafter, when I became the Finance Minister and issues of tax reforms came up, there also, Satheji came up with a lot of innovative ideas. You may not agree with the solution that he propounds but the question he has often raised they are very relevant questions they are thought-provoking question, there is lot of food for thought in the latest book he has penned down. I have always been impressed by his erudition, his range of interests and his grasp of the complex realities of our vast country. Satheji has served in several ministries holding several important portfolios in key sectors of our economy. At the same time, he has a deep and abiding interest in cultural issues and has a keen understanding of our society, our civilizational values and our cultural ethos.

The catholicity of Shri Sathe's personality is evident in this book. This is a book by a restless soul. It raises issues which cannot be dismissed as irrelevant. They require a debate and a meaningful debate, a purposeful debate and I hope the message that the book has will travel far and wide. I am struck by the choice of issues Satheji has highlighted as defining our

* A former Cabinet Minister.

quest for a global personality. The four pillars of Satheji's architecture are summarized by the headings of the four chapters. First, a Universal Vision, second, Political Stability, third, Economic Self-Reliance and fourth, Social Reforms.

India's universal vision defines her place in the comity of nations. Our vision is captured in the Preamble of our Constitution. It is based on the ideas and ideals that inspired the national movement. It is a vision that defines India, that defines the idea of India and that defines India's message to the world at large.

As we reflect on the processes of change around the world, it is now so evident that India made the correct political choices after Independence. The whole world has come to value the principles of a liberal, plural and secular democracy. This is the vision of India and our vision of the world that defines our place in the world today.

It is this vision that has also contributed to the second pillar of progress that Satheji discusses, namely, political stability. India despite misgivings of many people to the contrary has demonstrated to the world that despite our diversity, despite our internal differences, despite all the contentious and contending tendencies, we have steadfastly adhered to the principles of parliamentary democracy. We have in the process as Lord Meghnath Desai pointed out grown in strength, economic as well as political. I recall way back in the sixties, seventies a distinguished correspondent of the New York Times came here wrote a book India : The Most Dangerous Decade predicting that at the end of the sixties probably India would cease to be a unified nation. I think we have proved many skeptics wrong. But that does not mean that we do not face challenges. We cannot rest on our laurels. But we can take pride in our achievement that we have despite all our trial and tribulations of managing a complex economy and a complex polity have stayed faithful to the idea of plural democracy.

The smooth change of governments, even after highly divisive electoral campaigns, testifies to the stability of our political process. Governments come and Governments go, but the country moves on without fear of political destabilization, without fear of any threat to our democracy. This too gives us a unique place in the comity of nations. At the same time we have to recognize that the processes of change are throwing up new patterns of leadership, new patterns which lead to and empowers the hitherto marginalized sections. With this we have seen the rise of new leadership

from various States, Regional formations and many of them probably have not been bred in the values of democracy, liberal democracy and many of them do not make the distinction between State and private property. But I do believe that although there are tensions in our polity these are essentially the pangs of growing up and I feel confident that our country that has proved the skeptics wrong in the past will continue to surprise about our continuing vitality. But that does not mean that the question that Satheji has raised should not be discussed widely. I think they merit a nationwide debate. I do hope that this book will prompt such achievement.

Third, Satheji discusses the role of economic self-reliance. Different people may have different definitions of self-reliance, but I believe the true definition of self-reliance is one's ability to stand on one's feet, harness in full measure modern science and technology, take responsibility for one's actions and have the self-confidence to work with other nations in an increasingly inter-dependent world that we live in. Self-reliance does not mean the pursuit of self-sufficiency. It in fact means having the self-confidence to enter into relationships of mutual benefit with others. The poet John Donne rightly said "No man is an island, entire of itself". Hence, true self-reliance is based on the recognition of the inter-connected nature of human existence and our ability to deal with it. I do, however, recognize the fact that a nation must have confidence in itself, its capabilities and its abilities so that it can feel self-reliant. In this context, it is most important to manage the economy efficiently, operate on the frontiers of modern science and technology and pay adequate attention to the imperatives of national security as Lord Desai emphasized a moment ago. These are important attributes of a global power.

Finally, Satheji reflects on social reform and social change. In doing so, he draws our attention to the importance of an inclusive growth process. Unless all sections of society feel they are part of the processes of change and that they are active participants in these processes, the process of empowerment are in fact working, we will not be able to move forward as a Nation. Our external strength can only be based on internal cohesion. I often said that today India does not face any serious external constraints. Our problems are at home, our challenge are at home and there are also enormous opportunities. The things that we do and the things that we do not do will have a profound consequence on our ability to emerge as a truly global power. An internally divided and divisive society cannot project an external image of strength and power. And I think this is a guideline which should guide the acts of all political parties. Those who seek to divide our people

on the basis of religion, on the basis of caste or differences to which place one belongs, I think they do not serve the cause of national unity or national progress. We have to find practical, pragmatic pathways to deal with these tendencies which if not curbed can have destabilizing consequences. But I do recognize that we are a functioning democracy therefore, the internal cohesion, that I am talking about, cannot be forced. It cannot be imposed. That is not the way in which the Indian people wish to govern themselves. Therefore, all those who influence the mindsets of our people, whether they are in the academic institutions, whether they are in the media or other institutions, they have an obligation to lay proper emphasis on the need for a minimum amount of national discipline, if our country has to realize its ambitions to emerge as a great power.

So such internal cohesion in a democracy has to be consensually arrived at. That should be the aim of all social reform. Be it the reform of our personal laws, reform of our educational system, reform of our health care, reform of local government. All of these must be based on the idea of social inclusion.

I believe these are all important messages coming out of Satheji's book. I hope he will continue to write, continue to be actively engaged in the ongoing debates of our times. I wish him many more years of creativity and public involvement. With these I once again congratulate Satheji for having produced a very provocative and very inspiring book which I hope will be read widely and particularly by the young people who are the focus of his concentrated attention.



017. Keynote Address of Defence Minister A. K. Antony at the National Seminar on "Defence Cooperation as a tool for enhancing National Interest".

New Delhi, February 18, 2008.

The most visible manifestation of a strategic relationship between two countries is cooperation in the sphere of defence. Strong political and economic ties between two countries can be further enhanced through closer defence cooperation, provided the potential challenges are identified and addressed and there is clarity on its terminal benefits. Most countries build defence relationships that promote specific national security interests, develop friendly military capabilities for building mutual confidence and trust as also to imbibe 'best practices' for various aspects of defence functioning. Defence cooperation also leads to optimizing action in the field of UN peacekeeping as well as disaster management.

Globalization has affected defence as much as any other activity and there is a need to continually find avenues for exchanging points of view with armed forces of other countries, as well as learning from successful innovations being implemented elsewhere. Defence cooperation may be defined as any arrangement between two or more nations where their Armed Forces work together to achieve mutual aims and objectives. This can include exchanges and liaison visits, individual and joint training, joint military exercises, common doctrine and equipment procurement.

The objectives of defence cooperation between countries are to promote intra and extra regional peace and stability through dialogue and cooperation in the field of defence and security, to promote mutual understanding on defence and security challenges as well as to enhance transparency and openness and to imbibe 'best practices' in various military fields by observing specific aspects of functioning of the militaries of more advanced countries.

Defence cooperation offers a range of benefits. It helps build trust and confidence, as also facilitates cooperation at political and economic level between nations. Expertise available with various militaries can be shared for development of mutual concepts and operational doctrine. Advanced countries have access to superior technology in weaponry and systems. Such technologies can be available to the Armed Forces of developing countries through means of Defence cooperation. Cooperation can be most successful when forces have inter-operable systems and weapons which facilitate functional cooperation when undertaking peacekeeping or disaster

management operation together. The efforts of various countries can be optimized in new innovations in rapidly changing operational environment through joint development and production of military equipment. Through Defence cooperation mechanism, countries make mutual arrangements for Promotion of Regional security and economic interests in the maritime zone through protection of Sea Lines of Communication.

India has very wide ranging international defence and military cooperation. It has been used as an effective tool of foreign policy and forms one of the main forms of engagement with many countries such as Russia, Singapore, UK, USA, France, Indonesia, Israel, Japan, Mauritius, Myanmar, Maldives, Nepal, Sri Lanka, Bangladesh, South Africa, Tajikistan, Oman and Bhutan.

The range of international military cooperation arrangements includes formal defence agreements which could be bilateral or multilateral; bilateral forums for meetings are at the strategic, military and technological levels. Military to military activities include high level visits, attendance at courses at military training institutions, professional defence and military expert exchanges, joint exercises, courses, defence equipment and technology-transfer, military assistance programmes, sports and adventure activity and cooperation in UN Peace Keeping Operations. Obviously, the levels of military cooperation with each and every country cannot be at the same level. These would be dependent on our national interests and our foreign policy goals and priorities. An analysis of the levels of existing cooperation indicates that there is scope for us to further enhance international defence and military cooperation with many countries, particularly those located within India's strategic periphery.

India's approach to international defence cooperation has been reasonably effective and is in sync with the national foreign policy. India can claim many successes in this; however, much more can be done to create conditions of peace, stability and security in the region for economic and social development of the country and its people.



018. Extract from the Speech of President Shrimati Pratibha Devisingh Patil to the Joint Session of Parliament.

New Delhi, February 25, 2008.

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56. The foreign policy of my Government seeks to promote an environment of peace and stability in our region and in the world to facilitate accelerated socio-economic development and safeguard our national security. Government has made vigorous efforts to develop friendly and cooperative relations with all our neighbours and to strengthen engagement with major powers. Since the 14th SAARC summit in New Delhi in April 2007, India has made every effort to strengthen SAARC, moving it from a declaratory to an implementation phase. Progress has been registered towards the establishment of the SAARC Development Fund, the South Asia University and the SAARC Food Bank.
57. Our goal remains a peaceful, stable and prosperous neighbourhood. India is committed to extending full support to Nepal's development during its political transition. India also stands ready to assist the Nepalese people's choices in the transition to a democratic, stable and prosperous State. As a close and friendly neighbour, India would prefer to see a peaceful, stable and liberal democratic Bangladesh. It is our hope that the people of Bangladesh will be able to exercise their will through free and fair elections for restoration of full democracy. There has been an unfortunate increase in violence in Sri Lanka. We are clear that there can be no military solution to the ethnic issue. It is necessary to find a negotiated political settlement within the framework of a united Sri Lanka that is acceptable to all sections of society. We will continue to help Afghanistan in whatever manner we can in its reconstruction and in building a pluralistic and prosperous society. We are committed to peace, friendship and good neighbourly relations with Pakistan. A stable and prosperous Pakistan, at peace with itself, is in the interests of our entire region. When conditions permit we will resume our dialogue process with Pakistan, aimed at building mutual confidence and resolving outstanding issues, premised on an atmosphere free from terror and violence. We hope that Myanmar's on-going national reconciliation and political reform process and the recognition of the need to expedite the process will make it more inclusive so as to ensure peaceful and stable democratization.

58. India attaches high importance to its bilateral relations with the People's Republic of China, with which we have a Strategic and Cooperative Partnership for Peace and Prosperity. This partnership has been further enhanced and given a global dimension with the signing of a Shared Vision for the 21st Century during the visit of the Prime Minister to China last month. Peace and tranquility have been maintained on our border with China and both countries are determined that this should continue.
59. My Government has made rapid improvements in our relationships with the major powers of the world. Our relations with the United States of America have improved in the past few years, and now span a wide spectrum including high technology, space, agriculture, education and trade and other linkages. It is our hope that civil nuclear cooperation with the USA and other friendly countries will become possible. Government has been working to further develop the time-tested friendship with Russia. The visit of Prime Minister to Moscow in November 2007 contributed to further strengthening our strategic partnership with Russia. We attach importance to our relations with the member states of the EU individually as well as collectively. The 8th India-EU Summit was held in New Delhi in November 2007. Most recently Prime Minister of UK visited India and the President of France was the Chief Guest at our Republic Day.
60. Government has achieved significant progress in the implementation of its "Look East Policy" through participation in the ASEAN-India and the East Asia Summits in Singapore in November 2007. India continues to work with Japan to strengthen its partnership. India's increasing engagement with countries of Africa and Latin America received further impetus with the visit of the Prime Minister to Nigeria in October 2007 and the visits of the Presidents of Brazil and Mexico to India in 2007. Prime Minister led the Indian delegation to the 2nd IBSA Summit held in Pretoria in October 2007. India will host the first India-Africa Forum Summit in April this year.
61. We have considerably enhanced our interactions with countries of the Gulf region that is home to over 4.5 million Indians and is an important economic partner and a major source for our oil and gas imports. The countries of West Asia have age-old links with India culturally and economically and are part of our extended neighbourhood. Developments in this vital region impact directly on

our interests and security. India is keen on cooperating with these countries to promote peace and stability in the region. Government has been closely following events in Iraq and hopes that peace and stability would soon return in Iraq. Government has also supported a rejuvenated Israeli-Palestinian dialogue and looks forward to a peaceful resolution of issues leading to an independent state of Palestine living side by side at peace with its neighbours. Sadly, recent events in Gaza and the West Bank have caused deplorable misery and hardship to the people of Palestine. India will extend additional assistance to the Palestinian people and stands ready to help the peace process to move forward.

62. India has also been engaged with Central Asian countries in our extended neighbourhood to widen cooperation with them. As an Observer State, India participated in the Heads of State and Heads of Government meetings of Shanghai Cooperation Organisation in August and November 2007 respectively. The India-Russia-China trilateral Foreign Ministers dialogue also continues to be productive.
63. India remains committed to universal, non-discriminatory and comprehensive nuclear disarmament as reflected in the Action Plan presented by the late Prime Minister Rajiv Gandhi and has called for renewed efforts for general and complete disarmament, particularly nuclear disarmament.
64. To commemorate Mahatma Gandhi's birthday every year as the International Day of Non-Violence, India piloted a resolution in the UN General Assembly which was adopted by consensus. The First International Day of Non-Violence was observed at the UN on 2nd October 2007.
65. Government has played a constructive role in the Doha Development Round of WTO trade negotiations and carried forward negotiations for establishing trade and economic partnership agreements with important trading partners and regional groupings to create a better external economic environment for our growth. The negotiations on the India- ASEAN Free Trade Agreement are scheduled to be completed soon. India worked with the international community to address key global challenges such as terrorism, energy security, sustainable development and reform of the United Nations.

66. Hon'ble Members, India is on the move. There is an air of optimism among our youth and of expectation among the less-privileged sections of society. The challenge before us is to sustain the development process in the face of external and internal threats. The people of India have the potential to fuel the engine of global growth. My Government has been able to sustain historically high rates of growth through prudent and sound economic management. This has contributed to the stability of the growth process, and to predictability and transparency in policy. This is reflected in the rising investment rate and in the buoyancy of tax revenues for both Central and State governments. Your leadership can unleash the full potential of our people and ensure the stability and sustainability of our growth process. I sincerely hope, therefore, that the proceedings of Parliament this year will be purposeful, peaceful and productive.



019. Statement of External Affairs Minister Pranab Mukherjee in both Houses of Parliament on "Foreign Policy Related Developments".

New Delhi, March 3, 2008.

The Minister of External Affairs (Shri Pranab Mukherjee): Sir, I rise to apprise the House of developments related to foreign policy since the conclusion of the Winter Session last December. During this inter-sessional period, the Government has made vigorous efforts to promote our objective of an external environment that enables India's accelerated development efforts and increases our strategic space.

The Prime Minister paid an official visit to the People's Republic of China, our largest neighbour, from 13 to 15 January, 2008. He was received with great warmth. The Prime Minister and Premier, Wen Jiabao signed a joint document on "A Shared Vision for the 21st Century between the Republic of India and the People's Republic of China", that reflects the congruence of interests that we share on regional and international issues, and our willingness to work together in those areas. The Prime Minister also took up the issue of trans-border rivers. The first meeting of the Expert Level Mechanism was held in September, 2007. We have proposed to the Chinese side that we expand our cooperation in this area. We have also agreed to

intensify high level exchanges with China. I will be visiting China this year and the Chinese Foreign Minister will also visit India. We will be holding the second annual defence dialogue as well as the second joint military exercise this year in an effort to continue deepening mutual understanding and trust between our Armed Forces. Our bilateral trade continues to show strong growth and both governments have revised the trade target to 60 billion dollars by 2010. Our Commerce Minister will visit China in April for the 8th meeting of the Joint Economic Group.

On the boundary question, during Prime Minister's visit, both sides positively appraised the work of the Special Representatives in seeking a mutually acceptable framework for a settlement that will be based on the Agreement on Guiding Principles and Political Parameters signed in April 2005. Both sides have also agreed to maintain peace and tranquility in the border areas.

The hon. Members are aware that Chinese officials have expressed regret at Prime Minister's visit to Arunachal Pradesh in end January, 2008. The Prime Minister's visit to Arunachal Pradesh was to assure our citizens that Government is mindful of their developmental needs, and is ready and willing to assist them through concrete projects. The fact that Arunachal Pradesh is an integral part of India has been clearly conveyed to the Chinese side by the Government.

The hon. Members would also have followed the significant developments in Pakistan. India shared the anguish of the people of Pakistan at the tragic assassination of former Prime Minister, Mrs. Benazir Bhutto in a despicable terrorist act. We are gratified that, in the recent elections in Pakistan, the people of Pakistan were able to express their wishes clearly and in a democratic manner on their own future. India wishes to see Pakistan develop and prosper in a stable democratic order. The Government stands ready to resume the Composite Dialogue process as soon as a duly constituted Government is in place in Pakistan. It remains our hope that we would be able to resolve outstanding issues and build a mutually beneficial relationship with Pakistan in an atmosphere free of violence and terrorism. The security situation in Afghanistan remains a concern to us, but will not be allowed to affect our commitment to Afghanistan's reconstruction. We lost two of our personnel in a terrorist attack on a major road building project in Afghanistan in early January this year. Five of our personnel were also wounded in this attack, which also claimed the lives of twelve Afghan security persons. We extend our heartfelt condolences to all their families. The international community must stand firmly with President Karzai and his Government as they face up

to the twin challenges of a major threat from terrorism in the form of the Taliban, and seek to build a democratic and pluralistic polity.

Nepal is undergoing a critical transition. After two postponements, Constituent Assembly elections are scheduled to be held on April 10, 2008. The elections will offer all Nepalese, including those in the terai, a chance to have a say in their own future. Government is committed to assist in every possible way Nepal's transition to a democratic, stable, peaceful and prosperous State.

India is closely monitoring developments in Sri Lanka and is concerned about the recent upsurge in the violence and conflict in that country. As hon. Members are aware, our policy towards Sri Lanka is based on the conviction that there is no military solution to the conflict. The way forward lies in a peacefully negotiated political settlement within the framework of a united Sri Lanka acceptable to all communities, including the Tamils. The interests of the Tamil community in Sri Lanka are a matter of particular significance to us in our dealings with Sri Lanka. With this in mind, we have welcomed as a first step the declared intention of the Sri Lankan Government to fully implement the 13th Amendment. We are also fully conscious of the need to provide for the safety of our fishermen. While it is important for our fishermen to respect the International Maritime Boundary Line (IMBL), especially keeping in mind the on-going operations in Sri Lanka, we have impressed on the Sri Lankan Navy to act with restraint and for our fishermen to be treated in a humane manner.

The Foreign Minister of Myanmar visited India in early January 2008 and briefed us on initiatives taken by the Myanmar Government for political reform and national reconciliation. Foreign Secretary also visited Myanmar in February 2008. Myanmar is India's close neighbour and a gateway to the ASEAN. We have emphasized to Myanmar that the process of national reconciliation should be broad-based to include all sections of society including Aung San Suu Kyi and the various ethnic groups. India fully supports the United Nation Secretary-General's good offices and his Special Envoy Mr. Ibrahim Gambari's mission to initiate a process of dialogue. At the bilateral level, co-operation in cross border infrastructure development projects, for providing better connectivity to the landlocked North-Eastern region of India is an important area of our relationship with Myanmar. Considering our common ethnic linkages and security considerations, it is essential for India to ensure that there is peace and stability in Myanmar during the period of its political reforms.

I chaired the 29th session of the SAARC Council of Ministers that was held in Delhi from 7-8 December, 2007. This session reviewed the progress made since the 14th Summit in April, 2007 to move SAARC from declaratory to implementation phase. We decided to operationalise immediately the SAARC Development Fund. Other decisions taken related to establishment of the South Asian University, the SAARC Food Bank and for promotion of physical connectivity.

Hon. Members are aware that in a suo motu statement made on 30th November, 2007, I had referred to the concerns expressed by hon. Members regarding the alleged harassment of participants of the rally organised by the Hindu Rights Action Force (HINDRAF) in Kuala Lumpur on 25 November, 2007 and subsequent related matters. As conveyed to hon. Members on that occasion, Government remains deeply solicitous for the welfare of people of Indian origin living abroad. There is a large community of people of Indian origin in Malaysia who are citizens of that country. We have friendly relations with Malaysia and we are in touch with the Malaysian authorities in the matter. During our interactions with them, concerns expressed in India, including in Parliament, regarding developments pertaining to the Indian community in Malaysia have been suitably conveyed.

The Government has been deeply concerned about the recent events in Gaza and the West Bank. The hardship and misery caused by these developments is deplorable. We have indicated that India is ready to extend all possible assistance to help the people of Palestine to overcome the suffering they are facing.

There were significant visits from countries outside our immediate neighbourhood, which have helped in strengthening our relationship with these countries. The recent visit of Russian Prime Minister Viktor Zubkov to Delhi (12-13 February, 2008) contributed to strengthening the strategic partnership with Russia. During his visit to New Delhi, the Russian Prime Minister inaugurated the "Year of Russia in India", which will be followed by the "Year of India" in Russia next year. Prime Minister Gordon Brown of UK visited India (20-21 January, 2008) for the 4th India-UK annual summit. President Nicolas Sarkozy of France was the Chief Guest at the Republic Day celebrations this year. This was the first visit by President Sarkozy to India and helped in deepening our strategic partnership. Our partnership with Japan continues to expand on the basis of the Road Map signed when the Prime Minister of Japan visited India in August last year. In recent conversations that Prime Minister and I have had with our new Japanese

counterparts, they have expressed their desire to work towards further strengthening our bilateral relationship. President Gayoom of Maldives paid a state visit to India from February 6-12, 2008. India has provided economic and technical assistance to develop infrastructure facilities in Maldives in mutually identified areas including the Indira Gandhi Memorial Hospital in Male. The Deputy Prime Minister for the Council of Ministers of the Sultanate of Oman, Sayyid Fahad Bin Mahmoud Al Said, visited India last December, marking the first visit in a decade. I visited Oman in January, 2008. During this period, we also hosted visits from Prime Ministers of Denmark, Hungary and Greece.

Hon. Members would also be aware that we are currently engaged in negotiations with the International Atomic Energy Agency to arrive at an agreed text of an India-specific Safeguards Agreement. The conclusion of such an agreement will enable the Nuclear Suppliers' Group to amend its guidelines for civil nuclear commerce in favour of India. This will open the door to civil nuclear cooperation with various countries, including Russia, United States of America, France, UK, etc., with many of whom the necessary enabling bilateral agreements for such trade have been discussed and are in various stages of finalisation. This development will signify, finally, an end to the unfair technology denial regimes and sanctions that India has been faced with for over three decades. We will continue to seek broad political consensus within the country to take forward our engagement on this issue with other countries.

In this context, Members' attention may have been drawn to some statements by United States officials regarding the applicability of the Hyde Act to Indo-US civil nuclear cooperation. Let me take this opportunity to reiterate that the Hyde Act is an enabling provision that is between the executive and the legislative organs of the United States Government. India's rights and obligations regarding civil nuclear cooperation with the United States arise only from the bilateral 123 Agreement that we have agreed upon with the United States.

To sum up, Sir, I would emphasise that the Government will continue its efforts to develop close political, social and economic relations with the countries of our region and with all the major powers of the world, so as to add to our ability to pursue our independent foreign policy as dictated by our national interest.



020. Extract from the Speech of Prime Minister Dr. Manmohan Singh in the Lok Sabha on the Motion of Thanks to the President for her Address to the Parliament.

New Delhi, March 5, 2008.

Prime Minister (Dr. Manmohan Singh) :

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Sir, I should say a few words about some matters of foreign policy. Our foreign policy has sought to promote an environment of peace and stability in our region. The challenge before us is to create an external environment that is conducive to our long-term and sustained economic development. We want mutually beneficial relations with all our neighbours, with all major powers and with all our economic partners. It is with this perspective that we have engaged the world and sought partnerships across the world.

I should say a few words about the Civil Nuclear Energy Cooperation with the USA and other countries. We continue to make efforts to make this possible in a manner in which we can maximise the use of nuclear energy for peaceful purposes. We are presently engaged in negotiations with the International Atomic Energy Agency for an India-specific safeguards agreement. We also continue to seek the broadest possible consensus within the country to enable the next step to be taken. I believe that such cooperation is good for us for our energy security and for the world.

Mr. Speaker, Sir, I was very happy some days ago that the former National Security Advisor, Shri Brajesh Mishra coming out openly in defence of the Nuclear Cooperation Agreement. Also, Sir, we had seen in this country Mr. Strobe Talbot, who negotiated on this issue with the NDA Government saying that if NDA Government was prepared to follow even 50 per cent of the deal that would be enough..... ... (Interruptions)

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Mr. Speaker, Sir, I should say a few words about our policies towards our neighbourhood. Our top priority remains our neighbourhood. We want peace, stability and prosperity in South Asia.

I want to begin by congratulating the people of Pakistan who have shown that, like us, they want to choose the democratic path. I am sure, the House

will join me in conveying to them our warmest good wishes as they consolidate democracy in that country.

The great daughter of Pakistan had to sacrifice her life in the process. We mourn with profound sadness, the death of Benazir Bhutto. The people of Pakistan have paid their tribute to her memory in their own way.

Sir, I would like to assure the newly elected leadership in Pakistan that we seek good relations with Pakistan. India wants to live in peace with Pakistan. The destinies of our two nations, I have often said, are closely inter-linked. We need to put the past behind us; we need to think about our collective destiny, our collective security and our collective prosperity.

In their first pronouncements after the elections, the leaders of the main political parties in Pakistan have also spoken of their interest in developing close relations and working with us to bring about a durable peace. Indeed, the dialogue that we have resumed with the Government of Pakistan over the last few years was started when the late Benazir Bhutto and Shri Rajiv Gandhi were the Prime Ministers.

The most courageous steps to build peace were taken by Prime Ministers Nawaz Sharief and Atal Bihari Vajpayee. We have continued the process with President Musharraf. I have said before that I have a vision for the future of India and Pakistan. I believe that in both countries, there is a consensus that we must have close and cooperative relations and a framework for enduring peace.

I hope that the newly elected leaders in Pakistan can quickly move forward with us on this. I am sure that this House will want me to say that we would welcome this and meet them half-way.

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DR. MANMOHAN SINGH: Mr. Speaker, Sir, the direction in which we have moved the country in the last four years is well laid out in the Rashtrapatiji's Address. It is in the direction of inclusive growth; it is in the direction of empowering the poor and marginalized sections of society. It is in the direction of unleashing the enterprise and creativity that is inherent in every citizen of this great country so that she or he can live up to her full potential. It is in the direction of taking everybody along and working to eradicate poverty, ignorance and diseases. It is in the direction to enhance our citizens' security. I hope the direction is now clear for all to see.

Of course, I am aware that some Members have been wishing that this Government falls and this has been their wish since the day we came into Office. To their misfortune and to the good fortune of the nation this has not happened. But Sir, such fond dreams do not die easily. Therefore, they continue to see visions where none exist.

Mr. Speaker, Sir, the future beckons India. I seek from the Leaders of all national Parties a long term vision that will enable us to widen our development options. I seek a commitment to the nation's best long term interests. Let us not divide ourselves by adopting narrow perspectives on important national policies. It is this perspective that informs the President's Address this year. I am, therefore, happy to express my sincere gratitude to Rashtrapati Ji for her Address to Parliament.



021. Extract from the speech of Prime Minister Dr. Manmohan Singh in the Rajya Sabha on the Motion of Thanks for President's Address.

New Delhi, March 5, 2008.

The Prime Minister (Dr. Manmohan Singh): Mr. Chairman, Sir, I rise to join other Members of the House in conveying our very sincere thanks to the hon. President for her inspiring Address.

This is the 60th year of our Independence and it is a matter of pride for all of us that in this 60th year of our Republic, the first lady President of the Republic addressed the Parliament. Sir, my esteemed friend, Shri Jaswant Singhji, has tried to introduce unnecessary acrimony and anger, and I wish to assure him that I have nothing but the highest respect for him as a distinguished leader of our country who has served our country with great distinction. So, whatever I have said, should not be taken as any personal criticism. He brought up what I said in the other House and the discussion was on the subject of terrorism and my reference to Kandhar was in the specific context of the allegation that we are soft on terror. This was also the point that Shri Arun Jaitley made that we have provided a soft legal regime for terrorists, and those sorts of allegations were made. I was referring merely to the fact that the existence of POTA, all the sabre-rattling of the BJP could not prevent the incidents at Akshardham, Raghunath Mandir and IC-814.

On the contrary, I made the point that terrorism is a common enemy which we have to fight unitedly. There are no questions of party lines in dealing with this menace which threatens our very existence as a civilised state. Therefore, I would also beg of our colleagues on the Opposition that they may not like what we are doing and they have a right to differ -- that is the essence of democracy -- but they should not then call us anti-national or that we are soft on terrorism. To accuse the Congress of being soft on terrorism is something which, I do not think, we will be able to tolerate.

I would respectfully submit to this House that we should be resolute in our opposition to all forms of terror and support our brave security forces who are fighting a difficult, long drawn out battle. It should be a common endeavour and should not divide the country, should not divide either Houses of Parliament. Sir, I listened to the debate. I was not present all the time, but I have looked at the transcripts and it is good that this debate took place. I sincerely hope that the Opposition will make it a habit to promote such debates because this debate brings out what unites us and what divides us. Democracy thrives when there is dialogue, there is discussion, there is scope for dissent, there is scope for difference of opinion without being branded anti-nationals or other sorts of names that Mr. Jaswant Singh has tried to use against me personally; I would not talk about that. I sincerely hope that such debates will be the norm and the House will not witness the type of disruptions which do us no credit either to the Government or to the Opposition.

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In the same way, I listened in my room with great respect to what Dr. Kasturirangan had to say. I compliment him the way he has tried to educate all of us as to what the nuclear deal is about, what we need to do to strengthen our capabilities in the space programme, in the strategic nuclear programme, and, I assure him that we will not compromise on the security needs of our country. We take very seriously what he has said. Sir, while I am on the subject, the President did mention that negotiations on the nuclear deal are on with the International Atomic Energy Agency. We hope that they will be successfully concluded but I also recognise the other dimension that we have to evolve a broad based consensus. Simultaneously, these efforts are on and we will continue to persist with that effort also. But, Sir, while I am on the subject, I would not like to say something more. But I read, with great interest, the statement and interview given by Shri Brajesh Mishra, former National Security Advisor to the NDA Government, in which he

listened to the call of his conscience and has now come out openly in favour of the Indo-US nuclear deal. There are also statements of the former American negotiator, Strobe Talbott, who negotiated these matters with my learned friend, Shri Jaswant Singhji, about the BJP's willingness to accept a much less favourable civil nuclear deal when they were in office. (Interruptions)

Shri Yashwant Sinha: It is absolutely wrong. (Interruptions) The Party has condemned the statement...(Interruptions)...

Mr. Chairman: Please allow the hon. Prime Minister to reply.

(Interruptions)

Dr. Manmohan Singh: He has stated....(Interruptions)...

Shri Yashwant Sinha: By quoting this...(Interruptions)....It will not give any credit...(Interruptions)...

Mr. Chairman: Please allow the hon. Prime Minister to continue.

... (Interruptions)...

Shri Yashwant Sinha: You will not gain anything by quoting a statement which has already been contradicted by me... (Interruptions)...

Mr. Chairman: Please allow the hon. Prime Minister to continue...

(Interruptions)... Hon. Members can seek clarifications. Please allow the Leader of the House to proceed... (Interruptions)...

Shri Priyaranjan Dasmunsi: Sir, we did not interrupt the Leader of the Opposition... (Interruptions):

Shri Yashwant Sinha: He is not prepared to listen to us...(Interruptions).... He is misleading this House...(Interruptions).... He cannot mislead the House.

...(Interruptions)...

Mr. Chairman: You can seek a clarification, but please allow the speech to proceed...(Interruptions)...

Dr. Manmohan Singh: Mr. Chairman, Sir, I now urge the Bheeshma Pitamaha of Indian politics, Shri Atal Bihari Vajpayee, to also listen to the call of his conscience, and let the national interest prevail over narrow political and partisan approach... (Interruptions)...

Mr. Chairman: I would request the hon. Members to allow the Prime Minister to proceed... (Interruptions)...

Shri Yashwant Sinha: Does it mean that the people who are opposed to the deal are anti-national? Does it mean that we do not have the conscience? ... (Interruptions)...

Mr. Chairman: You will have an opportunity. Please allow the speech of the hon. Prime Minister to proceed... (Interruptions)...

Shri S. S. Ahluwalia: That means those who are not supporting the deal, are anti-national... (Interruptions)...

Shri Priyaranjan Dasmunsi: Sir, we did not interrupt the Leader of the Opposition... (Interruptions):

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022. Speech by External Affairs Minister Pranab Mukherjee at the Global Minorities Meet.

New Delhi, March 6, 2008.

My colleague Shri Vyalar Ravi, Minister of Overseas Indian Affairs,

Mr. Justice Ahmadi, Former Chief Justice of India

Mr. Justice Sachar, Former Chief Justice, High Court, Delhi

Mr. Navaid Hamid, Secretary, South Asian Council for Minorities

Excellencies, Distinguished Guests

Ladies & Gentlemen,

It is my privilege to be here this afternoon at this important Conference on Global Minorities being organized by the South Asian Council for Minorities.

The issue of minorities has been on the consciousness of the Indian state since its birth in 1947. In 1947, though partition of the country could not be avoided despite best efforts of Mahatma Gandhi and other leaders, the Indian state made a compact with secularism which is one of the basic tenets of our Constitution. The Indian society as we know it today is the

culmination of centuries of assimilation of diverse peoples and ethnic groups. Indian society has been an inclusive and open one and if one looks closely at the pre-colonial India, the concept of minorities did not exist. I say this because of the very definition of what is a minority.

Minority feelings arise because of the self perception of a particular group who feel disadvantaged or feel discriminated against in relation to the perceived majority in the community. The nation state, based on law, created a situation where the experience of discrimination by a group, based on religious and other consideration, developed into a consciousness of being a minority. And when this group was able to convincingly make a case of discrimination then its claim for minority rights got strengthened. The political process and its concurrent exercise of power was thus the natural crucible in which minority status was formed.

As Prof. R. Pannikar, the sociologist said "Indian society in the pre-colonial period had different religious groups, but they were neither culturally nor politically disadvantaged nor victimized. For in matters of patronage, discrimination on the basis of religion was not pursued by medieval governments, headed either by Hindu or Muslim rulers. Such a policy of non-discrimination was rooted in the social reality of commonly shared quotidian life experience anchored in mutual accommodation and respect. As a consequence, although different religious groups existed with different religious and cultural practices, there were no minorities". The issue of minorities can thus be traced to the colonial period when the occupying powers played politics with the different ethnic and religious groups in India.

Excellencies, Ladies & gentlemen,

We are justifiably proud of the fact that India has an inclusive, open, multi-cultural, multi-ethnic, multi-lingual society marked by unparalleled pluralism. But we are also conscious of the fact that minorities and minority sentiments exist in India. And the framers of our Constitution, acutely aware of this sentiment, made considerable efforts to ensure that the rights of minorities in India are protected under the law.

India is home to almost all religions of the world and secularism is a fundamental tenet of the Indian Constitution and political system. All persons are equally entitled to freedom of conscience and the right to freely profess, practice and propagate religion. Citizens residing in India have the right to conserve their distinct language, script or culture. At the same time, India

set up statutory systems to safeguard the rights of minorities and to ensure their welfare. In 1993, five religious communities viz. Muslims, Christians, Sikhs, Buddhists and Zoroastrians (Parsis) were designated as minority communities. The Minorities Commission which was set up in 1978, became a statutory body the same year i.e in 1993 and was renamed as the National Commission for Minorities. To promote economic activities amongst the backward sections of these notified minorities, the National Minorities Development and Finance Corporation (NMDFC) was incorporated in 1994. This entity provides concessional finance for self-employment activities to eligible beneficiaries, belonging to the minority communities, having a family income below poverty line.

Our government has created a new Ministry of Minority Affairs in 2006 to ensure a more focused approach towards issues relating to the minorities and to facilitate the formulation of overall policy and planning, coordination, evaluation and review of the regulatory framework and development programmes for the benefit of the minority communities. The Prime Minister's New 15 Point Programme for the Welfare of Minorities was announced in June 2006. An important aim of the new programme is to ensure that the benefits of various Government schemes for the underprivileged reach the disadvantaged sections of the minority communities.

The objective of inclusive growth requires affirmative action towards socio-economic development of minorities. A High level committee under the chairmanship of Justice (Retd.) Rajindar Sachar was set up in March 2005 to prepare a comprehensive report on the socio, economic and educational status of the Muslim community of India. The Committee submitted its report in November, 2006. Decisions on the follow-up action on the recommendations of the Committee have been taken.

It has been the government's policy to ensure that we embark on a course of action which would ensure the well-being of the minorities and remove their perception of discrimination and relative backwardness that they suffer. We have to be aware that some minority communities are being exhorted to resort to violent and militant means to express their feelings. In this regard, we have to guard against fundamentalist forces which thrive on the religious obscurantism and cultural backwardness of some minority communities. The state should, in no uncertain terms, make it clear that there would be no compromise with the fundamentalist forces and help reduce the influence of obscurantist forces. India will always remain a secular state despite the efforts of many to try and change this character. The rights

of minorities can only be protected by a secular state which does not remain indifferent or hostile to minorities.

Distinguished participants,

As a government, we need to ensure equality, both in principle and in practice and to create conditions to enable the minority communities to achieve economic and cultural advancement. The role of civil society is also important as they have to be conscious of the rights of minorities in a democracy and evolve methods for defending them. Civil society has to be wary of the powerful propaganda being spread by religion centered populist forces. These forces tend to marginalize the minorities in public space and deny them civic opportunities as has happened in some states of India. This is a threat not just to the minorities but also to the very social fabric of India and its democratic traditions. The struggle for the rights of the minorities is not just a matter of social justice but also of the continuity of democracy and secular tendencies in India.

I have great pleasure in inaugurating this meet. I am also sure, the discussions will help all the stakeholders to move forward in appreciating the cross-cultural perspectives on minority issues which, particularly for a country like ours is of far reaching dimensions. I extend my deep appreciation to the participants and organizers who have come out to engage experts, scholars and administrators on this important societal issue.

Thank You.



023. Speech of External Affairs Minister in the Rajya Sabha replying to the short duration discussion on the Suo Motu statement made by him in both Houses of Parliament on 'Foreign Policy Related Developments' on March 3¹.

New Delhi, March 19, 2008.

Shri Pranab Mukherjee:

Mr. Deputy Chairman, Sir, at the very outset, I would like to express my gratitude to all the hon. Members who have participated and have made their contributions on the suo motu statement which I made on the floor of this House on 3rd March, 2008. On that very day, Sushmaji herself suggested that at some point of time, instead of seeking clarifications, as the statement was a bit comprehensive, it would be better to have a full-fledged discussion on it. Therefore, we are having this discussion, and, I am indeed grateful to the hon. Members for participating in it, and making their contributions.

Sir, a large number of issues have arisen. First of all, one point, I would like to make quite clear that in the very first paragraph of my suo motu statement, I mentioned, "during the inter-sessional period, the Government has made vigorous efforts to promote our objective of an external environment that enables India's accelerated development efforts..." and "I rise to appraise the House of developments related to foreign policy since the conclusion of the Winter Session". Therefore, you will notice that in this Statement I have referred to only those countries where certain developments took place between the Winter Session and the current Session. Therefore, if there is an omission of Iran or there is an omission of Iraq, that is nothing to do with any deliberate action or any pressure from any quarter. It is simply because of the fact that between these two Sessions, in the inter-session period, there has not been any major development. Some developments always take place, in some countries, but any major development. I thought that I should like to clarify that point.

Sir, another point which the hon. Leader of the Opposition stated is this. Naturally, as he was an experienced Foreign Minister who served this country since 1998. I think, only for one year, he went to the Finance Ministry, but rest of the period of that six years, he served as the Foreign Minister of

1. Please see Document No.19

this country. And, even before assuming that office, he was engaged in discussions with his interlocutor from USA. So, he knows this subject. He has wondered why in paragraph 3, we have used the word 'boundary', not the words, 'Actual Line of Control' or 'Line of Control' which normally India and China sometimes earlier used to paraphrase in their documents or in their statements. Perhaps, the Leader of the Opposition will recollect that even up to 2002 this phrase was used.

But in June, 2003, when Prime Minister Atal Behari Vajpayee visited China, with the institution of the Special Representatives representing the two Prime Ministers of the two countries, in that document, the word 'boundary' was used to settle the boundary issues between India and China; thereafter, we are using this word. It is neither any omission nor it is being done casually nor is it conveying any other sense. But, the normal practice is, whatever has been used in important documents, after that institution, the Special Representatives of two Prime Ministers met several times and they have arrived at certain stages of agreement---agreement on political parameters, agreement on guiding principles, and now they are engaged in working out a framework in which a just, fair and mutually acceptable settlement of the boundary issue between the two countries is arrived. I thought that I should clarify these two technical issues at the very beginning.

Mr. Deputy Chairman, Sir, I would also like to respond to some of the issues. First of all, let me make it quite clear that there is continuity in our foreign policy. Foreign policy of a country is not in isolation. Foreign policy of a country, as one hon. Member has very correctly pointed out, and it is true, that it is advancement of our national interest in the context of the contemporary world. Therefore, from time to time, there will have to be adjustments, there will have to be additions and alterations. But, the basic principles, the fundamentals of the foreign policy of a country are based on its own civilization, history and culture. Therefore, India's foreign policy is also based on its civilization, culture, its history and its commitments. When I entered into these doors, I have noticed; Sir, all of you have noticed that at almost every door, there are some quotations from various scriptures and various other texts. One such quotation is written somewhere and it just reminds me: *vasudhaiva kutumbakam*, the whole universe is my friend. Here, it is written: *ekam sad-vipraa bahudhaa vadanti*. These are the basic philosophical frames, which also epitomise the basic tenets of our friendship that we want to expand our friendship, the basic tenets of our foreign policy.

Therefore, when we talk of the five principles, it is not just a slogan. Indian foreign policy is based on five principles which was evolved in 1954 with discussions between India and China. What are those basic five principles? Mutual respect for each other's territorial integrity and sovereignty; mutual non-aggression; mutual noninterference in each other's internal affairs; equality and mutual benefit; and, peaceful co-existence. What appeared to be the founding principles of bilateral relations between India and China? These two great nations, India and China---India became Independent in 1947, China was Independent but there was a change in the system, a new regime came and, thereafter, on the basis of these five principles, our bilateral relations developed over the years. Which was basically between India and China, ultimately, became the fundamental principle of conducting the foreign policy to many of the developing countries, almost all developing countries which joined the Non-Aligned Movement. They accepted these as their basic principles of the foreign policy. And we are continuing to have that. Therefore, there had not been any basic changes there.

During this period whoever has come to the Government, they have accepted these principles, guided their policies in the context of these principles. Of course, there will have to be certain adjustments, certain reallocation of the priorities in the context of the changing world. Two important international institutions were established immediately after the Second World War, one was IBRD, International Bank for Reconstructions and Development, that is, World Bank, and another was International Monetary Fund. But there was a third leg, which was missing, that was GATT, which later on came in 1994 as the WTO. Now a large number of countries have joined them, these organisations.

These are the institutional arrangements. When we began our Non-alignment Movement there was no existence of WTO, there was no existence of having such a huge trade agreement where a large number of countries will participate, a large number of economic activities will be brought within the parameter of this. Therefore, when these changes take place, naturally, it will get reflected in the foreign policies of the countries. In the days of the Cold War when there was Super Power rivalry, the type of foreign policy, which we used to have, to some extent, it will lose its relevance in the context when the Cold War has come to an end. And I would not say, it has become unipolar world because in my own observations in one of the public addresses in Carnegie Foundation in

the USA sometime in 1995 I said that 'I do not subscribe to this view.' This is multipolar world. Somebody militarily may be very powerful, but somebody may be equally very powerful in economic muscles.

Therefore, there are multi-polar worlds, there are various polars and, moreover, certain countries, certain economies are emerging. Why? In our foreign policy, even in my own statement, I have emphasised on building up relationships with China and this aspect has to be kept in view. One hon. Member, representing Samajwadi Party also mentioned quoting Dr. Lohia very correctly, that is the ground reality. At one point of time, not far-off period, contribution of India and China taken together was nearly 60 per cent of the world output. After that industrial revolution in Europe, after colonisation and some sort of deprivation in China our positions were downslide and today again that possibility is there. When you talk of the Asian Century, next century or this century being the Asian Century, we talk of emerging power of India and China. But how could we achieve it -- through rivalry, through confrontation, through tension or through cooperation, co-existence? Therefore, if a statesman while visiting India points out, "I would like to convey to the international community that there is enough space to grow India and China together and we are determined to grow India and China together", surely we should welcome that statement and we should try to work on it.

That does not mean that there will be no problem of problem areas, there will be no area of divergence of opinion, there will be no area of differences of approach. There will be and it will be our endeavour to sort out those differences, to convert the divergences of the views into convergence of the views. To my mind, Mr. Deputy Chairman, Sir, most respectfully I would like to submit, that is the job of those who are conducting the Foreign Policy of this country, to convert the divergences into convergence. Yes, we have differences of opinion in respect of Arunachal Pradesh and the Prime Minister's visit.

The Leader of the Opposition has quoted very extensively from some expert's opinion. I am not disputing that. Yes, they have their own perceptions. They have their own views. We have our own perceptions. When they -- not formally, but informally -- placed a demarche to our Embassy about the visit of our Prime Minister to Arunachal Pradesh, immediately I responded by saying that Arunachal Pradesh is an integral part of our country, we are having representatives of the people of that area in our Parliament and it is quite natural that if there had not been development, particularly,

infrastructural facilities were not built up on this side of the border of an important international border, if Prime Minister visits and assures the people of Arunachal Pradesh that the Government of India is fully aware of their developmental requirement and the package is being declared, it is quite natural and quite consistent with the policies. That is the policy we have stated. Therefore, I do not feel that there is any inherent contradiction in these approaches.

It has been stated, hon. Leader of the Opposition also mentioned about Sikkim. I am aware of the problem of Sikkim. But unlike the Macmohan line, boundary between Sikkim and China has been settled in Anglo-Sikkim Convention of 1890. Physically, it has not been delineated but both sides have agreed and accepted their position. There have been some occasions where some bunkers have been destroyed and some activities have taken place, but, it has been agreed that neither side will take any unilateral action to change this status quo and through dialogue we would like to settle the issue which will be sorted out, I do hope, in course of time. Sir, in respect of the recent developments in Tibet, hon. Members are fully aware of the history. If I remember correctly, His Holiness Dalai Lama entered into India sometime in 1959. On 23rd March, 1959, the then Prime Minister, Pandit Jawaharlal Nehru made a statement on the happenings of Tibet and when his Holiness Dalai Lama entered India, naturally, India extended shelter to him and to his followers. Again Panditji made a statement. The first statement was made on 23rd March and another statement was made perhaps on 29th March, 1959 after Dalai Lama entered, addressed the place at Tejpur and he was given shelter.

The conditions are well known. He is considered as a religious and spiritual leader. He is allowed to have all religious and spiritual activities to continue. His followers are provided with shelter and all sorts of facilities which they require. But, at the same time, they are advised not to indulge in any political activities or any sort of activity which can jeopardise our relationship with any friendly country. And, this is fully appreciated by His Holiness Dalai Lama. Very recently, he had made a statement from Dharmashala on 10th March. His Holiness said and I quote, "I would like to take this opportunity to thank the Government and people of India, in particular, for their continuing and unparallel support for Tibetan refugees and the cause of Tibet." He expressed these sentiments in respect of his State on an occasion which was organised to honour him. It has been stated that it is some sort of patronage. It is not patronage. It is appreciation. If Chinese authorities feel that India's conduct in this matter is reassuring of continuing

friendly relationship, good neighbourly relationship and if they appreciate in words, one need not take it as if it is some sort of patronage. This is what I would like to submit most respectfully.

Mr. Deputy Chairman, Sir, certain other points have also been made, particularly by my friend, Mr. Yechury. He has, particularly, taken some exception about the joint-exercises. First of all, I would like to assure him that entering into joint-exercises is neither giving up the sovereign right of any country nor subjecting oneself into some sort of pressure. It is not that. We have been entering into joint exercises for quite sometime. A question may arise that we did not do it in 50s, 60s and 70s. Yes; we did not do it. We did not have the capability. India's military power was never recognised earlier as it is being recognised today. When the most advanced countries come and see the competence of our Air Force pilots, whether it is in Kolaikundai Joint-Exercise or in some other place or even in Alaska, they do agree that we have build up the capacity. We have build up the capacity in the Indian Navy. With how many countries are we having it? We are having it with Malaysia, Vietnam, Indonesia, Australia, Laos, Japan and the Republic of Korea.

In Army, we are having joint-exercises with Mongolia, USA, Thailand, Seychelles, Maldives, Russia, UK. In Air Force, we are having it with the USA, Russia, Singapore, France. Then, we are having Naval exercises with Singapore, France, Russia, Oman, Sri Lanka, Japan, Thailand and China. Therefore, with a large number of countries we are building up these joint-exercises. It would be, to my mind, a bit strange logic if we say if we enter into joint-exercises with Russia or China, we are not subject to the pressure, but we are subject to pressure if we enter into joint-exercises with the UK or France. It is not so.

Questions have been raised. Yes, the fact is that certain Israeli satellites were put into the orbit with the help of ISRO. And, when we described it as a 'commercial exercise' we did not mean that the satellite has been put in the orbit for commercial purposes. 'It is a commercial activity' it has nothing to do with the Government of India. It was not an arrangement between the Government of India and the Government of Israel. It was between two commercial entities -- one belonging to Israel and one belonging to India. It was not Government-to-Government. That is the meaning of the expression 'it was commercial'. And, surely when we enter into some commercial transactions, it is a commercial secret. It is a fact that we are entering into a defence cooperation with Israel. It is not one day's business. They have

built up their capacities in certain areas. But we are having defence cooperation with a large number of countries, both, developing countries and developed countries. Sir, I have been in the Government several times.

In different decades, I have seen it. Yes, there was a time when at a particular time you used to have all your military hardware from one particular country. But if that particular country is not in a position at a particular point of time, should we give up our exercise; should we give up our efforts? At one point of time, I was Commerce Minister.

Twenty-eight per cent of total international trade was directed towards one bloc. If today that bloc is not available, should I give up my international trade? Can that be a policy of any national interest?

We shall have to adjust our policies because new forces emerge, new realities emerge. I am happy that Mr. Yechury has appreciated divergence of various outputs in our international relations -- IBSA (India, Brazil, South Africa); trilateral arrangement between India, Russia and China, for which I am going. Three meetings have already taken place. We are going to hold Africa-India Summit in India in the first week of the next month. At one point of time even during the heydays of Non-Aligned Movement many other outfits emerged -- G-77 emerged; in 80s, G-40 emerged. Today, the United Nations Security Council G-4 has emerged, where we are working. These various formations and combinations depended on the situation prevailing at that point of time. This is quite natural. We are just responding to that. Yes, a day may not be far off when we will convert BRIC into BRISC, including South Africa. And, that will be a quite important formation. Three continents, three major developing countries -- Latin America, Africa and Asia. India Ocean dream is there. Those littoral countries of Indian Ocean have formed this. In 1995, we made a very small beginning. Now, it has expanded. So, these types of formations are bound to emerge. And, some of them, in the course of time, may lose their relevance and would be substituted by other formations.

I think, a question has been raised that have we diluted our policies in respect of our stand on Palestine. Mahatma Gandhi has been quoted. Mr. Raashid Alvi has also pointed out that he was asked that you can speak in favour of Palestine, but, you cannot vote in favour of Palestine. But, if we look at our track record of voting, it is like this. In the United Nations fora, on the 3rd of this month, my colleague, Shri Anand Sharma, when he participated in the Ministerial Conference of the Human Rights' Organisation

in Geneva, he voted with the Arab world, condemned the atrocities; disproportionate atrocities, and retaliations which have taken place in Gaza. We are supporting the Security Council's Resolution. What is the contention of the Security Council's Resolution? It is that Israel will have to vacate the occupied land. When we are supporting the Resolution that solution lies in implementing the Security Council's Resolution, am I diluting my policy by not repeating in every statement that Israel should vacate its occupied land because my total support is with the U.N. Security Council Resolutions, the Arab League initiatives and even the recent initiatives taken by Saudi Arabia to resolve these issues and to have peaceful solution to the problems of Palestine? People have suffered too long. During the last couple of weeks, thrice we have expressed our deep concern on it. But, surely, Mr. Deputy Chairman, Sir, you will agree with me that even the strongest sentiments can be expressed in most sober words, and in most sober language. We are exactly doing that. We are not diluting our stand. We believe that Palestinians have every right to have their homeland. They have their right to live in peace. As Israelis have their right to have their own homeland, similarly, Palestinians must have their right to have their own. Nobody can deny it. And India stands by that. Therefore, there is no question of dilution on that.

One question has been raised, Mr. Deputy Chairman, Sir, about the conditions of the persons of Indian origin. Recently, on Malaysia I made a statement when that happened. After that, we took it up with the Malaysian authorities. Sometimes, some news items come, appear, we take it up. One news item appeared, sometimes, that there will be discrimination about the recruitment of Indians. But, immediately, it was corrected by the Malaysian authorities that there is no such discrimination. Indians who have settled there, who have accepted their citizenship, they have contributed substantially in building up the economy of that country. They have organized themselves, maintaining their old relationships, maintaining their own identify, having their own faith in their own culture. And that is quite natural. One cannot forget his or her root; they must remember it.

Some hon. Members have expressed their concerns about the happenings in our Southern most neighbour, Sri Lanka. We are fully in agreement with their views that political solution is the only answer, not the military solution. We are all for taking action against terrorist outfits. We have no sympathy for LTTE. I have no hesitation in telling this to you. This is a banned organisation in India. Subsequent Governments banned it. But every Tamilian is not a subscriber to the philosophy of LTTE. Most of them are

not. Therefore, they have every right to live in their own country, that is, Sri Lanka, within the territorial integrity and Constitutional sovereignty. Their ethnical issues must be addressed within the framework of Sri Lanka's Constitution, maintaining the territorial integrity. That is why, it was agreed that, perhaps, the 13th amendment of their Constitution was the solution. We are asking the Sri Lankan Government, "please fulfil your own commitment." You had appointed the High-Powered Committee of political representatives. They have come out with good reports. Implement those reports and try to assuage the feelings of the ethnic minorities, Tamilians and others. Then, their rights will be fully protected and we stand by you. Your security concern is my security concern, because we are the closest neighbour to you. If Sri Lanka becomes the victim of international big powers, India will not be immune from that adverse impact. Therefore, it is in your own national interest. We would like to give you all assistance which you require, which you want, and, actually, we are doing it, but, at the same time, you address the genuine issues of the people. In respect of Pakistan, my colleague, Shri Tarlochan Singh has given certain suggestions. As for one suggestion, I will readily respond to that.

Of course, I cannot give details right now; I shall have to talk to our Missions. Wherever Guru Nanak Devji visited, whichever country it was, our Mission should commemorate, because his was the voice of peace, universal brotherhood and till today we do believe in the contemporary period that there was a great mesiah of humanity, that is, Guru Nanak and his message should be conveyed through an appropriate mechanism and some sort of commemoration functions, in whichever country he visited during his lifetime. It is a very good suggestion, Sir. In respect of liberalisation of visas, in respect of the Prisoners of War, in respect of certain other issues, yes, we have moved. We have moved forward. The composite dialogue began. Before the visit of the then Prime Minister, Shri Atal Bihari Vajpayeeji, in January, 2004 to Pakistan in connection with the SAARC, an assurance by the then President, President Musharaff was given to the then Prime Minister that land of Pakistan will not be allowed to be used by terrorists and we are keeping our faith on it. Please fulfil your commitment. Please don't allow your land to be used by the terrorists.

The composite dialogue process is going on. The next round of talks will be initiated. For obvious reasons, we have to be a little slow because of the unsettled situation there. When the tragic assasination of Benazir Bhutto took place, I myself expressed my desire to go and pay my respect but we could not do so. Even the Congress President, Shrimati Sonia Gandhi, had

also expressed her desire to visit that country to express her condolences to the family, but because of the situation the Pakistan Government advised us not to go; so, we adhered to that. We are now waiting. As soon as the new Government is in place, we shall begin our composite dialogue. We are all in favour of liberalising visas. We are all in favour of expanding trade and SAPTA is basically aimed at that.

One hon. Member wanted to know where the SAARC University will be established. We are trying to locate the land at Delhi. I have told our people that if you do not get land in Delhi, appropriate land in Delhi in time, please go to the neighbouring States like Haryana or wherever you can get, but the university project must be implemented as early as possible because we do not want that SAARC would merely confine itself to declaration. Now, we shall have to go for implementation and we have operationalised the SAARC development fund, food bank and the SAARC villages. In fact, in later part of this month in India, development work will take place in seven SAARC villages. We are going to formally launch that project. In every SAARC country it will be done, because, now the SAARC has assumed more importance geographically with the inclusion of Afghanistan in it; and through land of Pakistan, one day, I do believe that transit to Afghanistan through Pakistan would be possible. Though it is not possible today, but, after today, there is tomorrow; after tomorrow, there is day-after-tomorrow. I hope a day will come when it will be possible. That means, the SAARC is being linked with through Afghanistan to the West Asia, to the Central Asia, and, through Bangladesh-India up to Myanmar, i.e., ASEAN, and, the Central Asia, the West Asia will be linked with SAARC. It has immense potentiality. So, we are going to implement the SAARC development funds, the SAARC food bank and the SAARC university projects. Sir, I do hope that the next SAARC summit at Sri Lanka, whenever it takes place, will give some new momentum to the SAARC developmental activities.

In short, Mr. Deputy Chairman, Sir, I would like to say that I have tried to cover as many points as I wanted to cover.

However, Sir, at the end, I would like to clarify one more small point because the impression should not go that we are responsible for causing chaos in Nepal. Most respectfully, I would like to submit that not by intervention, not interference, but with our suggestions, with our advice to the political parties, it has been possible to bring a hardcore militant, believer in violence,

organisation in the mainstream of the democratic politics of Nepal. They are participating today in the Constituent Assembly elections. The elections are going to be held under the supervision of the United Nations. The people are going to exercise their rights. They are going to constitute the Constituent Assembly, which will frame their Constitution. I do feel that this is the most important right, a democratic right of any people of any country to have their own Constitution and to have their own Government through the process of elections. All-party alliances have taken place, seven-party alliances, including, the Marxists. They have given up violence. Yes, there may be some problem here, some problem there; there may be some teething problems; but, we have not contributed in creating chaos in Nepal. We have tried to defuse the chaos and tension which was prevailing there by bringing the political parties together, not by -- I am repeating -- intervention or interference, but by our counsel and that is the approach which we are having. Our approach is, we neither believe in exporting our ideologies nor we have any territorial ambition. We are only interested in moving together for peace, prosperity and development and making our own contribution in that process.

Thank you, Mr. Deputy Chairman, Sir, for giving me this opportunity.
...(Interruptions)...

Dr. V. Maitreyain: Sir, the hon. Minister has not mentioned a single word about the IAEA Agreement. ...(Interruptions)... He has not mentioned a single word about it. ...(Interruptions)...

Shri S.S. Ahluwalia: Sir, one point, please. ...(Interruptions)...

Shri D. Raja: Sir, I also want to seek one clarification.

...(Interruptions)...

Mr. Deputy Chairman: One-by-one please.

...(Interruptions)...

Shri S.S. Ahluwalia: Sir, I have not spoken. ...(Interruptions)...

Mr. Deputy Chairman: I know that you have not spoken. ...(Interruptions)... Please sit down. ...(Interruptions)...

Shri D. Raja: Sir, one clarification, please. ...(Interruptions)...

Mr. Deputy Chairman: Mr. Raja, you have spoken, but he has not spoken. Therefore, first I am calling Mr. Ahluwalia. After that, I will call you.

Mr. Deputy Chairman: Mr. Raja, just a minute please. You have already spoken. Mr. Ahluwalia has not spoken. He wants a clarification. Let him speak. I will call you later.

Shri S.S. Ahluwalia: Sir, from tomorrow, we are going into a recess. In the meanwhile, a lot of development has taken place on the Indo-US Nuclear Deal; our learned friend, Dr. Maitreyan, also raised this issue. Leader of Opposition also raised it. In between, on 16th or 17th, there was a meeting between the UPA and the Left and they have briefed each other. They are sharing views with each other. But, as far as I understand, the hon. Prime Minister had said on the floor of this House that whatever the team involved in discussions with the IAEA or the NSG does, they would apprise the Parliament of the situation. But tomorrow is the last day and today, when the External Affairs Minister is speaking on this, he should speak on this too. This is part of paragraphs 14 and 15 of his statement.

Shri D. Raja: Sir, I am happy that Shri Pranab Mukherjee tried to convince the House in his own sober way on several issues. But in relation to Sri Lanka, I would like him to state the position of the Government of India.

Mr. Deputy Chairman: He has talked about that.

Shri D. Raja: No, Sir. Firstly, what is the position of our Government on the deployment of sea mines by the Sri Lankan Government? Secondly, is there any effort or decision taken to extend military cooperation to Sri Lanka at this point of time, such as sharing Intelligence, military Intelligence, giving training, etc. Thirdly, the Kachatheevu Agreement guarantees traditional rights to Indian fishermen. Now, the Government of Sri Lanka violates the agreed positions of the Kachatheevu Agreement. If Shri Pranab Mukherjee clarifies to the House on these three issues, it would help not only Tamil Nadu but the whole country. What is the Government's stand on these three issues? These are concrete issues.

Shri Pranab Mukherjee: Sir, as far as the issues relating to Sri Lanka are concerned, we are addressing these issues. So far as laying of mines is concerned, there is an international convention and every country is signatory to it. Therefore, that will be taken up as per international norms and practice. In regard to the problems of fishermen, we are currently engaged and perhaps we will be able to arrive at a solution which would be acceptable to both countries and the fishermen will be benefited to a

considerable extent. So far as training and other facilities are concerned, Sri Lanka is one of the countries which sends the largest number of trainees to our different Defence institutions, not today, but for quite some time. In regard to political solution, I have already stated that we are encouraging them, we are advocating them and we want them to have this political solution which they have agreed to by the 13th Amendment of their Constitution by devolution of power so that the large ethnic minority feel assured that their legitimate aspirations are fulfilled within the constitutional framework of Sri Lanka.

Sir, in respect of the Civil and Nuclear Deal, I did not deliberately spell it out because I have nothing to spell out now. During the last debate I had said that there were three processes. One process was that there should be India-Specific Safeguards Agreement with the IAEA. That negotiation has been going on but it has not been inked and initialled. After that, it will go to the Board; after the Board approves it, it will go to the Nuclear Suppliers Group; then, the Nuclear Suppliers Group will have to amend its guidelines; after the guidelines are amended in the NSG, all these documents will have to go to the US Congress for its ratification. Thereafter, the question of its operationalisation will arise. So, what is happening in between? Certain talks are going on. It has not yet been concluded. There has been an advancement. But as and when the IAEA Board approves the India Specific Safeguards Agreement, I assure the hon. Members of Parliament that we will come back. But before that, what should I report to you? Every time we discuss this issue whenever there has been any major development.

Shri Sitaram Yechury: You can tell them if they want to know the information that you are telling us, then let them join the UPA. ..(Interruptions)..

Shri Pranab Mukherjee: I mentioned it why we did not agree to the Joint Parliamentary Committee. You may like it or you may not like it, but I strictly adhere to and my party strictly adhered to the constitutional position. There never before we have subjected the international agreement as such. Any legislation arising out of international agreement will have to be approved by the Parliament; any legislation to implement the international agreement, if it is a Central legislation, will have to be approved by Parliament, but not the agreement as such. Therefore, we consider that it is not the appropriate forum. But whenever there will be any major development in respect of this

agreement, we will come and share the information with you. I think, since July 2005, five times we have discussed the Civilian Nuclear Agreement with the Members of Parliament. In respect of the UPA-Left Coordination Committee, I told it quite clearly that this is an internal arrangement because they are supporting us and I am to carry conviction with them.

Therefore, I am sharing certain information with them and if you are interested, next time when Parliament will meet, I will be too glad to share that information with you. Since this is just a short Session of three weeks or so, there will be no major development. But I can assure my good friend, Mr. Ahluwaliaji, and others that whenever out of three stages if any stage is complete, I will come and share that information with the House. As the Prime Minister committed, when the entire process is going to be over, if it is over and if we go to that stage, then in that case, surely, we will come and seek the opinion of the Parliament. That is Prime Minister's commitment here. Standing here, he made this commitment. But let that stage come. Now what the Leader of the Opposition says, I do not subscribe to that view that either you mend it or you end it because we are in a stage where neither we can end it nor we can mend it. We are in the process of dialogue with our supporters. Thank you.



**024. Address by External Affairs Minister Pranab Mukherjee
at the All India Annual Conference for Haj - 2008.**

New Delhi, April 2, 2008.

**Hon'ble Shri E. Ahamed, Minister of State for External Affairs,
His Excellency Mr. Saleh Al Ghamdi, the Ambassador of Saudi Arabia,
Distinguished delegates from South Asian Moassassa, Kingdom of
Saudi Arabia**

**Shri M.OH. Farook, Ambassador of India to the Kingdom of Saudi Arabia
Chairman and Members of Haj Committee of India,**

Honorable Members of Parliament,

Chairmen and Members of the State Haj Committees,

Distinguished Religious Scholars,

Members of the Media and

Friends,

I am very glad to be amidst you this morning to inaugurate the All India Annual Conference for Haj 2008. I compliment and congratulate the Government of the Kingdom of Saudi Arabia under the benign leadership of His Majesty King Abdullah bin Abdul Aziz Al Saud for the successful and incident-free completion of last Haj. I also commend the Ministry of External Affairs, the Haj Committee of India and the Indian Embassy and the Consulate General in Saudi Arabia and all other individuals and agencies for their untiring contribution in the smooth and successful organization of Haj arrangements during last Haj.

It is a matter of great pride for us that the third largest contingent of Haj pilgrims in the world goes from our country. I am glad to learn that about 1,57,000 Indian pilgrims performed Haj last year, which is an all-time record. Indeed, under the UPA Government the pilgrim quota has increased by 38,000 during the last four years. In this connection, I would like to express my sincere gratitude to the Royal Government of Saudi Arabia and the Custodian of the Two Holy Mosques for acceding to the request made by the Government of India for enhancement of our quota in the past years.

For millions of Muslims around the world, pilgrimage to the Holy places of Makkah and Madinah is a cherished and life-long dream. To that end, the Government of India is committed to ensure that the best possible arrangements are put in place for the comfort and well-being of Indian pilgrims to facilitate their sacred pilgrimage. Ministry of External Affairs, in coordination with the Ministry of Civil Aviation and Ministry of Health & Family Welfare, our Missions in Saudi Arabia, other agencies of the Government of India, the Haj Committee of India and the State Haj Committees work in close coordination to take all necessary measures to provide and improve facilities and services for the pilgrims in Jeddah, Makkah Mukarramah, Madina Munawwarah and the Mina/Arafat areas. The Ministry of External Affairs with the benefit of the experience of my colleague, Shri E. Ahamed, has made dedicated efforts in bringing about significant improvements in Haj management during the last four years. I congratulate him, his colleagues and senior officers.

I am also happy to note that our Haj Mission in Saudi Arabia has been able to fulfill the mandate given to it of serving the Hajis and taking care of their needs and interests during their stay in the Kingdom of Saudi Arabia.

It is needless to mention that the Government would continue to depute, in sufficient numbers, administrative, para-medical and medical personnel to look after and assist the Indian pilgrims during their stay in Saudi Arabia. Sufficient medicines and other critical medical equipment would also be made available to our doctors for the benefit of Indian pilgrims. The Government would also make arrangements for polio, meningitis and influenza vaccinations for the pilgrims.

A significant aspect of the Haj arrangements for Indian pilgrims is the enhanced use of Information Technology through total computerization of pilgrim location and movement including all those who are going through private tour operators. I am happy to know that the Haj Committee of India has made considerable progress in its plans for the computerization of its arrangements by networking with all the State Haj Committees in India and the Consulate General of India in Jeddah. I would like to assure this gathering that the Government's objective is to bring about regular improvements and innovations in our Haj management, both in India as well in Saudi Arabia.

Ladies and Gentlemen, the Annual Haj Conference is a very important event in Haj management as the Central and State Haj Committees,

Members of Parliament, religious scholars and the Government officials, who participate in the Conference, jointly introspect, review and deliberate upon the experiences of the previous Haj. They also discuss inadequacies and shortcomings, if any, and suggest ways and means for ensuring better arrangements in the following year. I am sure that this Conference would provide a very strong platform for serious discussion and healthy debate to achieve the common objective of making the best possible arrangements for Indian Hajis in an objective and transparent manner.

As welfare and well-being of Haj pilgrims is always a matter of utmost concern to the Government, I would urge the Haj Committee of India, the State Haj Committees, our Missions in Saudi Arabia and all concerned with Haj affairs to give high priority to the orientation of prospective Haj pilgrims so that they are able to perform their holy rituals in a proper and safe manner. The orientation programme should not only cover pilgrims going through the Haj Committee of India but also the ones going through Private Tour Operators.

As part of the preparations for Haj 2008, a composite delegation of senior officials from the Ministry of External Affairs, the Ministry of Civil Aviation, Air India and the Haj Committee of India, has already met in Jeddah in March 2008 and gave final touches to the plans for next Haj. In order to provide maximum convenience and comfort to the pilgrims, it has been decided that, as in previous years, only such buildings, which are suitable, will be hired for the stay of Indian pilgrims for Haj 2008. You may be aware that good accommodation in Makkah is currently in short supply due to redevelopment of Haram Sharief area. It has, therefore, been decided, in consultation with Haj Committee of India to rationalize parameters and rates for the accommodation. The number of categories of the accommodation have now been reduced to three i.e. Green, White and Azizia. Separately, efforts are being made to ensure that most of our pilgrims are accommodated within the traditional boundaries of Mina. Shri E. Ahamed, MOS, would also be visiting Saudi Arabia later this month to meet with his Saudi counterpart and to conclude the formal agreements for Haj 2008.

We are taking action to ensure that henceforth air travel for our pilgrims is as smooth and convenient as possible. Air India has been advised to charter wide-body aircrafts so that the pilgrims along with their checked-in baggage travel on the same flights. Also there is a proposal that the baggage to be carried by pilgrims should be standardized and colour-coded according to various embarkation points so that it is easily identified and transported.

During Haj 2007, due to general shortage of Zam Zam locally, the airlines faced difficulty in obtaining Zam Zam. In view of these difficulties, it would no longer be possible for the airlines to provide Zam Zam at disembarkation points in India. All pilgrims may, therefore, procure and carry their own supply of Zam Zam. The airlines would permit carriage of 10 litres of Zam Zam for each pilgrim as part of accompanied baggage on their return flights.

As improvement in Haj Management is a continuous process, I, on behalf of Government of India, would like to assure you that we would very carefully consider all suggestions that would emerge from the deliberations of this Conference and try to implement them, to the extent feasible, in the overall interest of our pilgrims.

I extend my best wishes for a very successful All India Haj Conference.



025. Address by Commerce Minister Kamal Nath at the seminar organized by International Institute for Strategic Studies on the theme of "India as a Rising Great Power - Challenge and Opportunities".

New Delhi, April 18, 2008.

Introduction

Thank you Sir Win Bischoff, and thank you very much for the commercial for my book! All of you who have not read it, please do get a copy. Thank you Dr John Chipman for inviting me to be here with you today, distinguished participants.

The IISS is one of our leading international think tanks, and that leading international think tank has chosen, in its 50th year, to have a conference dedicated to India. Calling it the first IISS-CITI India Global Forum demonstrates that India is being recognised, but I am a bit uncomfortable with the title: the rising great power.

I have been asked frequently about India becoming a rising great power, and this word power often makes me uncomfortable. Yes, India is growing, and all of you are familiar with the figures. India is on a growth trajectory as never before, but India has its great challenges and its complexities. Yes,

India is growing at 8 or 9%, it does have its institutional strengths, we do call ourselves the fastest growing free market economy, and we do pride ourselves in respecting intellectual property. So those of you who are here from abroad and would like to buy counterfeit goods, will not get them here, you will have to go to another Asian country to find them. We respect GIs.

The Reform Model

It was about 17 years ago when our present Prime Minister, Dr Manmohan Singh, as Finance Minister, launched India on the reform process. A reform process that was India specific. What was the reform process we had to follow - India, with all its complexities and diversities. The India specific reform process, where India could integrate with the global economy. I still remember the World Bank president, Mr Preston, telling me in 1993 that India would never make it. He told me, 'this is not enough, this is not the reform model that is going to work', but India chose its own reform process. It was not a reform process modelled on south and central American patterns, where the bubble burst. Not on the East Asian models, we had no Asian crisis, we rode over the Asian crisis.

We chose a reform process that helped us to globalise in a calibrated process. In a calibrated process that the Indian economy, business community and industry could absorb. So, today, we talk of India engaging with the global economy, just a few days ago I announced the Foreign Trade Policy, that India's engagement with the global economy was going to hit \$500 billion. If you had had this forum 10 years ago, I would have had to tell you a different story, but as you have it now, of course I say that we are engaging with the global economy to the extent of \$550 billion.

Imports and Investments

We are not only an exporter, we are a large importer, and we are a large market for the western world. Our imports from Europe are going up by over 32%. Our imports from the US are going up by 35% every year. So India is not just an exporter we are a big importer. In 1991 we did not have foreign exchange for more than 15 days for our oil, today we talk over \$300 billion. Of course we are looking for FDI, we want FDI, and we want technology, but India is also a big investor. Our investments in the US last year were more than the US investments in India, and India created more jobs in the US than the US created in India. This message must be taken to the primaries in the US that are taking place now.

Global Competitiveness

So India is not only creating jobs within our country, we are creating jobs all over the world. It is this engagement, and this is the new global economic architecture. It is not India, it is East Asia, because as the process of globalisation started, and so did the process of global competitiveness. When we talk of the name of the game of global competitiveness, East Asia stands out where the massive economic activity shifts from the Atlantic Ocean to the South China Seas, to the Indian Ocean, not merely in terms of large populations, but in terms of global competitiveness, in terms of foreign exchange reserves.

It is these great changes that present even more challenges, more challenges for India, in East Asia challenges of a different kind, and when all of you come to India when IISS has this global forum in India in its 50th year, what do you see on the map? What is our neighbourhood? Our neighbourhood is Pakistan, Afghanistan, Nepal, Bangladesh, and Sri Lanka. Within all these countries you see a country, an island, where there is stability, a democracy. It is not only the largest democracy in the world, we also take pride in being the rowdiest democracy in the world, if some of you have seen how our parliament functions and how combative politics gets. It is this that gives India the strength and stability.

Growth Management

It is the young India. It is a young India that is raring to go. An India where 50% of our population is around 25. Huge numbers, but as a country, as we move on, as we move on in stability, we move on with confidence. We move on with confidence, building up a momentum of growth. It is not only India's 8 or 9%, but all the ingredients that make this 8 or 9%, the fundamentals. So when today we meet in a looming global economic outlook that is gloomy, the question is, how does India respond to this? That is another challenge. Of course we are not an externally driven or export driven economy, we are a domestic market driven economy. We are an economy today in global trying times in food, where global food prices are going up. We have 15 million people in India that are moving from having one meal a day to two meals a day. People who were having two meals a day are moving to have some more vegetables, poultry and dairy. This presents the challenges today on our supply side management.

So the challenge today is growth, but bigger than that challenge is the management of growth. The management of growth is a very big challenge

for India today. Where millions of people are moving ahead, our 8 or 9% growth is showing up on the radar screens in different ways. When it shows up on our radar screens in different ways the management of growth becomes a big challenge. When we say this we talk of India's IT skills and these great figures, but we cannot lose sight of the fact that India has 300 million people living on less than \$1 per day. How do we make growth reach them? How do we make it touch their lives? That is our challenge.

The Paradox of India

So when I said that I am uncomfortable using the word power, I am uncomfortable because here is a country that has more poor people than all the LDCs (least developed countries) put together. We have all kinds of conferences for LDCs, but India has 300 million - more than all the LDCs put together, with far more complexities. It is this great challenge, how we make growth touch the lives of those people, how we make growth touch the lives of the people in my own district, who voted for me for so many years.

That is the challenge, because in a democracy your shelf life can be very small, and when your shelf life is very small that is a challenge in itself in this complex India. An India that is a paradox, where we talk of so many million cell phone connections a month, but there are still so many thousands of villages that have never heard the ring of a landline telephone. That is the great paradox of India and it the need to understand these complexities.

Conclusion

When I say that I feel uncomfortable with this word power, of course we are rising, of course we are growing, but we have got a way ahead to go to reach all the per capita figures of the western world. We have got a huge way to go before we can move forward, but what we are today is an India that is vibrant, a thriving nation. India today is a confident India, and an ambitious India. We no longer dream of a better life for our children or our grandchildren, we dream for a better life for ourselves.

Question and Answer

Dr Tim Huxley

Minister, towards the end of your speech you mentioned the problem of poverty in India, with 300 million people still living on less than \$1 a day. I wondered whether you had any ideas about what sort of policies might make a practical difference in terms of reducing the incidence of poverty,

which is clearly one of the factors that is holding back India from achieving even greater economic success in the medium to long term?

Kamal Nath

One of the biggest challenges when I talk of 300 million people living on less than \$1 a day is in rural India, in our agricultural sector. There are 650 million people engaged in agriculture, which is not commerce, which is subsistence. Agriculture, which is livelihood security, agriculture labour. We have to have this great transformation in agriculture, we need to move 200 million people away from agriculture into services and manufacturing. That is our trust. How do we reform agriculture? It is not just investment in agriculture, when you are going to have agriculture on one or two acres of land, no matter what you invest it is not going to work. It is not going to be sustainable.

The government's focus on rural employment programmes, generating rural jobs, is another major effort. So, I think if we are able to address the issues in rural India, we are able to address the issues of poverty.

Ambassador Robert Blackwill

Minister, I know you have made an enormous effort to do India's part in finishing the Doha Round successfully. Can this get across the finish line or are the domestic protectionist policies in a variety of countries going to stop it from doing so?

Kamal Nath

What I am most concerned about is the protectionist policies in the US today, which we are hearing sounds about. I will be better able to answer this on 9 May 2008, because I am meeting Susan Schwab on 8 May 2008. I believe that all countries today want to have a rule-based global trading system, on a multilateral basis. We need it, India needs it as much, if not more, than most countries, because as we engage we must have a rule based multilateral system. There are challenges, and I believe that if in the next two months countries respect the sensitivities of other countries - we need to respect the sensitivities in Europe, the US, and Africa. Similarly the developed countries need to respect some sensitivities. We are grappling in this round with some of the most difficult issues of global trade. I am optimistic, because the momentum that has been built up in the last two months, and even in the last two weeks, is heading towards it. We are hoping to have a ministerial meeting towards the third week of May, and I

am sure that if countries are determined - because we have seen substantial progress since this time last year. If you look at today and three months ago, there has been substantial progress. We have got to cross that last mile, we have run the race, and everybody has got to touch the tape. I hope we can do it.

Dr John Chipman

Mr Minister, I think that our delegates have recognised that you have very admirably sung for your supper, and therefore you deserve it. On behalf of both the IISS and Citi, thank you very much for your eloquence and your presence here.

(courtesy: International Institute of Strategic Studies)



026. Keynote Address by Foreign Secretary Shivshankar Menon at the seminar organized by the International Institute of Strategic Studies : "India as a Rising Great Power - Challenges and Opportunities".

New Delhi, April 19, 2008.

Dr. John Chipman, Ladies and Gentleman, I am honored to be here at the first India Global Forum organized by the International Institute for Strategic Studies, London and Citi Group. You have a most impressive agenda and list of speakers. I am sure that your conference will contribute to informing opinion on India's future and its place in the world.

I would also like to convey apologies on behalf of Minister Pranab Mukherji. He had hoped to be with you and to deliver the keynote address, but unfortunately has to be away from the country at this moment.

I thought that I would speak to you today about India's opportunities and challenges. You might ask why. In the last two decades, India and most of the world have gone through a period of unprecedented opportunities, which have transformed India and the world. It may be, however, that we have arrived at the cusp of a shift in the balance between opportunities and challenges, when challenges to the world system increase and the external environment is harder for us all, including India. In order to examine whether

this proposition is true, let us look at how India and the world have changed, and at the opportunities and challenges that we face today.

India Transformed

In the sixty years since India's independence a plural and diverse nation has built and consolidated a democratic political order and has achieved considerable success in its development tasks, both social and economic. Economic growth, modernization and the pace of technology driven change are transforming our society at an unprecedented pace. As a result of twenty five years of 6% growth, itself largely the result of reforms since 1991, India is today in a position to engage with the world in an unprecedented manner. Movements of goods, services, capital and people connect us more closely than ever to once distant societies. India is more linked with the world economy than it has been for centuries. Almost 50% of India's GDP is accounted for by the external sector. Our needs from the world have changed, as have our capabilities.

However, daunting tasks remain. The two greatest challenges are poverty alleviation and inclusive development by sustaining growth and bringing its benefits to every strata of Indian society. If we are to eradicate mass poverty by 2030, we need to keep growing our economy at 8-10% each year. The recent change in India's GDP mix has increased contributions from the industrial and service sectors; we need to ensure that our agricultural sector also achieves similar growth, particularly since a majority of our population still relies on agriculture. Our priorities include minimizing developmental disparities across regions and peoples, reducing illiteracy and removing social barriers, maintaining a healthy balance between urban and rural development and, ensuring infrastructure development. At a minimum, this entails the efficient use of our resources, including human resources, enhancing education standards, improving productive skills and harnessing science and technology to our development. These are essential to sustaining and boosting rates of economic growth.

At another level, maintaining the current growth trajectory of India's industry will depend on the ability to meet our rising energy needs. For this an effective energy strategy is necessary, combining augmentation with energy conservation. India's imports of crude oil and petroleum products are unlikely to decrease any time soon. Our dependence on oil imports requires proper management so as to lessen their inflationary impact and preserve positive balance of payments, particularly given high global oil prices.

Equally, if growth is to be inclusive and serve the goals of social justice, food security becomes essential for India. I will return to these themes later.

The World Today

To successfully meet these challenges we also require an external environment which is conducive to India's transformation and continued development. This remains the primary objective of our foreign policy. We have a vital stake in the promotion of an environment of peace and stability in our region and in the world, which will facilitate India's accelerated socio-economic development, safeguard our national security, and lead to greater strategic autonomy. For the last two decades, conditions conducive to our quest did exist, generally speaking. And yet, when we look at the world around us, it seems less likely that this supportive environment will continue in the absence of concerted international effort.

Looking at the world from India, it often seems that we are witness to the erosion of the Westphalian state system and a redistribution in the global balance of power leading to the rise of major new powers and forces. Our shorthand for this phenomenon is the rather inadequate term "globalization". Twin processes of globalization and economic inter-dependence have resulted in a situation where Cold War concepts like containment have very little relevance. The interdependence brought about by globalization has put limits beyond which tensions among the major powers cannot escalate. What seems likely, and is in fact happening, is that major powers come together to form coalitions to deal with issues where they have a convergence of interests, despite differences in broader approach. In other words, what we see is the emergence of a global order marked by the preponderance of several major powers, with minimal likelihood of direct conflict amongst these powers. The result is a de-hyphenation of relationships with each other, of each major power engaging with all the others, in a situation that might perhaps be described as "general un-alignment".

The international situation has facilitated the rapid development of India's relationships with each of the major powers, and this is apparent in developments over the last few years. India's relations with the United States of America have been transformed. They now span a wide spectrum of issues including high technology, defense, space, agriculture, education and trade and other linkages. It is our hope that civil nuclear cooperation with the USA and other friendly countries will become possible soon. Our strategic relations with Russia are rooted in a friendship that spans several

generations and a relationship that straddles multiple areas of common interest. The India-Russia-China trilateral Foreign Ministers dialogue continues to be productive. With Japan, we are committed to strengthening our partnership. India shares a strategic partnership with the 27-member European Union, which is adding an increasing political role on the international stage to its considerable economic might. Through the IBSA forum, India is engaged with two leading emerging economies, Brazil and South Africa.

Equally important have been two other necessary conditions which have given India space to work in: Due to India's rapid economic and social transformation, our engagement with the global economy is growing rapidly. India can do and consider things that we could not do or consider twenty years ago. This is reflected in how India perceives its own future, its ties with its neighborhood and its approach to the larger international order. The second necessary condition which has obtained to a greater or lesser extent is our attempt to build a peaceful periphery within which India's transformation can take place.

We will continue our efforts to develop close political and economic relations with all our neighbors. Our goal is a peaceful, stable and prosperous neighborhood. India will continue to remain a factor for stability and peace in the region. Our economic growth is having an impact in the region and there are increased opportunities for our neighbors to benefit by partnering India. We will continue to make unilateral gestures and extend economic concessions. The political challenge will be set aside past mistrust and suspicions which have restricted the expression of our natural affinities, based on shared geography, history and culture.

The recent elections in Pakistan, Nepal and Bhutan have served to underscore the potential contribution of multi-party democratic frameworks to peace and stability. India will continue working with the new leaderships in these countries so as to enable each of us to pursue our shared objectives. It is our hope that the people of Bangladesh will also soon be able to choose their future and leaders through free and fair elections restoring full democracy. Our destinies in the subcontinent are linked, and will stay so. One major objective is therefore the establishment of better connectivity in the subcontinent, connectivity of the mind and physical connectivity.

The resumption of rail links last week between India and Bangladesh after forty-three years is testimony to this commitment. At the 14th SAARC Summit

in New Delhi last April, we set the goal of achieving in a planned and phased manner a South Asian Customs Union, a South Asian Economic Union, and a South Asian community. The popularity of such initiatives throughout the subcontinent indicates the strength of the impulse to remake these relationships.

This desire is equally strong even where difficulties persist. The unfortunate increase in violence in Sri Lanka reinforces our consistent position that there can be no military solution to the ethnic issue. It is necessary to find a negotiated political settlement within the framework of a united Sri Lanka, one that is acceptable to all sections of society. We will continue to assist Afghanistan in whatever manner we can in its reconstruction and in building a pluralistic and prosperous society. Equally, a peaceful, stable and prosperous Pakistan, at peace with itself, is in India's interest. We hope that Myanmar's ongoing national reconciliation and political reform process would be successful. We recognize the need to expedite the process and make it more inclusive so as to ensure peaceful and stable democratization. Our relations with our largest neighbor China are hinged on the mutual recognition that there is space enough and opportunity for both countries to grow and prosper.

With ASEAN, India's engagement has been different. It is a civilizational engagement. India's "Look East" policy forms the pillar of our relations and substantial steps have been taken towards integrating our economies, societies and institutions. The most visible achievement has been to meet the bilateral trade target of US\$ 30 billion a year ahead of schedule. Similarly, exports from ASEAN members continue to exceed expectations. An India-ASEAN fund with an initial corpus of US \$ 1 million has been established and a proposal to establish an India-ASEAN Green Fund, with a corpus of US\$ 5 million is on the anvil. I am optimistic over the future of this partnership.

At the global level, India's engagement is geared towards playing a positive role in world affairs. It is this thought and aspiration that lies behind our desire to be a permanent member of the UN Security Council. A strengthened, more democratic UN is a basic necessity of the new global order.

Opportunities

As this brief survey shows, the last few decades have translated into opportunities for India's external relations in several significant ways. Can

we expect this to continue? Certainly, India's capacity to utilize the opportunities that may emerge is today far greater than it has been before. As we seek to build a knowledge society, the revolution in technology, annihilating distance and enabling us to leapfrog stages of development, offers a significant opportunity.

India's growing economy, linked as it is to the world today, hopes to benefit from an open international trading regime, and requires an open rule-based international trading and investment environment.

Challenges

Paradoxically, it is these same interdependencies which pose the likely external challenges of the foreseeable future. Today we are told that the prospects for the world's largest economies, and for the world economy as a whole, are now cloudy. As one of the beneficiaries of globalization, India cannot be unaffected by a change in global economic prospects. India has a major interest in the success of the Doha Development Round, so long as it lives up to its name as a development round, and is true to its stated purpose of an open, predictable, rule based trading system. We will do what we can to make it a success, and to see that the concerns of countries such as India with large numbers of subsistence farmers are taken on board.

Two other recent developments that are worrying are the spurt in food and oil prices and their effects on energy security and food security. The world has yet to come to grips with these problems, and to deal with them on the basis of equity. The relationship between climate change and development is another such issue. India's commitment is clear and fair. Our per capita green house gas emissions will not exceed those of the developed countries, even as we continue to seek to develop our economy.

Let us look at energy and climate change in a little more detail to understand why India adopts this approach:

For India clean, convenient and affordable energy is a critical necessity to improve the lives of our people. The average consumption of electricity per capita each year in India is currently only 550 kWh against a global average of 2430 kWh, a US average of 13070 kWh and a Chinese figure of 1380 kWh. At a projected growth rate of 8% a year through 2031-32, the minimum necessary to eradicate poverty, India needs to increase its primary energy supply by 3 to 4 times, and its electricity generation capacity by 5 to 6 times current levels. Even though we have been growing by over 8% there has

been effective decoupling of our GDP growth from energy consumption and we have not followed the energy intensive growth pattern seen in the OECD. Our present energy generation inputs are predominantly thermal. We have abundant coal reserves which can be better utilized through cost effective solutions and clean-coal technologies.

Linked to energy security is the challenge of dealing with climate change. The international community already has instruments to deal with the challenge of climate change in the form of the painstakingly negotiated UNFCCC and the Kyoto Protocol. More than 50% of GHG emissions are currently from OECD countries. India with 17% of the world's population accounts for only 4% of such emissions. And yet the adverse effects of global warming caused by accumulated and continued high emissions by industrial countries will largely be felt by developing countries. These unsustainable patterns of consumption and production must be tackled on an urgent basis. It is imperative that the developed countries in Annex 1 of the Kyoto Protocol urgently commit themselves to truly higher levels of GHG reductions. The true free-loaders are those who have used up the world's carbon space for their own development and want to keep occupying it.

By mentioning energy and food security, I do not mean to minimize the risks from traditional political complexities. In addition, fresh and major causes for worry are the changing nature of international security threats, such as terrorism and the proliferation of weapons of mass destruction, and the possible link between the two. India is ready to work with others to evolve a new international consensus to deal with these life and death issues. We believe that non-proliferation and disarmament are mutually reinforcing processes. The most effective non-proliferation measure would be a credible program for global, verifiable and non-discriminatory nuclear disarmament, as reflected in the Action Plan presented by the late Prime Minister Rajiv Gandhi in 1988. In this the 20th anniversary of the Action Plan it would be fitting to renew joint efforts for general and complete disarmament, particularly nuclear disarmament.

In sum, the factors which threaten systemic stability come from larger crosscutting or transnational issues: food security, energy security, climate change and the environment, terrorism and the proliferation of weapons of mass destruction. As the world globalizes, technology ensures that these threats also globalize. No single country can deal with these issues alone, and they require fair and equitable global solutions which involve us all.

Conclusion

All in all, it is probably too early to come to a definite conclusion that challenges now outweigh the opportunities in the international arena. But the signs are that they will do so if we do not rapidly address clear and present elements of instability, and reform global governance and institutions to make it possible to do so equitably and efficiently, involving all those who can contribute to solutions. At the same time, in the near term, the continuing primacy of India's domestic developmental tasks and challenges likely means that the fundamental tenets underlying India's global engagement, of benign and cooperative engagement, will continue.

Question and Answer Session

Vice Admiral (Retd) Madanjit Singh, Former Chief of Western Naval Command

Those were very interesting remarks by Secretary Menon. I am just quoting your remarks where you said that we have a stake in the region, and we have. There are a few situations in the Asian region, and I specifically mention Iraq, Afghanistan, and Sri Lanka, which you mentioned, and Myanmar. We seem to be playing a secondary and supporting role in these crisis situations. Can we not play a more active role? Can we not, as a country, be involved in sorting out solutions for the conflicts in these countries?

Shivshankar Menon

In Afghanistan and Sri Lanka we are like a duck, paddling madly under water, but trying to appear still above the surface. I think we are very actively engaged in both Afghanistan and Sri Lanka. We have a commitment in Afghanistan of over \$850 million in terms of assistance; we have a presence across Afghanistan. There are almost 4k Indians today working on the reconstructing of Afghanistan in Afghanistan itself. We just lost two people last week on one of our projects to a Taliban attack, we have paid prices for this, but our commitment is quite clear. What is important in Afghanistan is to look at it not just as a law and order situation or a security situation, because I think the real challenge in Afghanistan is to enable the creation of a plural and stable society again, society and economy. To that extent what we are doing in Afghanistan is crucial to the international effort, what we are doing with our friends and with other countries.

In Sri Lanka it is quite clear that we and the world have wanted to help the situation evolve in the direction of a negotiated political settlement, but we

have not succeeded yet, but we will keep trying. As Dr Chipman said, large parts of this are really a matter of internal politics. We will keep trying to create an environment within which that politics can take the desired direction, but we cannot be seen to be interfering with somebody else's internal politics.

Iraq is a case unique to itself, and if you gathered 10 countries together and said, 'What is your solution?', you would get less than 50 solutions. Please do not expect me to tell you how we are going to solve Iraq or what India is going to do.

Dr Liam Fox, Shadow Secretary for Defence, UK

Foreign Secretary, how certain can the international community be that India will support and maintain a robust position on the Iranian nuclear issue, and what implications does such a position have for civil nuclear cooperation with the US?

Shivshankar Menon

I think our position on the Iranian nuclear issue is quite clear. We have made it quite clear that it is certainly not in our interest to have another nuclear weapons state in our neighbourhood. We have also made it quite clear that while Iran might have the right to peaceful uses of nuclear energy, she also has an obligation to implement the various commitments that she voluntarily undertook. Ultimately the issue of whether or not she is implementing those obligations depends on the technical judgement that is best done by the IAEA (International Atomic Energy Agency). They are in the best place to do it if they are allowed to implement their commitments to carry on their work properly. That is what in the IAEA board of governance, together with the UK and other countries, we worked for that.

Will this succeed? I do not know, I do not have a crystal ball. The Iranian cases of systemic failure, where we find that the existing regime is not sufficient to cover all possible cases, is a good reason to change the way we look at non-proliferation issues. This is why I said it is important that we now create a new international consensus on non-proliferation and that we work together to do so. We, as a nuclear weapons state, are ready to do so and to participate.

The India-US civil nuclear agreement, which we hope to bring to fruition soon, I see more as an immediate answer to India's energy security needs, to the problem of clean energy in the world, and less as a non-proliferation

issue. Quite frankly there is no direct non-proliferation issue involved in India's case. India has had an exemplary record, better than most, in the matter of not just how we handle and keep sensitive technologies, but also in how we use them. Given that, I am not sure that the kinds of links that some people try and draw between various situations and the truth. What is clear from our experience over the last 20 years is that we do need to sit down together and evolve a new non-proliferation consensus among ourselves, all of us. It is not going to be easy, but certainly we can do something better than we have done so far.

Ichita Yamamoto, Ranking Member, Committee on Foreign Affairs and Defence, House of Councillors, Diet of Japan; Former State Secretary for Foreign Affairs

Secretary Menon, you mentioned China three or four times, and I never dreamed that China would achieve such economic growth so quickly. As you see, the Chinese GDP will surpass Japan in a few years, and they will become the second largest economy very soon. How do you look at this rising of China? Do you think China can take a path of becoming a responsible superpower? Do you think the China factor will benefit India or the world?

Shivshankar Menon

As you said, the rise of China has been a remarkable achievement. Our own attitude, quite frankly, is that there is enough space today, both strategically and economically, for all of us to rise. The rise of China does not necessarily have to prevent the kind of development and growth of an open international system, which is more equitable and democratic, and is what we see. It does not necessarily have to work against it. Now, our experience of engaging with China over the last 20 years, both in a direct bilateral sense - we now do over \$40 billion of trade every year, China is our second largest trading partner, we now have exchange, we do military exercises together - our experience of engaging with them suggests that the best way to deal with this phenomenon is more engagement. Where it will end I cannot answer, but it should be our attempt, all of us in Asia, to work together to create a web of interlocking relationships, and an open security and economic architecture within which we can all grow.

Admiral (Retd) Arun Prakash, Former Chief of Naval Staff and Chairman, Chief of Staff Committee

Mr Menon, yesterday we had the opening keynote addressed by Mr Kamal

Nath, and he said right at the beginning that he felt a sense of discomfort with the title of this forum, India: Rising Global Power. He felt uncomfortable with the term power. Now, that is a true reflection of India's historic discomfort with the mantle of power on its shoulders, we have never actually shouldered it, possibly because of our heritage of non-violence. However, the fact is that no country has become a great or middle power without the armed forces being actively associated in policymaking and strategy. What has happened in India is a decoupling, and perhaps even an exclusion of the armed forces from strategic issues and policymaking. As Foreign Secretary what do you think of the participation of the armed forces? Do you see them as an instrument of diplomacy or state policy? Do you see them as a nuisance, or do you think they are irrelevant to higher policymaking? I could not have asked this question a year and a half ago so I am taking the first possible opportunity.

Shivshankar Menon

You posed two questions in one. You said about discomfort with power. Historically I cannot think of a single rising power that started saying 'we are a big power' until they were well beyond the peak of their power. It is amazing, and this is historically true. Deng Xiaoping's 24 character strategy, keep your head down, hide your lights, and is something that most rising powers have. Frankly I am not worried about the word power in the title, I am more worried about the hubris that comes with saying, 'look at us, we are rising, we are so good', which is why you noticed that what I spoke on was on our challenges and opportunities, rather than the title that I think was originally there.

The second part of your question, certainly the armed forces are an instrument of stage power, it just works with different bits and pieces of that power, and they have to work together, and I think we do. We have managed, it in a sense, without doing this publicly, and this is why it is such a unique relationship. Every other bit of our public business we do out in the open. I used to tell the Chinese that all your arguments that you do within the politburo and the central committee, we do outside in public and the streets. So please do not be confused by what you see, but this is one part of our work that all my experience suggests that we have actually managed to do quietly among ourselves. Certainly we cannot make foreign policy without the armed forces and their input, but they have to also be one of several actors. As I said, as India changes our means also expand, and today we are dealing with many more aspects of policy than just sheer hard power in the

old sense of the word. That is where we need to broaden.

Our problem is not that we disregard hard power or that we are uncomfortable with power. No, I do not see that at all in government. I think Mr Subrahmanyam sitting here is living proof that it is not. Our problem is the opposite, that we need to integrate the various forms of power together, and that is something that we have to learn as we go along, because the pace of change has been so fast.

Pierre Lellouche, President, Franco-Indian Group, French National Assembly; Former President, NATO Parliamentary Assembly, France

Mr. Secretary, first of all I want to tell you how much I appreciated your talk, and I was struck by its lucid analysis of the difficulty of the international system. I would have expected a more upbeat view on the part of the rising star of the new international system, but you had this note of caution, which I found very interesting. I am going back to the nuclear question raised by my British friend and colleague. I do not think you can handle Iran by saying that you want a new non-proliferation consensus, because we will be there in about 20 year time. The question is, assuming they continue to enrich uranium and we have a crisis in the next few months, on which side will India be? As you know, in my country we tend to be rather pessimistic about this situation, not that we like to be pessimistic, but we see the situation as a serious one. It would be interesting to have your view on this.

Second, you said very openly 'we are a nuclear weapons state', we know and respect that, but how do you run this relationship with your neighbours? Pakistan is also a nuclear weapons state, have you managed to work out channels of communication that would be at least reassuring to the rest of the world who watch this situation? On the Pakistan side there is particular concern, because we do not know how nuclear weapons are controlled. India is a democracy and there are elements of control, but we still do not know how it works in Pakistan. Can you tell us what you know and how you can build confidence?

Third, I like your notion that we should go towards disarmament. I believe my own country should be much more active in this at the end of the day. So what specific steps would you take in that direction?

Finally, on the same nuclear question, do you think that the idea of a nuclear fuel bank, which the IAEA is pushing for, is a proper answer to national enrichment facilities, and would India be prepared to participate.

Shivshankar Menon

On Iran, quite frankly, if you look at all the options, and you asked what the answer is if Iran goes on enriching, what are your options? Ultimately you need to have in place a system in which Iran is a party, which means you do need a consensus on something, whether you have a global consensus on a non-proliferation regime, you at least need to have Iran as a party to whatever you agree on her own programme. Otherwise, whatever you do, any of the other alternatives or the other options - sanctions, military action - none of them is a lasting solution. In fact, it is only likely to exacerbate the problem. That is the way we look at it. So, you need to evolve something which involves Iran as well, where Iran is part of it and is tied to the solution. How do you do that if you do not talk to them, if you do not involve them in it? The rest is short-term thinking, quite frankly, from our point of view, and it runs the risk of making the future much worse.

About India and Pakistan with nuclear weapons. Immediately after the 1998 tests both India and Pakistan realised that we needed to be in touch with each other. Given the history of our relationship this was not easy, but it is quite remarkable. In 1999 itself we actually agreed on a series of discussions on nuclear CBMs (conventional ballistic missiles). We have been carrying that out, we do have an expert group on nuclear CBMs, which has produced some results in terms of confidence building measures, about notification of ballistic missile tests, et cetera. We have a series of steps that we are taking, but it is a conversation that will need to continue, that will need to develop, and that both sides will need to work at. So the honest answer to your question is we recognise the need, we have some mechanisms in place, but we still have a lot to do together.

Disarmament: what steps? Our view has been that if you can set a clear goal of a nuclear weapon free world, you can then work backwards from that, and make it clear that it is a time bound verifiable programme. Make it clear that that would be the logical and effective way of dealing with disarmament, and that partial measures or steps that you might take always run the risk of creating fears of imbalance, and of generating precisely what you do not want, which is more local arms races, depending on where you create the imbalance.

On the nuclear fuel bank, we run a full fuel cycle of our own, and we would be happy to participate and to provide a home for the fuel bank if that is necessary. Discussions are still a long way away from that yet.

Gopinath Pillai, Executive Chairman, Savant Infocomm Pte Ltd, Singapore

In your painting of the scenario of the neighbourhood and relationships you omitted ASEAN (Association of Southeast Asia Nations). Does that mean ASEAN is irrelevant to India's foreign policy?

Shivshankar Menon

I have a whole paragraph in here on ASEAN, which I did not read because I realised I was running out of time. So I will give you the text.

Gopinath Pillai

Why did you leave ASEAN out?

Shivshankar Menon

It was not central to my argument. Here is a success story, what we call our Look East policy, it has worked very well, it is developing well, and I think it is going to get better. So when it comes to weighing challenges and opportunities, frankly, this is the case that stands apart and the exception the proves the rule. That is honestly why I did, but I will give you the text.

Dr John Chipman

Foreign Secretary, we are delighted to be in the presence of a professional, and thank you very much for a wonderful speech. A necessarily diplomatic reply when required, but full frankness for most of our discussions. You really started off the debate here on India's foreign policy, India as a rising power, right term or wrong term, in an invigorating way. Thank you very much for honouring us with your presence today.

(courtesy: International Institute of Strategic Studies)



027. Speech of National Security Advisor M. K. Narayanan at the seminar organized by the International Institute of Strategic Studies on the theme of: "India as a Rising Great Power - Challenges and Opportunities".

New Delhi, April 20, 2008.

Introduction

Dr John Chipman

Ladies and gentlemen, let us begin the fourth plenary session on India and the Great Powers. There was a great deal of talk on Friday as to whether the term great power was on that could properly now, or in the near future, be assigned to India. There are at least three countries represented here today that have absolutely no difficulty with the phrase great power being attached to their countries, and we have a very vital representative from India, in the form of its own National Security Advisor. We will have a continued and excellent debate on the place that India will take in the new international society of powers, and the perspective from the US, France and China on the relationship that those countries might have with this rising India.

The speakers will speak in turn for about 10 minutes, and then we will engaged in debate. To kick it off it is a delight to invite the National Security Advisor to the Indian Prime Minister, N K Narayanan to speak. A great friend of the IISS, he has spoken in Geneva, Manama, Bahrain and we are delighted that he is now speaking to the IISS in New Delhi India.

Mr M K Narayanan

National Security Advisor to the Prime Minister, India

Dr Chipman, Ambassador Blackwill, His Excellency Lallouche, Professor Heng, it is indeed a pleasure and I am grateful to the IISS for inviting me to speak at this forum on the subject of India and the great powers. As you have mentioned Dr Chipman, this is a rather delicate subject, particularly for an Indian to speak on. After hearing His Excellency Mr Carl Bildt a few minutes ago, I find that my task has become even more complicated. It is a very difficult act to follow a person as eloquent and as masterful of a subject as Mr Carl Bildt. Therefore, I start with a great deal of handicap, but I hope I will be able to present India's case and position before this audience.

All members of this audience are aware that our interaction with the great powers should be seen as an element of our engagement with the outside world. I need hardly add here that it was India's brush with the British Empire, which was essentially a struggle against imperialism and colonialism, which helped shape and profoundly impacted on the course of events in the latter half of the 20th Century.

Post-independent India, led by visionary leaders like Pandit Jawaharlal Nehru, remained in the forefront of opposition to the attempts of the victorious powers, following the Second World War, to carve out their separate and distinct areas of interest. In its place Pandit Nehru, and others who believed like him, came up with ideas and beliefs that would, over the next few decades, ensure greater strategic space and autonomy of decision making for many countries across the globe. It was during this period that concepts, such as the non-align movement, came into being, and helped sustain independence of thought and action to those who preferred to keep aloof from the two antagonistic military blocs of the time.

To repeat what His Excellency Mr Carl Bildt said a few months ago, the end of the Cold War did not herald the end of history, as some historians and strategic thinkers of the time had predicted. In the two decades since, we have witnessed the beginnings of a new world order, perhaps one that is less predictable than what existed previously, but has, nevertheless, helped maintain a certain balance in world affairs. The emergence of the European Union, and this reference to the EU is being made very strongly, the revival of the Soviet Union, the rise of Japan, China and India, and the spectacle of Africa on the march, posits a challenge, economically and politically, to US influence worldwide, even though the US still remains the pre-eminent military power. As a result, concerns about a uni-polar world have been assuaged to a very great extent, although the multi-polar system has yet to prove that it is capable of achieving global security and stability.

It is against this background that India began to reformulate its engagement with the great powers. We have taken some time to adjust to the realities of the situation. We are also now trying to adapt ourselves to a globalised and increasingly interdependent world. Cautious deliberation on India's part has resulted in the establishment of many robust relationships, including with the major powers of today. These have been exceptional, if only for the reason that they are mutually exclusive. Even when new relationships have been established and we have expanded our engagement

with the outside world - I may sound preachy - but we have not deviated from principles derived from our inheritance, of sustaining a multi-ethnic, multi-religious, and multi-regional society. Side by side with this, we have retained our commitment to an open society, the rule of law, human rights, and strong institutions.

What are the main imperatives that underpin our approach to the globalised world of the 21st Century, and relations with major and medium powers across continents? The key imperative has been that we seek a peaceful and supportive global environment. Second, we have tried to draw on our many strengths to create wide-ranging partnerships to improve and strengthen relations across the globe. Third, we have also been conscious of the need for our world view to mirror and be linked to the other national objective of promoting a model of inclusive and sustainable socio-economic development. We have every reason to believe that India's influence in the world has been enhanced to no little extent by the fact that we have demonstrated that democracy can deliver development and empower the marginalised. Fourth, India recognises, as His Excellency Mr Carl Bildt said a few minutes ago, that there are several global challenges that confront the world, and these are not confined to particular regions of the world, or to particular countries, and that India needs to play an important role in finding answers to some of them, such as terrorism, fundamentalism, food security, energy security, and climate change.

As we survey the changes that have occurred in India's relations with other countries, perhaps the most profound is a change that has occurred in the nature of our relations with the US. The relationship is, first and foremost, characterised today by greater maturity and dynamism. This has resulted in mutually reinforcing commitments to common values, based on a better understanding of each other's attitudes. I believe that the US today sees great value in our pluralist, secular, socially equitable and democratic framework, and regards it as a factor contributing to international stability.

On India's part there have been equally profound attitudinal shifts, born out of confidence in our economic strength, capabilities and capacities. There is also more recognition in India today of the need to engage and work with the major powers, especially in areas such as knowledge power, agriculture, high technology and health, apart from trade and commerce. The ongoing negotiations regarding the civil nuclear cooperation agreement, between the US and India, reflect this imperative, and should

be seen as a vivid demonstrating and expression of confidence in India's scientific prowess, as well as a recognition of India as a responsible power with advanced nuclear technology.

I would like to mention our longstanding relationship with Russia, and the erstwhile Soviet Union. This has been one of the constants of our policy, and one that has always enjoyed wide national consensus. As the Russian economy revives, and Russia begins to regain its influence in the world, we feel that this would lead to a further strengthening of the India- Russia, by substantially widening its ambit. The real challenge in our relations with Russia is not how to deepen the relationship, but how best to diversify it so as to fully leverage the emerging complementarities between our two economies.

Of seminal significance is the improvement in our relations with the countries of Europe and the EU. I can hardly say this any more eloquently than His Excellency Mr Carl Bildt a few minutes ago, but I would like to stress the fact that this relationship is not merely in the context of the growing economic prowess of the EU and its member countries, it now extends to the strategic and political plane as well. India and the EU entered into a strategic partnership in November 2004. We have established strategic partnerships with France, Germany and the UK among the European countries. These have been accompanied by a series of high level exchanges among the leaderships of these countries. The institutionalisation of the India-EU dialogue at the summit level, the changing character of the partnership, with India and the EU today jointly reflecting upon and addressing global challenges, and the emergency of the EU as India's largest trading partner, clearly point to the exponential growth in our relations with the EU.

India's relations with China have both vastly expanded and diversified in recent years. We see China as a rising power and believe that it is in the mutual interest of our two countries, who live in close proximity to one another, and have risen peacefully in the same timeframe, to strengthen their relations. We have taken a number of positive steps and measures to improve the quality of our relationship, and now allowed our differences to impact on the overall development of the ties. In 2005 India and China decided to, and did, establish a strategic cooperative partnership of peace and prosperity. In the year 2007, during the visit of President Hu Jintao to India, a ten point roadmap for further enhancing the strategic partnership was drawn up. In January this year, during Prime Minister Manmohan

Singh's visit to China, the two Prime Ministers signed the shared vision for the 21st Century. This is a landmark document, which signals the readiness of both countries to look beyond their bilateral relations, and the bilateral dimension of their relations, to work together on the global stage. We believe that there is enough space for both India and China to develop and prosper together, and that the relationship is in the interests of global peace and stability.

Today India has a vibrant strategic relationship with the great power in the east, Japan. In recent years the relationship with Japan has matured to a level where it holds great promise for the future. This comes at a time when Japan has demonstrated its willingness to play a more active role internationally. This has provided a proper setting for the transformation in India-Japan relations.

The relationships that have been outlined are based essentially on a mutuality of interest. There is widespread recognition today that India can make contributions to global peace, stability and prosperity, whether it is in dealing with the scourge of terrorism, whether it relates to the stability of the global economy, whether it amounts to the reform of the UN, or issues such as climate change. There is also the subliminal belief that no serious undertaking worldwide would be complete without India's participation, and that India offers a unique model of development with democracy, which stands out for its continuity.

The most important part of what I am saying is that closer engagement with the major powers has not and will never deflect India from its areas of core interest, namely its immediate and extended neighbourhoods. India is anxious to see south Asia emerge as a major powerhouse of economic creativity and enterprise, and believes that this is possible only through the creation of an enabling environment. This is now being attempted by India at two levels. At one level India is making important contributions to help preserve the integrity and assist in the transition to democracy of countries in its neighbourhood. At another level, it is also collaborating closely with many neighbouring countries on major development projects, in some cases it has opened its markets through the free trade association (FTA) mechanism.

Therefore, India is actively involved in revising the SAARC (South Asian Association for Regional Cooperation) process, as a vehicle for South Asian economic integration, and a platform for addressing social economic

challenges that confront the region. India has also been emphasising on the restoration of traditional linkages within the region, and between the region and the rest of the world. It has actively pursued cooperative arrangements such as dialogue ASEAN. We have also taken steps to strengthen institutional mechanisms, such as the East Asia summit process. However, economic prosperity and development are dependent on peace and stability. We do not believe that it is a virtue to become involved in the internal affairs of countries in our immediate or extended neighbourhood. Nevertheless, we recognise that the advantages of a stable region, and therefore welcome a stable Pakistan and believe that the transition to democracy would help in the building of a mutually beneficial relationship in an atmosphere free from violence and terror.

We have an equal interest in a stable Afghanistan, and are of the view that Afghanistan's emergence as a democratic state is vital for regional and global stability. We have committed nearly \$800 million for reconstruction efforts in Afghanistan, and are supportive of international efforts at restoring stability, defeating the forces of terrorism and eliminating the ideology of the Taliban and Al Qaeda in Afghanistan.

There are other challenges facing countries in our neighbourhood, such as Nepal, Bangladesh and Sri Lanka. We stand ready to render any assistance required to enable these countries to meet these challenges. The recent elections to the Constituent Assembly in Nepal is a step forward on the path to constitutional democracy. Stability in Myanmar is also of direct interest to us, given our long border with Myanmar and its sensitive location. We support the good offices of the UN Secretary Generals, and hope that the process of political reconciliation moves ahead in a manner that responds to the aspirations of the people there. To the west, we have important stakes in the continuing stability of the Gulf region and the establishment of peace in West Asia, which is home to more than 4 million Indian workers.

In conclusion, India's engagement with the great powers should be seen as intrinsic to positioning itself as a partner in the league of responsible powers seeking to work constructively to find global responses to global challenges. This brings with it a reinforced commitment to the UN, and the principles of multilateralism. India stands for inclusive and sustainable globalisation, but above all it seeks to safeguard our development objectives and the values for which the Indian state stands.

Dr Chipman

Thank you Mr Narayanan. I am glad you were able to place the emphasis that you wished to on India's crucial relationship with its own immediate neighbourhood.

Question and Answer**Siddarth Varadarajan**

Mr Narayanan, there is a subliminal feeling globally that no major problem can be solved without India being involved in some way. One of the biggest issues confronting the world in terms of global security is the Iran nuclear issue. Why is India not playing any role? It is not part of the P5+1 arrangement, and it really seems to be on the periphery. Why are we seeing as the world, and particularly the United States, taking the Indian position for granted on this?

To Ambassador Blackwill, I do not think the US-UK special relationship is a very good model to advertise the future of the Indian bilateral relationship with the US. It is less a partnership than a one-way communication process, and we have seen how within the UK itself this special relationship is contested. There are some in India who probably find that attractive, and you have others who perhaps look at the US-France relationship as a better model. There are others who probably think that the US and India need to chart an entirely different kind of relationship. I am not sure that is necessarily a very helpful analogy.

Participant

Ambassador Blackwill said that he would like to see a lot more Indian diplomacy and a lot more US diplomacy towards Southeast Asia. Is that meant particularly in relation to the issue of Myanmar, or more broadly in terms of issues such as maritime security? Or, was he talking about competing with China's growing influence in Southeast Asia? What are the mechanics of such an approach to Southeast Asia?

Lieutenant General (Retd) B S Malik

My question is also for Ambassador Blackwill. Objectivity should not be lost sight of. You commented on the recent elections in Pakistan and a return to democracy. Elections in Pakistan by all accounts have been extremely fair and transparent. You say that nobody knows what is going to happen and that the future looks uncertain. My suggestion is please not to jump to such hasty conclusions. Things are falling into place, so please

be patient with us. On Pakistan-India relations, my advice is to let both Pakistan and India conduct our relations bilaterally. We are quite capable of doing so. The dialogue process is proceeding well and is on track. Next month, the foreign minister will be travelling to Pakistan to carry the process forward. I would also suggest that now that you are India, please visit Pakistan, where I am sure that you will be able to see for yourself all that has happened in the last few months.

Manish Tewari

Last year at the Shangri-La Dialogue I had asked the German defence minister why NATO is not winning in Afghanistan. He went to great lengths to explain how NATO was actually winning. Now we hear that NATO is not doing so well. What would it take to win? What are the implications for the region in the event that NATO does not win? Given the history of US engagement/disengagement in Afghanistan, would it be wise to speculate that it is time for NATO to pack up?

Robert A Manning

One thing in our discussion that has not taken a more prominent role is how to adjust the international system to emerging powers. If we think about it, the international system has not changed very much since 1948, whether you are looking at Bretton Woods institutions to the UN Security Council, and so on. One of my favourites is the IAEA, which does not have the presence of the two countries driving global oil demand. Subsequently, they are free riders on that's system. Does the panel have any thoughts about how we adjust the international system to reflect these emerging realities and to empower the rising countries to be responsible stakeholders both in abiding by the rules, but also in shaping the rules of the future.

Evgeny Kozhokin

[loss of audio] how to diversify relationships with India. In many fields, it is quite possible to have cooperation, including in such political and intellectual spheres as understanding better the Indian experience of constructing democracy. I suppose that for quite a long time, we thought that democracy was only in the West, which was a mistake. To create democracy not only in Russia, but also in other countries such as Iran and China, we should take into account the Indian experience, which is very important for our region.

Speaking and thinking about democracy, we should concentrate not only on internal democracy, democracy of the state, but also democracy of international affairs. It is very important for India, China, France, and Russia to cooperate in this field, as we all need space for freedom in international affairs.

Now one of the key issues, not only in global affairs, but also in Asian affairs, is the issue of Iran. It is absolutely necessary to distinguish the problem of the regime in Iran and the problem of the nuclear issue. These are absolutely different questions, and we should not be able to improve the situation around Iran without these distinctions.

Finally, I do not think it is possible to come to a normal situation in Afghanistan without the active involvement of regional countries - India, China, Iran, and Russia. The collapse of NATO's operations would have negative consequences not for the United States, but for the regional countries.

General (Retd) Jehangir Karamat

It is up to India to [loss of audio]. The India-Pakistan dialogue is far more important than any dialogue with Washington. On Islamic extremism, my point is the same: Islam is within India, and India knows more about Islam than anyone else.

M K Narayanan

I am glad I have the opportunity to talk about Iran. I do not think the only dialogue with Iran should be between the P5+1. I think Iran is an ancient civilisation which has relationships across the globe with many countries. There are differences of opinion, and I think India has a relationship with Iran which goes back several hundreds of years. Today, we have the second largest population in the world. For Iran, it is not merely a foreign policy issue, but a domestic issue. What happens in Iran, or what others do with Iran, has a major impact on us. I think there is a great deal taking place between Iran and India which is not in the public realm. What we have avoided is getting into the kind of conflict diplomacy which is taking place. At the level of the Iranian clerics and Shia clerics in India, the Shia clerics in India are some of the most erudite and respected clerics in the Muslim world. I think there is a lot taking place. President Ahmadinejad is coming here on his way to Sri Lanka, and there will be discussions.

We are not involved in the P5+1, and we do not wish to be.

There is a great deal happening, and I stick to my point: I think there are few issues where India is not involved, but India will never thrust itself forward. We have always tried to do what we do within our own limits; we have never thrust ourselves forward. We have capabilities and we have capacities, and in dealing with Iran perhaps India is better poised and better placed than anyone else, but we do not necessarily have to be part of a compact of certain countries. We believe we understand Iran better, the number of Iranians who are present here, other than Shias, are far more than in many other parts of the world, and there a meeting of minds is available. Please do not Iran in the manner that you treat Mugabe, it is a big country, it is a major country, with tremendous influence, and you need to deal with it diplomatically. The negotiations should be done at the level of erudition and understanding of an evolved mind, otherwise the world will have to pay a heavy price. Since we have a very large Shia population we are concerned that the mistakes that others come to will impact on us. That is all that I have to say on the Iran issue.

Regarding the Indian example of democracy, this is a case of induction. We do not want to thrust democracy, and we have never tried to impose on other regimes. Each nation chooses the kind of system that it likes. We would prefer democracy, and whenever there is an option we do that, but it is not for us to say that democracy has to be of the Westminster form, is there only one form of democracy? President Putin mentioned this very succinctly in a discussion that he had, asking why people think there is only one form of democracy, but we do not want to get into semantics. India has a very open democracy, and it is widely recognised as a very inclusive democracy. If others are willing to follow that we will, but we do not wish to thrust democracy at them.

The world will pay a very heavy price if it does not ensure that Afghanistan is saved from the Taliban. I am saying that as a basic point, because I mentioned it briefly in my comments. All of us have a stake, India and Russia have had discussions on what needs to be done, and India has helped in opening the Afghan-Russian dialogue. There are relationships that China has with the Afghan leadership. I think things are in place. That covers the two points that were made, so I will leave the floor to Ambassador Blackwill.

Ambassador Robert D Blackwill

First, when I talked about the US-UK relationship, what I meant was that the British government and its diplomats are extraordinarily entrepreneurial in

Washington. Through that entrepreneurship affect American policy, probably more than any other country. I am not making a point about Tony Blair or Iraq, I am talking about the last half century. I believe that it would be in India's interest and in the American interest if, over time, some similar habits of consultation occurred, not least, as someone else said, because we can learn a great deal from India, for example, about Iran, if we are willing to ask and listen.

Second, Southeast Asia, I did have in mind Myanmar; I do not agree with the administration's policy on Myanmar, and I came from seeing the top of the Thai government a few days ago. There is a great deal of identity of view between most ASEAN countries and India about a more quiet approach, and China has the same view, a more quiet approach to trying to deal with Myanmar. I was thinking more expansively. The American administration has not had the bandwidth to deal with South East Asia with any intensity, given it is preoccupied in the Middle East, and I hope the next administration will improve that record.

On Pakistan, I am sorry if I was not understood. I was not proposing that the US get between Pakistan and India. I am absolutely against that. I will go further and say that in the gloomy, if not grim, international period in the last several years, one of the few bright lights is the bilateral relationship between India and Pakistan. I do not think America has a role to play in trying to improve it or manage it, or anything like that. I do not think I was jumping to a conclusion when I said that the future of Pakistan is uncertain. That does not qualify as a conclusion, and given the stakes that both the US and India have in the future of Pakistan, they ought to talk about it. I do not have the slightest hesitation in Pakistan talking to the Americans about India. So, making such a boundary is artificial and unhelpful.

In Afghanistan three things need to be done in my opinion. First, we have to deal with the Taliban sanctuary in Pakistan. Second, to reinforce what my old Russian friend said, we need to involve the neighbours much more than we do, including Iran and Russia. Third, we need to do better on nation building. As N K Narayanan said, we cannot lose in Afghanistan, the strategic consequences of a victory by the Taliban - these days the Taliban / Al Qaeda - would be devastating for the region and far beyond the region.

Finally, to agree with my Russian friend, the objective of the international community, including the US, regarding Iran, should be for it to cease its enrichment programme, not regime change. Those are completely separate, and we have a total identity of view on that. Thank you.

Dr John Chipman

Ladies and gentlemen, thank you for your comments. To the four panellists, thank you very much for your interventions.

(courtesy International Institute of Strategic Studies)



**028. Address by External Affairs Minister Pranab Mukherjee
at the National Conference of Confederation of Indian
Industry on India's Foreign Policy.**

New Delhi, April 29, 2008.

**Shri Sunil Bharti Mittal, President, Confederation of Indian Industry,
Captains of Indian Industry and Distinguished Guests,**

Ladies & Gentlemen,

It is a pleasure for me to address this august gathering of eminent business persons from all over India. I congratulate the awardees of the CII President Awards. You have truly proved yourselves outstanding in dedicated service to industry. Your vision, entrepreneurship, dynamism, and your achievements have contributed to making India a major global economic and technological success story.

Your present Conference theme "Building People, Building India" is timely and representative of your balanced, far-sighted priorities. Human resource is the single most important input in any human endeavour, and so it is for advancing India to its destination of our dreams.

To all CII members present here today and those all over the country, I extend my felicitations on your Annual Session. The Confederation of Indian Industry has indeed been a positive and worthy partner to Government of India in its efforts to promote development and growth in the country. I believe your antecedents go back to 1895, a world which was vastly different from that which we face now. Since then, you have proved to be an effective voice for industry, a champion of reforms and liberalization and an active instrument for promoting competitiveness of Indian companies. These efforts have helped Indian industry gain confidence in itself, look beyond its own

shores, and venture out into the world economic arena. You are the true ambassadors of a new India.

CII's partnership has been particularly valuable since the early 1990s, a period during which economic reforms were unleashed in India. More important, the face of the world changed in this period. The Soviet Union collapsed, globalization became a way of life, and technological advancement compressed time and distance. All these transformed the political and economic landscape, leading us to restructure our thinking. In the current century again, economic forces seem to be shifting from the West to Asia, as a resurgent region reprises its former glory. During this period, CII has been active in welcoming deeper relations with all regions of the world, and has helped India in its globalization process.

In my remarks this evening I will seek to outline the contours of India's Foreign Policy. I will focus on the implications of globalization on India's economic security and how we should posture ourselves in our way forward in tune with the emerging international order.

Foreign policy of a country is the pursuit of national interests, deriving essentially from its overall national policies, its future goals, and the self perception of its role and destiny in the world. India's approach to the world is naturally a function of our values, civilisational heritage, historical experience, and geography. It is also of how we perceive our interests, based on principles and a broad national consensus.

India's engagement with the world has been based on a desire to establish a peaceful, secure and equitable world order. The objectives of our foreign policy have been to sustain an international environment conducive to our growth and development, alleviate poverty, and foster equity and prosperity for our citizens. Peace and security in our neighborhood, and in the larger region, are a vital consideration in our strategies. Our commitment to disarmament, non-proliferation and responsible use of nuclear technology has underlined our role in international security. We have engaged with major powers on multiple issues and challenges. We have contributed to international peacekeeping efforts under the aegis of the UN, and remained active in combating terrorism. In the aftermath of natural disasters in Asia, India has been swift in its response, bringing succor to many.

Our policy of non-alignment is our ability to judge and to act on our own judgment on the basis of enlightened self-interest, so that we are not passive observers or recipients, but are contributing to shaping a global order. Our

policy further seeks to nurture and increase our activism in traditional constituencies in the developing world.

We also strive for India to be a factor of stability and a voice of moderation in the world, whose progress is beneficial to the creation of an equitable, peaceful and stable world order. Our civilisational philosophy of Vasudhaiva Kutumbakam, perceiving the world as one large family, has shaped our approach as equitable rather than self-centred. Even as we draw from the world, we remain ready to contribute. We are now a net aid donor, extending a broad spectrum of technical cooperation to some 156 nations.

Ladies & Gentlemen,

The Indian economy has been completely transformed from what it was in 1947, or even two decades ago. Since the economic reforms program initiated in the early 1990s to integrate India with the world economy, we have steadily moved ahead toward greater openness to trade and investment. Today the robust Indian economy is attracting widespread foreign investment and has emerged as an internationally competitive market economy. India's share in the global flows of goods, services, knowledge and culture has grown significantly over the past decade. India's contribution to the global economy continues to rise, aided by the 'demographic dividend', the intangible gains of the global knowledge economy, and the expansion of India's soft power.

Our capabilities and new responsibilities have led India to rediscover its global role in international security. India's global engagement has increased dramatically in recent years. Our relations with all the major powers are being strengthened, as well as with emerging economies in Asia, Latin America and Africa. We are also investing energy in crafting bilateral and multilateral trade arrangements and measures to promote investment and technology flows.

One of our primary strategic challenges is to restore traditional linkages within our region and between the region and the rest of the world. Connectivity would enable India's reintegration into the immediate and extended neighborhood, whether in Central Asia, South East Asia or West Asia. This has led us to pursue actively cooperative arrangements such as SAARC, BIMSTEC, our dialogue with ASEAN and in East Asia, the IBSA forum with Brazil and South Africa, RIC - the trilateral initiative with Russia and China, and the recent India-Africa Summit. In pursuance of a vision of prosperity, India's political and economic ties with the Asia-Pacific region

are also growing, and we are also developing closer linkages with major powers like the United States, Japan, the European Union and Russia. Today, India enjoys strategic partnerships of one kind or another with about a dozen countries - and the EU. We are also clear that the development of closer relations between India and any one strategic partner need not be at the expense of relations with any third country.

The Indian Ocean littoral today has greater economic and strategic value to the world economy than ever before. India has a natural and abiding stake in the safety and security of the sea-lanes of communication from the Malacca Straits to the Gulf. We have endeavoured to promote greater cooperation between Indian Ocean littoral states.

To sustain growth and development, a peaceful and stable neighbourhood is conducive, and must be given priority and special attention. We do not believe in territorial expansion or in exporting ideology. We are convinced that a stable and peaceful neighbourhood is essential to India's future. Our objective is to promote inter-dependence, create stakes in each other's stability, and develop cross border infrastructure and other links. As the largest economy in the region, India is ready to offer its market and resources as an engine for the region's growth. Since the 14th SAARC Summit hosted in New Delhi last April, India has made every effort to strengthen SAARC, moving it from a declaratory to an implementation phase. Our commitments to establish the South Asian University, Model Community Development Initiative and Tele-Medicine Project are already on ground.

As we now see, the international landscape, too, is undergoing dramatic changes. The current world order is one of "general un-alignment", a de-hyphenation of relationships, and re-engagement amongst several major powers in informal alliances to deal with issues on the basis of convergence of interests. No great power today pursues exclusive cooperation with others, or asks us to limit ties with others. Indeed increased cooperation with one power opens the doors further with others. For the first time in India's independent history, we are now on an upward spiral of improving relations with all major powers.

India's entrepreneurs and professionals have leveraged these changes to create wealth and employment on an unprecedented scale. The changed global landscape obviously requires the application of democratic principles to global governance and management of the global diversity as well. India is ready to assume still greater international responsibilities, starting with a

reformed and revitalized UN Security Council, reflecting the present day realities.

The transformation in our approach is not just in scope and content but in our attitudes too. Today Indian diplomacy approaches the world and the opportunities that await it with much greater confidence. We look forward to leveraging the external environment to achieve faster growth.

Ladies & Gentlemen,

The world today is increasingly multivalent, marked by considerable political cooperation among major powers whose economies are becoming inextricably intertwined with each other. The current global economy is increasingly defined by freer and substantial movement of capital and by the technology revolution, in particular information technology. While capital is free to roam the world, other factors of production like labour and technology are not, and access to markets remains patchy. India's development imperatives demand intensive economic engagement with the rest of the world. India needs huge resources to foster inclusive growth, both in terms of funds as well as in terms of natural resources, energy resources, technology, and knowledge. Infrastructure requirements alone are expected to cross \$500 billion in the next five years, and sustaining a 8-10% growth necessitates capital for manufacturing, agriculture, and services sectors estimated at around \$1.5 trillion.

Global trade has an undeniably important role in fighting the evil of poverty and fostering economic development around the world. It however continues to face considerable barriers and distortions, particularly in the agriculture sector and by way of denial of access for trained manpower from the developing to the developed economies. India remains fully committed to the multilateral trading system. We eagerly look forward to early and successful completion of the negotiations for the fulfilment of the mandate agreed at Doha, with the development dimension at its core.

Technology access is another economic objective that we are giving high priority. India has remained isolated from high-technology commerce due to its position on nuclear energy. We hope to resolve this soon and implement various agreements on civil nuclear cooperation. We will continue to build a broad national political consensus on this issue so as to realise early the promise inherent in the initiative.

We have also been looking at energy sources. To this end, we are engaging in oil diplomacy with countries such as Nigeria, Saudi Arabia, Russia, and Venezuela. Our oil and gas companies are exploring and bidding in regions around the world, investing large amounts in places like Sakhalin, Sudan, and Vietnam. India is conscious of the fact that energy consumption during the course of its march to development could place pressures on carbon emissions. We have voluntarily placed limits on our per capita emissions, but we have a long way to go before we reach those limits. Immediate and real effect must be given to commitments on international cooperation in fighting climate change, especially in the areas of adaptation, technology transfer, capacity building and the development of the carbon market. Trade advantages should not be sought through the instrumentality of environmental treaties.

However, the world today is unfortunately not only about expanding economic and technological horizons. There are dangers and pitfalls like growth of terrorism, extremism and intolerance; energy, food and water security; environmental degradation and climate change; proliferation of weapons of mass destruction and the risk of their falling into the hands of irresponsible actors. These are interlinked, cross-boundary issues, with complexities going well beyond traditional dimensions. These are not issues of the future but are already confronting us. They require global solutions, to ensure that the process, inevitable as it is, proceeds with minimum bumps and upheavals. This calls for further streamlining and revamping of global governance systems. Equally, the architecture of international financial structures, including that of the institutions such as World Bank and the IMF, needs urgent revamping to better serve the international community.

Ladies & Gentlemen,

The primary challenge for the world, and for India, still remains the elimination of poverty, and a radical improvement in the living standards of people in the developing world, as the minimal first step. Our approach for this remains rooted in widest consultation and cooperation, including South-South cooperation. Recent steep rise in food prices, in India and all around the world has brought the issue of food security starkly to the fore. Food security for us is not only about food production, given that 2/3rds of our population is dependent on agriculture. Last year India was a net importer of food after many years. The growing size of our population, and economic growth and prosperity, have led to consumption and life-style changes. By 2020, we are estimated to require 340 million tonnes of food grains. This is a challenge

for our scientists, planners and administrators. We need to tap into the resources of developed countries, to usher in our second Green Revolution, harnessing contemporary tools like bio-technology, water conservation and rain harvesting techniques and other steps which are environmental-friendly and economically sustainable. The SAARC Regional Food Bank and the India-US Agriculture Knowledge Initiative are steps in this direction, and we need to follow up with further similar arrangements.

Management of increasingly inadequate water resources for drinking, agriculture, industry, and power, is another critical challenge for the future. While our sub-continent is fortunate to have abundant water, we have not seen enough collaboration in its use. We have to address this, and, as agreed at the SAARC Summit, we will work with our neighbours in this regard.

Ladies & Gentlemen,

In concluding, I should like to re-emphasise that the focus of our economic diplomacy in coming years will be on promoting trade and investment flows, especially in critical areas such as infrastructure, in assuring predictable energy supplies and in securing the widest possible access to technologies. We would work towards significantly upgrading our economic relationship with South-east Asia, East Asia, Latin America and Africa, and build new investment-driven partnerships with USA and EU. We intend to nurture a web of cooperative energy security networks in Asia and with new suppliers in West Africa, Central Asia and Latin America.

In today's environment, business has taken centerstage in economic development, with governments building the right operating and investment climate for it. Under current conditions, it is crucial that industry and government come together to form holistic strategies for leveraging the forces of globalization for economic prosperity. Corporates through their overseas mergers and acquisitions, their international manufacturing and service operations, and their expansion of overseas markets have taken the lead role as effective partners in India's global engagement.

Indian diplomacy would get more business oriented and the integration of science & technology and other knowledge-based initiatives into our foreign policy goals would be the norm. The challenges that India's foreign office faces today are different from those that we faced in the past, and the challenges of tomorrow will be different still. India's envoys abroad today represent a different India. It is an India that may not have yet solved all its problems, but is still resurgent and confident. It is an India that is no longer

satisfied with being a spectator in any arena. It is an India willing to be heard with a voice that can make a difference to any outcome. And, as home to one sixth of the world's population, it is an India that has not only a vital stake in the future of the world - whether we view this future in political, economic or even environmental or energy terms - but also the wherewithal to play a decisive role in shaping this future.

The rapid expansion and qualitative change in India's foreign policy perspectives that I have mentioned are in India's interest and also a positive development for international peace and stability. In keeping abreast with the new global challenges - from trade to environment to international security - or in the new regional opportunities for peace and prosperity, India is ready to fulfil its obligations. India, with its unique blend of 'hard' and 'soft' power, would be an indispensable player in strengthening peace, stability and prosperity in its region and indeed in the world.

I look forward to your views and ideas on how to develop greater synergy between industry and government for commerce. I wish you all a very successful annual session and conference, marked by fruitful deliberations and conclusions.

Thank you.



029. Speech by External Affairs Minister Pranab Mukherjee on the occasion of inauguration of Rabindranath Tagore Centre in Kolkata.

Kolkata, June 1, 2008.

At the outset I express my regret because I was the cause for postponement of programme from 31st May to 1st June. Dr. Karan Singh told me that without you programme cannot be held today. I express my regrets especially to those who have not been able to come today.

I am delighted to be present here today to inaugurate the Indian Council for Cultural Relation's Rabindranath Tagore Centre in Kolkata. Let me begin by first placing on record my gratitude to the Government of West Bengal and its learned and culturally sensitive Chief Minister, Buddhadeb babu.

The gift of this land to ICCR took place when he was the Minister for Culture and today we see the fruition not only of the combined efforts of ICCR and the Ministry of External Affairs, but of his vision and commitment to give to Kolkata a Centre of this stature. I am happy to have it formally inaugurated during his tenure of Chief Ministership. I am also grateful to Dr. Karan Singh and Shri Pavan K. Varma as it is their efforts which left no stone unturned to get the Centre constructed.

It is in the fitness of things that the Centre has been named after Rabindranath Tagore because no one could have expressed more lucidly the philosophy of universalism and pluralism that is at the core of the Indian experience. Every major work of Tagore - poems and songs, novels, short stories and dramas - were imbued with the dominating idea of transcending the narrow for a greater, all-embracing, human and humane ideal. It was this realization - that narrow, local, national and regional differences are to be sublimated in the search for eternal values, that led Tagore to create Visvabharati - the 'India of the World' or the 'Universal India'. In the process he transformed himself from being Bengal's 'Kabiguru' to 'Visvakabi' - the poet of the world.

True to the ideals of the poet-philosopher, this Centre seeks to carry forward modern India's commitment of taking India to the world and bringing the world to India. Today, cultural diplomacy has assumed even greater importance as we seek to strengthen and reinforce people-to-people contacts transcending political boundaries. India, a cultural super power, is in a unique position to facilitate this cultural interaction. Our culture goes back to the dawn of time. It is distinguished by antiquity, continuity,

refinement, diversity and an ability to assimilate the best from outside without losing its own inherent character and authenticity.

I am confident that this Centre with its modern galleries, its Maulana Azad Conference Centre, Ramkinkar Baij Sculpture Court, Satyajit Ray Auditorium, along with a museum shop and a café, will become one of our most important hubs for the implementation of cultural diplomacy, especially with regard to friendly countries in the neighbourhood, such as Bhutan, Nepal, Bangladesh and Myanmar. At the same time, we would like the Centre to become ICCR's outreach to the rich cultural wealth of Bengal, and the entire Eastern region, and very importantly, to the civilisational treasures of the North East India. In this context, I am particularly glad that the Inaugural Week will see cultural performances by artistes from Bangladesh and our own artistes from the North East. I am happy also that the opening of this Centre is coinciding with an Exhibition from SAARC countries, and an important exhibition from France. Currently India is the chair of SAARC Summit & SAARC Council of Ministers.

Naturally, the Centre will depend greatly for its success on the support and cooperation of the people of West Bengal and I take this opportunity to invite their fullest participation and cooperation. I hope too that the Rabindranath Tagore Centre will help to showcase the best talent available in Bengal and allow ICCR to use in greater number the artistes from this region.

Once again I would like to express my deep gratitude to the people of West Bengal and, in particular, to the Chief Minister Shri Buddhadeb babu. I also take this opportunity to compliment Dr Karan Singh and Shri Pawan Varma, DG, ICCR for completing this long delayed project, and creating a Centre for excellence in this vibrant, artistic and cultural city. Almost 15 years ago I presided over this Ministry despite of land available we could not get the Centre, now we have realized this dream.

Thank you.



030. Speech of Minister of State for Defence M.M. Pallam Raju at the 7th Shangri La Dialogue on "India's Defence Policy Aiming to Deter Exploitation of Internal Vulnerabilities by External Forces".

Singapore, June 1, 2008.

I am very pleased to join all of you this morning at the session devoted to discussing making defence policy in uncertain times. At the outset, let me thank the International Institute for Strategic Studies, in particular its Director Dr. John Chipman, for the invitation to speak at this prestigious forum. The Shangri-La Dialogue has established a very enviable reputation and like the earlier meetings, I am sure that the seventh one will be just as thought provoking and productive. I would also like to take the opportunity to express my appreciation to the Singapore Government and its Defence Minister Teo Chee Hean for their excellent arrangements and hospitality.

The term 'uncertain times' provides an interesting context to the discussion we hope to have during this session. For a policy maker dealing with security situations, all times have been uncertain. More than two centuries ago, when the world was considerably simpler, Charles Dickens captured this sentiment with the paradox of the coexistence of 'the best of times' with the 'worst of times'. What certainly has changed since then is the complexity of the uncertainty and, to a considerable measure, its spread as well. We have to deal today with far more variables, which make any security calculus infinitely more difficult. At the same time, living as we do in a more integrated and globalised world, the comfort offered by national boundaries no longer constitute effective defence. As the situation in Afghanistan demonstrated, uncertainty anywhere affects security everywhere.

What then are the key factors of our current uncertainty? To begin with, there are domestic challenges emanating from poor governance, lack of development and extreme ideologies. There are then larger regional concerns when such factors spread beyond national boundaries. Obviously, the behaviour of states towards each other is a critical factor in assessing both regional and global uncertainty. While the pursuit of national interest is legitimate, doing so with disregard for international norms such as non-proliferation adds to global volatility. At a global level, divergent beliefs, competing demands and conflicting goals can become a basis for differences. The making of defence policy is, in essence, devoted to the management of challenges at these three levels. The problem is to get our

reading at each level right, factor in the imponderables the best we can, and obtain desired outcomes regularly and consistently. This task is made more difficult by the Dickensian paradox, where positive trends parallel the negative, and human advancement cuts in both directions.

Allow me to briefly describe our present predicament. On the positive side, the world in general and Asia in particular have witnessed a period of extraordinary growth. Our quality of life is visibly improving, poverty rates have dramatically declined, nation states have consolidated themselves, regional and international cooperation have grown, the benefits of technology are increasingly enjoyed by the many, and a sense of global norms has taken root. Yet, the very nature of our progress has produced increasingly intricate security problems, made even more challenging by the process of global integration. The very connectivity and the same technologies that drive global growth and progress have made terrorism more potent and international, the WMD threat more serious, pandemics more probable, and raised the stakes for transnational crime. In responding, we face four broad conceptual issues:

- i) The progress of globalisation is taking us into uncharted territory, making it hard to predict successes or anticipate problems. What does the future hold in terms of energy, water or food security? How uncertain will competition in these areas make the world? When the past, present and future are so different from each other, policy making is not made easier.
- ii) While our challenges are likely to be more global and trans-national, yet our approach to them continues to be largely national in nature. This is particularly inadequate in situations where power centres may not be nation states. We are already grappling with this problem in a rather unsatisfactory manner.
- iii) Global security architecture is characterised today by less rigidity and greater freedom of choice. While generally a welcome development, this calls for more sophisticated hedging strategies on part of all states. The pursuit of competing interests need not constrain cooperation in other areas.
- iv) Our ability, collectively or nationally, to address these challenges is as uncertain as the problems themselves. Future directions of growth and the extent of global interdependence cannot be accurately predicted. While we can assume that interdependence will place limits

on competition, the degree to which this will happen is still far from certain.

With this overarching perspective, I would like to share with you all my thoughts on India's defence policy making in these uncertain times. In terms of the specific concerns that we seek to address, I would categorise them using the three levels mentioned earlier:

In respect of domestic security challenges, our concerns emanate primarily from forces that ideologically challenge India's pluralistic and secular character. By espousing ethnic or religious extremism and advocating separation, they seek to threaten the Indian identity. Many of these groups obtain sustenance from outside. While we recognise that pluralistic cultures are broadly under threat from narrow and sectarian beliefs the world over, India which lives in a particularly difficult neighbourhood, has borne the brunt of such attacks much longer than most other states. In recent years, the consequences of uneven growth and unmet expectations have added to our vulnerabilities. The internal security dimension occupies a significant portion of our policy making attention. Our defence policy aims to deter the exploitation by external forces of our internal vulnerabilities while we fashion a domestic political response, which draws on our democratic strengths. On the whole, the nature of the challenge is predictable and manageable, even if there is not a ready end in sight.

The neighbourhood, however, gives us much less cause for complacency than our domestic prospects. While India's economic growth has created an enormous sense of optimism in our society, this is not quite the case with our neighbours. Some are seriously afflicted by terrorism, itself a cause for concern to India as a neighbour. Such concerns are further aggravated when that terrorism spills over into India, through state sponsorship or otherwise. Undeniably, we have a difficult history with some neighbours and the political challenges are no less formidable than the physical terrain of our borders. For its further growth and prosperity, India clearly needs a secure and peaceful periphery. To ensure that, we are seeking to give our neighbours stakes in our own growth through trade, investment and services. The challenge is to convince them that we are all better off growing together rather than expend energies checking each other. To this end, reviving old affinities are helpful in building new interdependence. Regions like Southeast Asia have been inspiring in this regard. In the last few years, considerable progress has been made towards the goal of a more integrated South Asian region. Politically, the successful holding of elections in many of these states

is itself a cause for encouragement. But, at the end of the day, regional cooperation will only gather momentum when the salience of hard security is reduced.

The global situation too offers a very mixed picture for defence policy makers. On the positive end of the spectrum, the post Cold War world marks a departure from structural rigidities that significantly constrained our freedom of choice. As a result, there is considerable scope for new partnerships and initiatives. At the negative end, we are staring at the prospect of state collapse and rise of non-state actors, including in our proximate region. Somewhere in between, there is the equally complicated challenge of establishing appropriate equations among nations at a time when their inter se capabilities are changing. India finds itself well placed in this regard, partly because it enjoys cordial ties with the other major players, and also as the culture of non-alignment has given it considerable experience in global political hedging. Policy making in this area rests on two key assumptions - (i) that the natural competitiveness among nations would continue, but will be constrained by an interdependence among major states that has increasingly become a source of global security, and (ii) the real threats to international security would arise from states that would avoid interdependence, particularly with neighbours, and from non-state actors.

The growing integration of India with the world economy also imposes its own responsibilities on our defence forces. Our exposure to the external world has tripled in the last 15 years. Our trade interests have expanded steadily, as have our investments abroad. We have developed a legitimate interest in securing our supplies of external natural resources. The number of Indians who work and live abroad has also grown significantly. For a variety of reasons, as Minister Mentor Lee Kuan Yew has perceptively noted, the rise of India does not evoke international disquiet. On the contrary, we find that there is a new interest on the part of many countries in partnering India on security cooperation. Past historical connectivity and shared traditions have been helpful in forging new defence bonds, particularly in Southeast Asia and West Asia. With its vigorous democracy and strong individualism, India has a natural ability to relate across cultures. The long term challenge for India, as indeed for every other major nation, is its ability and willingness to contribute to public good. We certainly have the latter, with a long and distinguished record in UN peace-keeping operations to show. The ability will, no doubt, rise with time and with our own economic growth. In the meantime, we remain focused on responding to challenges within our capacity, such as ensuring safety of sea lanes, enhancing the

security capacities of our partners, and responding to natural disaster situations.

A larger Indian economy will obviously provide a greater resource base for our defence forces. Equally, they will lead to more burdens and greater responsibilities. How they will balance out is difficult to predict. Taking into account the various constraints that we face at the current stage of our development, much of the answer to our security concerns lie in the realm of international politics. In Asia, unlike in Europe, an acceptable security architecture is still far from being evolved. We not only need an open architecture but an open mind in undertaking joint activities as well. It is equally important that our responses to new challenges are not determined by old theologies. Nor indeed can we afford to overlook, as we have done in the past, critical threats such as WMD proliferation for tactical political considerations. Uncertain times require greater creativity and more jointness among nations. It would certainly help if decisions of global import were seen to have greater legitimacy, taken by institutions with a more representative character. Where India is concerned, our efforts in defence policy making will give particular priority to expanding the range of our defence contacts, enhancing confidence and comfort levels, building habits of cooperation and encouraging greater interdependence. There can be no better forum than the Shangri-la Dialogue to send out this message and I thank the IISS for the opportunity to do so¹.



1 Responding to questions from the floor Mr. Raju made it clear that India was not engaging itself in proxy politics against any other rising power. Asked by U.S. Senator Joseph Lieberman whether India's positive ties with the U.S. might be seen by China in a different light, he said: "Whatever bilateral relations we have with other nations should not be construed as ganging up on another nation. We have no such intentions, and whatever role we have played has been with a benign intent of securing the region. We will continue to do that." As a "responsible nation," India would cooperate with other major powers "in every meaningful manner, towards the containment of weapons of mass destruction in the region." Asked whether it would join the U.S.-led Proliferation Security Initiative, Mr. Raju said: "The PSI is a very good initiative, but we do have other domestic political compulsions. There is some resistance. We are working on that." (Speaking at the main plenary session, the U.S. Defence Secretary Mr. Gates, when asked about the "market rumours" that the U.S. might be selling its Kitty Hawk aircraft carrier to India, said: "I expected it to come up during my visit in India. And, well, [I was] somewhat surprised when it did not. I am aware of no such plans." On the nuclear deal with India, he reaffirmed Washington's commitment to the accord. "It has been the position of the United States to be patient, the Indians work through this issue" in the context of

031. Keynote Address by External Affairs Minister Pranab Mukherjee on "Globalization, Growth & People" at the 87th Annual Conference of ASSOCHAM.

New Delhi, June 3, 2008.

Shri Venugopal N. Dhoot, President ASSOCHAM

Shri Sajjan Jindal, President-Elect, ASSOCHAM

Distinguished Guests,

Ladies and Gentlemen

It gives me great pleasure to be amidst eminent business personalities of India at the 87th Annual Session of ASSOCHAM. I am also happy to release the Chamber's study report on "Economic Diplomacy - India's Strategy for Coming New Economic World Order". The Chamber is credited with bringing out outstanding research papers on the issues which are of concern and relevance to our economy. We look up to the deep insights provided in your studies to issues pertaining to various segments of the economy and business environment. The Chamber has been doing commendable work in providing excellent platform to the industry and government through its summits on various topics. My government values the recommendations provided by your esteemed think tank.

I must also convey my appreciation to the organizers of the event in selecting the theme of this year's Annual Function as "Globalization, Growth and People". It is indeed important that the benefits of global growth are equitably distributed to make a meaningful impact on poverty eradication and ensure

their "domestic challenges" in this sensitive domain.) The Chinese representative at the Shangri La dialogue Lt. Deputy Chief of the General Staff of the People's Liberation Army Lieutenant General Ma Xiaotian outlining "the future of East Asian security", said: "In recent years, the mil-to-mil relations between China and India have been improving. The two defence chiefs have already exchanged visits, and senior leaders from the military forces also exchanged visits. Also, a good example is that last year we had a joint training exercise between the two Armies. I was then the head of the Chinese observation team, present during a large part of the exercise, and the deputy chief of the Indian Army also was there. We, both sides, gave a very positive comment on the recent development of the mil-to-mil defence relations between the two countries. It is our common, shared, aspiration to step up this type of interaction and engagement to improve our relations in the military field." On the politically sensitive "issue of Tibet," he said: "We have received positive, active, support from the Indian Government, either it is about 'the Tibetan exile government's march movement' or the Olympic torch relay.

the welfare of people. We must balance growth with development, particularly for a large and diverse country like ours so that we derive optimum gains from the process of globalization.

The world is changing faster than ever before. The key driver of this change is globalization. Countries are becoming more closely interlinked with one another through the cross-border movement of goods and services, capital and labour, technology and ideas. An integrated world is making economics more efficient and business more competitive.

India's experience shows the benefits of plugging into the global grid. Indeed India's economic transformation is based fundamentally on globalization, which has opened markets and, if I may say, made political borders extraneous. India with a trillion dollar economy and a sustained growth trajectory of nearly 9 per cent per annum for the past five years, a 300 million strong middle class and optimistic outlook sustained high growth rates, is emerging as an important driver of growth in Asia and beyond. However, 220 million people are still waiting to be lifted out of poverty, although the proportion of population below poverty line has considerably declined from about 44% in 1983 to 22% in 2005. We have to make enormous efforts to achieve a truly inclusive growth.

India, along with the rest of the world has experienced significant, although uneven, economic growth and major economies in the developing world including India, have been contributing significantly to it. Globalization has played an important role as a dynamic force for growth. However, its impact has left us with a world beset by acute economic and social inequities. The marginalization of many developing countries, especially in Asia & Africa, calls for intensified international co-operative efforts, international policy coherence and co-ordination.

The coming years promise new vistas of human development and economic growth. It also demands a new mindset and a pragmatic forward-looking approach towards our society, polity and economy. We need to undertake a reality check so that we can better address the issues of today and cater to the greatest well being of the largest number of our people.

Ladies & Gentlemen,

Development is a right, central to people's progress and critical to the eradication of poverty, fostering peace, stability and security of all nations. We are committed to working with multi-lateral and regional forums, and

with our strategic partners to advance the development agenda and the eradication of poverty. We believe that eradication of poverty in the world is not only an issue of importance to developing countries, but also a matter of collective global interest. It is indeed a matter of great concern that 880 million of the global populations are below poverty levels and one-third of humanity, nearly 2 billion, remains at near subsistence levels.

India's focus on evolving a multi-faceted relationship with all strategic regions is an outcome of the significant changes in the world's political and economic scenario since the early 1990s and India's own march towards economic liberalization. The process of economic integration is taking place at varying paces, but in the clear direction of a global marketplace. Competition is greater than ever before between companies, nations and regions and we still see discriminatory practices and protectionist tendencies among some developed countries who do not wish to see development and growth shared equitably. We have to resist such tendencies in every forum that we can.

We are, however, convinced that globalization is an irreversible process and despite the risks, opening up is the best way to achieve economic progress and improve the lives of people. We have pursued sound macro-economic policies, strengthened our financial systems and improved corporate governance. Some of this is still work in progress. Investors are taking notice; FDI inflows to India have shown significant increase exceeding US\$ 20 billion last year. At the same time, a growing number of Indian entrepreneurs are internationalizing their operations and have invested in foreign markets, partnered and taken over major business concerns, many of them in developed countries. Indian talent has given leaders to some of the best run multi-national corporations today.

Human capital is the most valuable resource that we have. For us, the concept of sustainable development must include the needs of our people for health, nutrition, education and housing so as to provide to all a life of dignity in a clean, safe and healthy environment. The challenge is to have more access and integration with global technology. India has remained isolated from high-technology commerce due to its position on nuclear energy. We hope to resolve this soon.

Ladies & Gentlemen,

Globalization demands a paradigm shift in the manner in which we conduct our economic policy. India's contribution to the global economy continues to rise, aided by the 'demographic dividend', the intangible gains of the

global knowledge economy. The information and communication technology revolutions have virtually shrunk the globe. Geography is no longer a buffer. Events taking place across borders near and far, impact us in a much more direct manner today. In the process of building blocks for an evolving regional architecture for cooperation we have intensified our dialogue with our strategic partners at multiple levels. Our cooperation is multi-dimensional, engagement at the levels of government, business, civil society, academia and people to people contacts.

The opportunities beckon. In a globalizing world, we have to look beyond national and regional boundaries and work together. We recognize that a supportive and an enabling global policy environment, based on principles of equality, mutual respect, equity and justice, constitute a positive framework for international co-operation.

Overall, globalization represents the best hope to improve the lives of the world's population. It has created growth and wealth, and fostered trade and interdependence. Managed properly, it will be a powerful force for social good. With effective functioning of multilateral institutions and restructuring of the global economic architecture, countries in the developing world would stand to benefit from open markets and competition.

India is steadily emerging as an important global player. That devolves certain responsibilities on us and we need to support the economic integration process in our neighbourhood and beyond. For this good governance is the key. There is need for greater public private partnership and for the private sector to earnestly take up corporate social responsibility so that benefits of growth reach all segments of the society.

My message to the CEOs gathered here today is simple - you have to explore these new trends and ensure purposeful functioning while you seek greater gains for your enterprises. The lowest common denominator has to be the welfare of the people and that is where we need to coordinate our policies and actions. I urge you all to extend the boundaries of your thought and vision, and draw from the experience of today's global economy.

Thank you.



**032. Speech of External Affairs Minister Pranab Mukherjee on
"India's Foreign Policy Today" at Peking University.**

Beijing, June 6, 2008.

Please see Document No.368



**033. Address by Prime Minister Dr. Manmohan Singh to Indian
Foreign Service Probationary Officers.**

New Delhi, June 11, 2008

I begin by congratulating each one of you for having been selected for a very prestigious organized service in our system of government. The foreign service occupies a unique place in our system of governance and with every passage of time the importance of having a foreign service which is committed to our national objectives which has the requisite skills and motivation to carry out the task of implementing our foreign policy in diverse areas of activity - its importance is only going to grow in the years to come. We live today in an increasingly integrated, globalised world, and the growing interdependence of nations creates new challenges for the management of global economy, global polity and foreign policy is essentially a projection of our national interest abroad.

And therefore the starting point of every good foreign service training must be a thorough grounding of what are our national concerns, what are our national objectives and ever since India became independent the foremost task before our country has been to accelerate the pace of social and economic development to ensure that our economy grows at a rapid rate, that with it we can generate more wealth in our country with which we can wash away the tears from the marginalized sections of our society and in internal domestic policies have an important role to play as to what will happen to the pace of development in our country. But as I said in an increasingly interdependent world that we live in we need an external environment which is conducive to the promotion of rapid economic development in our country. And when I talk about international environment, I have in mind the fact that what happens to the world trading system

impinges on our capacity to grow at a faster pace. International trade particularly in the globalised world we live in has emerged as an important engine of growth of nations. And therefore we have to create an environment with which India's trade can grow, India's economy will benefit enormously if our exports are given a level playing field if we don't face barriers to increase exports of our country and therefore what happens to the multilateral trading systems, what happens to barriers to trade, barriers of commerce, is a very important indicator of what will be the pace of development of our country.

In the same way we are now today faced with situation where there are new challenges. Never before in the history of the world capital flows have emerged as major determinant of international system. Today financial liberalization has taken roots although many countries, even our own country, maintain some controls on capital movements but as far as inward movements of capital concerned by and large, we have a very liberal system which encourages the import of capital. As a part of our strategy to accelerate this tempo of development we need a rapid increase of savings and investments. If we want to grow at the rate of 9 to 10 per cent we need an investment rate of 35 to 40%. The bulk of savings needed to sustain this investment have been generated domestically. And fortunately our savings rate today is as high as 35%. We invest about 37% of our GDP and we save about 35% and therefore the net capital inflow from abroad is about 2% of our GDP. It is small but it is important. It is also important because capital inflows are harbingers of transfer of technology, management skills and therefore we have been trying to create over time a congenial atmosphere for investment in our country, both for domestic capital formation as well as in our ability to attract foreign capital.

In addition to the liberalization of trade and financial services, we are today faced with new challenges. There are environmental challenges. There is the growing concern of global warming. There is a growing concern about pandemics. Disease today knows no national barriers. Avian flu can travel from one country to another and this is yet another aspect of growing interdependence of nations. There are problems which no nation acting alone can solve and therefore we need regional cooperation, we need multilateral cooperation to deal with this new challenges.

I mentioned global warming. The world is not a morality play. The world's political and economic system is a power play and those who have greater power use it to their advantage. And therefore those who are less powerful

are always at a disadvantage. Our effort has been through collective strategies working towards with various coalitions of developing countries, sometimes with coalitions of like-minded developed countries to create an environment where power factor does not work to our disadvantage. Because even though when we recognize that the global warming is common concern. The whole world shares a single environment and therefore if the environment deteriorates if climate change becomes a reality we will also suffer. But it is also important that in devising solutions to these formidable new challenges that are on the horizon, we must protect our essential national interests. And for a poor country like ours, development and the eradication of poverty is the supreme concern. So we have to marry the concern of management of global climate with the concern for development, for removal of poverty.

Now in the international systems, there is going to be an immense pressure. And countries like India, countries like China - people are blaming them for global warming, for global food crises. Also blaming us for the rapid growth in demand of hydrocarbons as factor in the global crisis with regards to energy. All these are projections of national interests of various countries and our effort has to be that while we recognize the world is an increasingly inter-dependent entity, the management of this inter-dependence must be equitable, it must operate in a manner which will protect our national interest. These interests are that India need a long period of peaceful development to sustain the tempo of social and economic development so that over a period of time, in our lifetime, we can get rid of chronic poverty, ignorance and disease, which has been the lot of a majority of our people for centuries. There are opportunities, but there are challenges. So when we deal with global issues like management of international economic system, world trading system, the management of international financial system, the world monetary system, the world system for the regulation of international flows, the how to handle issues like climate change, how to handle issues like growth of pandemics and how nations of the world can cooperate in research and development. An early warning system is also need to deal with challenges like Tsunami. In this one world that we live in, interdependence of nations is a fact. Peace and prosperity are indivisible. But as Jawaharlal Nehru said as early as 1947 in his famous speech on midnight of 15th of August, disaster is also an indication of interdependence. This is also indivisible, and therefore though there are new challenges our effort has to be that in dealing with them India's national interest must be protected to the fullest possible extent. And that is where the foreign service comes in and therefore your awareness for national

concerns and how best we can achieve our objectives in an increasingly interdependent world that we live in is the biggest single challenge facing our foreign policy establishment.

There are other areas - the growing menace of terrorism. Until 9-11 the world probably did not pay as much attention to the fact that countries like India have been the victim of terror for the last 20-25 years. After 9-11 the world situation has changed, and has changed to a certain degree to our advantage. But terrorism today is an international phenomenon, that there are still states who are sometimes actively backing the terrorist elements, and that there is a growing importance of the non-state actors in areas relating to terror. I think this gives our national security a new dimension. Also there is a growing fear that the security of nations can be threatened by nuclear weapons and sensitive technologies falling into the hands of terrorist elements. All this we have to be conscious of, we have to handle our approach to dealing with these global issues in a manner which will project and protect our national interest.

What we have been trying to do is to create an international environment conducive to the achievement of our national goals of sustained economic and social development. We need a peaceful neighborhood. And that is why it is very important that our relations with our neighbours whether they are China, Pakistan, Bangladesh, Nepal, Sri Lanka- they are of critical importance in realizing our national ambitions. With regard to China we have this whole problem of the border. We have in the last four years actively engaged through our special representatives to find pragmatic pathways to handle this complicated issue. Some progress is being made but I think there is a long arduous journey ahead of us. In the meanwhile both the Chinese and our government have appreciated that we cannot allow the border dispute to affect the pace of cooperation in other areas and that is why our trade with China has grown at a handsome rate. There is a scope for further expansion of trade and cultural relations.

The soft power of India in some ways can be a very important instrument of foreign policy. Cultural relations, India's film industry- Bollywood I find wherever I go in Middle-East, in Africa - people talk about Indian films. So that is a new way of influencing of world about the growing importance of India. Soft power is equally important in the new world of diplomacy.

With our neighbours - particularly with neighbours like Bangladesh, Sri Lanka, Nepal - we have a vested interest in their stability, in their progress because if they do not progress many of their problems can become our

problems. If Bangladesh suffers from global warming, I think a large number of people will willy-nilly migrate, legally or illegally, into our country. India and Nepal have a very porous border and if the Nepali system does not provide adequate opportunity to Nepali youths - willy-nilly there will be migration. In the same way, there is a conflict in Sri Lanka, tragic though it is, it has given a lot of worries because many times it happens that when ethnic tensions increase, there is a tendency of increased inflow of refugees in our country and this creates both domestic problems as well as foreign policy problems. So our relations with our neighbours is of critical importance. In some ways the most aspect of our foreign policy is our management of our relations with our neighbours. I would encourage each one of you to take a lot more interest in our neighbourhood. We know a great deal of what goes on in the West - in Europe, in America. But we don't know adequately enough of what goes on in our neighbourhood. And many a times our own thinking about these countries is influenced excessively by western perceptions of what is going on in these countries. I would like our diplomats to develop an Indian perspective on what is happening in our neighbourhood and use it as an important analytical tool for, I think, telling us what are the meaningful foreign policy and domestic policy options before us in dealing with the neighbouring countries.

But in the world in which science and technology have created a situation where distances have lost their old significance, the concept of neighbourhood is no longer the immediate neighbourhood that we know of. And that is why in the last 15-20 years, we have been trying to look East-ward to South-east Asia, to East Asia. This is where in the last 20 years there has been the most rapid economic and social growth. And that is why we are trying to work very closely to find new avenues of cooperation between India and the ASEAN countries. Also we are trying to expand our cooperation with other countries of East Asia. We have now an East Asia summit in which we are partners, which consists of Asean and three countries. It meets every year and discusses issues which have growing importance for the future of East Asia as a whole. The aspiration is, which we are projecting, that we all should work towards a flourishing East Asian community which will give new meaning to our inter-dependence with countries of South East Asia and East Asia.

At the same time the countries of West Asia are also of great importance. Those of you who have studied economics, our balance of payments depends a great deal from the flow of remittances of Indian workers - a large part of these comes from Middle East. We have about five million

Indian citizens working in these countries and their earnings are very important for our balance of payments. And therefore the peace and prosperity in East Asia and the Gulf countries is of equal importance to us. Not only for that reason but also because the concerns with energy security is now assuming a new dimension. Since the 1970s when the world woke in 1973 that the world of cheap oil was dead and gone - there has been several phases of crises in the management of hydrocarbon economy. We now have a similar situation whereby the price of hydrocarbons, particularly petroleum products, have quadrupled in the last two years. This has created new problems. The world is not able to grapple that the crises that it faces. In the last three or four years, the average production of crude oil in the world has been about 85 million barrels a day. The demand is increasing faster than ever before and the quest for access to the oil resources is going to become another major factor of power play in the world. The Chinese have seized the opportunities and have been going around the world in Africa, in Latin America, investing and exploring and developing the natural resources for increased oil production - this tension will increase in the years to come. So the quest for sensitive natural resources, oil security, energy security will emerge as a major source of interplay of forces in the evolving world economy.

Now competition and cooperation have to be the watchwords. We have to cooperate but have also to recognize that there will be increasing competition from China, from other countries and also those who are in entrenched would not like to make way for others - the new comers. So therefore tensions will be a part of the evolving world systems and how we handle our problems, how we project our national interests, will be a crucial determinant of our capacity to be successful in the race for development.

For us Europe and United States matter a great deal because our trade and capital flows have a very large element coming from these countries. And that is why we were the first country who recognized the great important of European integration. So when the European economy community came to existence, India was one of the first few developing countries to establish diplomatic relations. Now the European integration process has gained new momentum and it has potential for good and it has potential to create new tensions. And therefore our effort has been to find new way of working together with the European Union - we are trying to negotiate a broad base trade and investment agreement to use the resources of Europe to promote our development objective. The process has been on for last three or four years and we have made progress but we have to concentrate a lot more.

In recent years our government has sought a new dimension to our relationship with the United States in the form of a nuclear deal. I don't want to talk a great deal about it. But I think it is for the first time we got the US to appreciate that India is a nuclear weapons state, that India has the right to develop nuclear power to protect its strategic interests, and that it is a decision that must be made by the people of India not subject to any international supervision or any international interference. And despite the fact that we are not a signatory to the NPT, and we have also said that if the CTBT came into being we will not sign it, there is no pressure from the US on India to sign the NPT or any other international arrangement of that sort to enter into nuclear cooperation for civil energy. So as I see it this nuclear agreement that we signed with the US it has run into some difficulties, but it protects our national interest, it protects our capacity to use the nuclear power to protect our strategic interests. At the same time it opens us new opportunities for civilian cooperation and without that, I think, the trade in dual technologies - sensitive advanced technologies - can not become a reality. But our domestic politics has prevented us from going ahead, I still continued to hope that we will make progress in the months that lie ahead. But it is very important for us to move forward to end this nuclear apartheid that the world has sought to impose on India. This agreement, if it materializes, if it sees the light of day, it will open up new possibilities of cooperation, not only with the US but all other nuclear powers like Russia, France, who are very keen that once we have this deal through, that India should become eligible for civil nuclear cooperation.

These are some of the areas where I would shared my thoughts with you. All I can say is that you have an exciting career ahead of you. The service of India is the service of teeming millions of our people. You are privileged that you have this unique opportunity to be instruments for implementing our national vision, our national objectives, our national goal in the field of foreign policies. With these words, I once again congratulate you for being selected for this prestigious service of our country.



034. Speech of External Affairs Minister Pranab Mukherjee at the 107th Annual General Meeting of the Merchants' Chamber of Commerce on "India's Creditable role in world affairs, while ensuring high economic growth, democratic values and social justice".

Kolkata, June 14, 2008.

Hon'ble Shri Bhattacharjee, Chief Minister, West Bengal : Smt. Meira Kumar, Minister for Social Justice & Empowerment : Shri Churiwal, President, Merchant's Chamber of Commerce : Distinguished Guests : Ladies & Gentlemen,

It gives me great pleasure to be here at the 107th Annual General Meeting of the Merchants' Chamber of Commerce. It is one of the oldest and most prominent chambers in the Eastern India. I must appreciate the organizers of the event in selecting the theme of this year's Annual Function "India's Creditable role in world affairs, while ensuring high economic growth, democratic values and social justice". I can say that India's international role and our successful growth story, democratic values and our emphasis on social justice draw strength from each other. In our overall development paradigm we cannot isolate these important features from one other.

The objective of our engagement with the world, from the earliest years of our independence, has been to create and maintain an international context that would provide an enabling environment for democratic governance, social and economic development leading to the alleviation of poverty and the fostering of an inclusive society based on equity, justice and prosperity for all our people. Equally our foreign policy has aimed at making a contribution to put in place an equitable, peaceful and stable world order.

India's growth story is relatively recent. Even though our economic liberalisation began in the 90's, the fruits started bearing only in the last 4 to 5 years. Now we are a trillion dollar economy growing at an average rate of nearly 9 per cent per annum for the past five years. India with a 300 million strong middle class, a burgeoning market economy with significant investment inflows and robust long-term outlook for its ability to sustain high growth rates, is emerging as an important driver of growth in Asia and the world. At the same time, 220 million people are still waiting to be lifted out of poverty, perhaps the largest population of the poor in the world,

although the proportion of population below poverty line declined by more than half from what it was two decades ago.

The world is changing faster than ever. The key driver of this change is globalization. Along with the globalisation the world has witnessed India emerging stronger in both political and economic terms. Most of us are familiar with traditional diplomacy where governments negotiate with governments. Globalization, however, has led to a paradigm shift altering the manner and approach of conducting our foreign economic policy. The information and communication technology revolutions have virtually shrunk the globe. Geography is no longer a buffer. Events taking place across borders near and far, impact in a much more direct manner on us. We are witnessing a phenomenon where countries are becoming more closely interlinked with one another, through the cross-border movement of goods and services, capital and labour, technology and ideas. An integrated world is making economics more efficient and business more competitive.

India, along with the rest of the world has experienced significant, although uneven, economic growth. Globalization has played an important role as a dynamic force for growth. However, its impact has left us with a world beset by acute economic and social inequalities. India's growth story has come at a time when the world is facing threats from a variety of factors, be it energy crisis, or issues of food security or climate change or even pandemics and disasters. One of the biggest challenges we face today is how to address assimilate these divergent issues and work towards the common good, peace and security of mankind. With growing economic power now, our people are willing to spend more for better living. Our employment guarantee and poverty alleviation programs are designed to ensure decent food and economic security to our 'people who need help'. However our developmental efforts should in no way be assumed as contributing to global crises of food, energy or climate change.

The real reason for these crises is the distortions perpetuated by developed countries over centuries of exploitation of natural resources. The developing countries are facing pressure to scale down the use of the resources that contribute to their growth. You can very well observe that our per capita consumption of resources is one of the lowest in the world. We are not in a position to make any sacrifice which can directly affect our capability to address the issues of social justice. No doubt we will contribute our might to find solutions to these vexed problems. However these solutions should be based on new technological innovations, techniques of adaptation and

better use of resources. We are using our presence in international fora to convey that the solutions for energy crisis, food security and climate change problems has to come primarily from the developed world. Those who have consumed resources over decades have major responsibilities for transfer and financing of technologies to address these issues.

Ladies and Gentlemen,

India is credited with an impeccable record on nuclear non-proliferation that is well acknowledged by the world. Our present engagement with IAEA and the United States on the bilateral civil nuclear energy cooperation is an outcome of the confidence and our ability to keep this commitment in years ahead. The future growth of India is incompatible with continuing technology denials. With more than 50% of our energy requirements met by coal and fossil fuels, and the current unprecedented situation of a sharp rise in the prices of oil and gas, given our energy requirements for the next 20-25 years, we have come to the conclusion that there is no alternative to developing our nuclear energy sources. Today we have an installed power generating capacity of 1,60,000 MW. However, the actual generation is 1,38,000 MW constituting 89,000 MW thermal, 35,000 MW hydro, 10,000 MW renewable sources and 4,000 MW nuclear as of November 2007. Our projected requirement is 800,000 MW by 2030-31.

The coming years will demand a new mindset and a fresh approach-towards our society, polity and economy. We must adopt a perspective that is based on pragmatism. The challenges ahead call for an enabling framework for sustainable development to be in place which is provided by our system of democratic governance, with an active civil society and media. India has conclusively demonstrated that substantive social and economic progress is possible through true democratic governance. In our success, we have proved wrong the sceptics who had argued that democracy could not be sustained in a country of continental size, hosting all the religions of the world, a bewildering array of languages and cultures, as well as vast disparities in social and economic status. Indeed, we have established that in a pluralistic society, democracy is the way to promote socio-economic transformation for the betterment of all sections of the people, especially the under-privileged and the deprived.

In this era of globalisation we are committed to working with all regional forums and advance the development agenda for eradication of poverty. We believe that eradication of poverty and sustainable inclusive development

are not only issues of importance for developing countries, but also matter of our collective global interest.

The Indian economy has surged, over the past 10-15 years, on the basis of its high sustained growth trajectory and integration with the global economy. We are convinced that despite the risks, opening up is the best way to achieve economic progress and improve the lives of their people. We have focused on enabling our economy to meet the challenges and seize opportunities in global markets. We have pursued sound macro-economic policies, strengthened our financial systems and improved corporate governance. Some of this is still work in progress. Investors are taking notice; FDI inflows to India has reached US\$ 20 billion, a growing number of Indian companies are also internationalizing their operation and have invested nearly US\$ 10 billion in the last six years in 4000 projects. The changes are already showing results in a big way, so much so that the world is talking note of the extraordinary rise of India.

The process of economic integration is taking place within regions at varying paces, in the direction of a global marketplace. Competition is greater than ever before -between companies, between nations, and between regions. For the first time, it can be said, that the world is becoming one big market. In this emerging market, we have to be extra careful. We do not think that more than 200 million Indians who earn less than one dollar a day can effectively withstand the market forces. One of our important challenges therefore is to ensure that our people who are below the poverty line are not affected by the adverse factors of globalisation. I can say with conviction that the UPA government is making all possible efforts to bridge the gap between growth and development and social equity. Various flagship programs and projects have been introduced and implemented in the last four years such as NREG, Bharat Nirman to the tune of 12,000 crore, Tribal Rights on Forest Lands. The Eleventh Five-Year Plan has provided for higher outlays in many core sectors such as Agriculture by 11%, Education by 19% and Health by 7%, to name a few.

Ladies & Gentlemen,

Democratic values do not necessarily mean free market forces. Real democratic values can be judged on the quantum of concern that society shows for the underprivileged and marginal sections. We need to have growth but growth without proper distribution of income is a danger to democracy and a pitfall for social engineering. We are aware of this fact

and have been able to manage our growth with sustainable development to ensure that fruits of growth are available to all sections of the society.

Global trade plays an important role in fostering economic development and fighting poverty. Nevertheless, international trade continues to face barriers and distortions particularly in the agricultural sector, which affect the overall efforts of developing countries to enhance the well-being of their societies. We are aware of such distortions and protectionist policies adopted by developed countries and these are among the possible reasons for the food crisis that we face today. We are however determined going to ensure that our farmers get their due share in the ongoing negotiations under WTO.

There are major changes taking place on our domestic and external fronts, which call for new policy approaches for development. In these circumstances, India has the enormous potential to exploit her geographical advantages and bring significant benefits to populations residing in the region in a much more direct and participative manner than before. In a globalizing world, we have to look beyond national and regional boundaries and work together. We recognize that an enabling global policy environment, based on principles of equality, mutual respect and justice, constitute a positive framework for international co-operation.

India hopes to emerge as an important global player in the coming decades. With effective multilateral institutions, all countries can contain the risks and benefit from open markets and competition. We not only aim at becoming an engine of growth but also to support the globalization and integration process in other parts of the world.

Before I conclude, I would like to mention two brief comments on food shortage and inflation. India's production increased from 51 million tonnes in 1950 to 227 million tonnes in 2007 which is no mean achievement. But, population simultaneously has increased from 350 million to 1112 million in the same period. Therefore, we are still left with more than 200 million people who have limited access to food. About the rise in inflation. We import more than 100 million tonnes of crude every year. Crude price has increased from US\$ 35 a barrel to US\$ 138 a barrel in the last four years. At this count alone the government has had to bear the extra burden of Rs. 40000 crores in the first year that is 2005-06, Rs. 49,000 crores in the second year, Rs. 70,000 crores in the third year, and a whopping Rs. 2, 25,000 crores estimated for the current year. The inevitable price hike is to compensate only a meagre amount of this huge financial burden.

I am convinced that the captains of the industries gathered here today will explore these new trends and ensure purposeful functioning as well as higher profitability of their respective enterprises. The quotients of responsible business conduct and corporate social responsibility have to be upped. I implore you all to extend the boundaries of your thought and vision, and draw from the expertise and experience of today's global economy.



035. Statement by Official Spokesperson on National Launch of e-passport.

New Delhi, June 25, 2008.

The President launched the issuance of e-passports, also known as biometric passports, at a ceremony at the Rashtrapati Bhawan today.

Minister of External Affairs Shri Pranab Mukherjee presented the first e-diplomatic passport to the President of India, Smt. Pratibha Devisingh Patil, at the ceremony. He also presented an e-diplomatic passport to Dr. Devisingh Shekhawat.

The External Affairs Minister presented e-diplomatic passports, subsequently, to the Vice President Shri Mohammad Hamid Ansari and Smt. Salma Ansari at a function at 6 Maulana Azad Road.

He also presented an e-diplomatic passport to the Prime Minister Dr. Manmohan Singh at a function in Prime Minister's office, South Block.

With the National Launch today, India has become the first major developing country to issue e-passports. 41 countries issue e-passports now, most of them having commenced the issuance of such passports in the last two years.

From today, the Ministry of External Affairs will be issuing e-passports in the diplomatic category. Issue of e-passports in the official passport category will commence next month. The e-passports will be issued to all fresh applicants and to those who apply for reissue.

The Ministry of External Affairs has drawn up a programme for the full roll out of e-passports in the ordinary passport category by September, 2009.

The e-passports of India conform to the specifications laid down by the International Civil Aviation Organization (ICAO) which is the competent international body to recommend specifications for all travel documents.

The e-passports contain an electronic contactless chip embedded in the passport booklet. The cover page of the passport has an ICAO approved special logo indicating that it is an e-passport. The chip in the e-passport booklets to be issued by the Ministry of External Affairs in the diplomatic and official passport categories will contain data such as facial bio-metrics, signature, name, nationality, date of birth etc. of the passport holder. Specified bio-metric features such as finger-prints of the holder are also proposed to be added to this data when e-passports are issued in the ordinary passport category.

The Indian e-passports will have the necessary technical features to prevent access to the data stored in the chip by unauthorized persons and to enable authentication of the bonafides of our e-passports by immigration authorities anywhere in the world.

The e-passports offer significant advantages. The Indian citizens will be in a position to move more easily and faster through the border control points that have e-passport reading facilities. These passports also provide higher level of protection against fraudulent misuse and tampering. Authenticity of the e-passports can be easily verified by the immigration authorities. e-passports will also be useful in preventing holding of multiple passports.

The Indian e-passports have been designed and developed by the Government using its own resources. The National Informatics Center (NIC) provided the entire technical expertise and support for the project with the assistance of IIT, Kanpur. It has been ensured that the software of our e-passports is compatible with other important documents such as the National ID card and Driving License. The India Security Press, Nasik is also an important partner of the Ministry of External Affairs in the e-passport project. They will produce all the blank e-passport booklets.

The Central Passport Organization of the Ministry of External Affairs issued 50 lakh passports in 2007 through its 34 Passport Offices all over the country, compared to about 44 lakh passports in 2006 and 36 lakh passports in 2005. To cater to the growing demand of passports of about 18% per annum, the Ministry of External Affairs has already initiated the Passport Seva Project for introducing better and latest IT solutions, further simplification of procedures and reducing paper work to the barest

minimum, with a view to maximizing the comfort levels of passport applicants and achieving the best international standards. The project, which is expected to be implemented in a time frame of 19 months, will result in the issuance of passports within three days and, in cases which require prior police verification, within three days after the completion of the verification process.



036. Inaugural Address by External Affairs Minister Pranab Mukherjee at the opening of the Passport Office in Amritsar.

Amritsar, June 28, 2008.

Sardar Parkash Singh Badal, Hon'ble Chief Minister of Punjab,

Members of Parliament and State Legislative Assembly,

Senior Government Officials,

Distinguished Guests,

Ladies and Gentlemen,

I am delighted to be in this holy and historic city to inaugurate the new Passport Office. The office will fulfill the aspirations of the people of the border districts of Punjab to have a passport facility in Amritsar.

Last year, more than 3.50 lakh passports were issued jointly by the Regional Passport Office, Chandigarh and Passport Office, Jalandhar to the people of Punjab. The number of passport applicants from this State is expected to be around 4.00 lakh this year. In the first five months of this year, about 35,000 passports have already been issued to applicants from the six districts that will be served by the Amritsar Passport Office.

A lot of people from the border districts of Punjab travel abroad for business, tourism and other purposes. As all their requirements could not be catered to by the District Passport Cells and Speed Post Centres, located in these districts, a large number of passport applicants had to go to Jalandhar or Chandigarh for passport services. I am sure the Amritsar Passport Office will remove the hardship suffered by the public in this area. It will also enable more and more people to travel abroad to

seek business and employment opportunities in foreign countries.

The Office, being opened today, is equipped with the latest Information Technology. In addition, I am happy to inform you that it is a fully air-conditioned office and will provide comfortable conditions for submission of passport applications.

With India's rising international profile, fast growing economy and our increasing integration with the global economy, the number of Indians traveling abroad has shown phenomenal growth in the recent years. There has been considerable interest among overseas investors in India. Engagement of foreign business community in the Indian economy has increased considerably. This in turn has resulted in rapid increase in the issuance and re-issuance of passports and other miscellaneous services rendered by our Passport Offices. We issued about 50 lakh passports last year, compared to 22 lakhs in 2000. We expect to issue around 60 lakh passports in 2008 and over 80 lakh passports in 2010.

- We have taken a number of steps to simplify the passport issuance system and to make it applicant-friendly. Let me take this opportunity to mention some of these:
- To improve the efficiency and effectiveness of Passport Offices, we embarked on computerization - and I am happy to inform you that all the 36 Passport Offices including the one in Amritsar are fully computerized.
- All the passport offices and our Missions abroad issue machine-printed, machine-readable passports as per the standards laid down by the International Civil Aviation Organisation. Additional security features have also been introduced in the passport booklets. These measures have facilitated expeditious immigration clearance for Indian travelers.
- Electronic token system has been introduced in several Passport Offices to ensure orderly submission of applications. We are introducing a token system at this office too.
- Facility of online registration of Passport applicants is now available in all Passport Offices.
- 464 District Passport Cells have been set up all over the country, enabling easier submission of applications and taking the passport

issuance system to the doorsteps of the applicants.

- In addition to these District Passport Cells there are 1095 Speed Post Centres for submitting passport applications and 15 Passport Application Collection Centres.
- In Punjab there are 16 District Passport Cells and 35 Speed Post Centres and in the area served by the Amritsar Passport Office, we have six District Passport Cells and nine Speed Post Centres.

However, we still have a long way to go. The National Common Minimum Programme envisages introduction of e-governance on a massive scale, to simplify procedures and to make Government citizen-friendly. As a rapidly growing and modernizing country, we are duty bound to provide services to our public that are completely transparent, prompt, user-friendly and, above all, in conformity with the best international standards and practices.

While our Passport Offices are fully computerized, there is scope to make further improvements by introducing better and latest IT solutions that have become available as a result of the rapidly growing Information Technology. There is also need to further simplify our procedures and to reduce paper work to the barest minimum with a view to maximizing the comfort levels of passport applicants and achieving the best international standards. The Government has already approved implementation of the Passport Seva Project with the objective of delivering passport related services to the citizens in a timely, transparent, more accessible, reliable manner.

The Passport Seva Project is expected to be implemented in a time frame of 19 months and will result in the issue of passports within three days, and in cases which require police verification, within three days after the completion of the verification process. Tatkal passports will be issued on the day of submission of the application. We propose to have 68 Passport Facilitation Centres all over the country where the non-sovereign functions, involved in the passport issuance process, such as initial scrutiny of the application forms, acceptance of fee, scanning of the documents, taking photos, etc. will be performed by a service provider to be selected through an open bidding process. The process of selection of such a service provider is in its final stages. The Government staff at the Passport Facilitation Centres will verify the documents and decide on granting of passport. The other activities such as printing and dispatch will also be done by the Government staff. Police verification will be expedited through electronic linkage of the Passport

Facilitation Centres with the police authorities in State Capitals.

Distinguished Guests,

With the National Launch of e-passports, India has become the first major developing country to issue such passports. We have started issuing e-passports, also known as biometric passports, in the diplomatic category during this week. I had the privilege of presenting our very first e-diplomatic passports to the Honourable President, Vice President and Prime Minister earlier this week. Issue of e-passports in the official passport category will commence next month. The Ministry of External Affairs has drawn up a programme for the full roll out of e-passports in the ordinary passport category by September, 2009. Such passports will be much safer against forgeries and will facilitate easier movement of our people through the border points equipped with e-passport reading facilities.

While the Amritsar Passport Office will greatly facilitate employment opportunities abroad for the people of this region, we should not lose sight of the fact that there are a number of unscrupulous agents who exploit innocent people by giving false hopes of lucrative employment abroad. We have been urging concerned State Governments to take strict action against such activities. I understand the Government of Punjab is taking a number of steps in this regard. I assure the Hon'ble Chief Minister of our full cooperation to the efforts of the Government of Punjab in this direction. It is imperative that while promoting avenues of employment abroad for our citizens, we firmly curb illegal immigration that brings untold misery to the concerned persons. I would also like to assure you that our Passport Office at Amritsar will spare no effort in rendering prompt and efficient services to the public.

Before I conclude, I would like to convey my sincere gratitude to Sardar Parkash Singh Badal who took special interest in making the Amritsar Passport Office a reality. I would also like to thank the Government of Punjab for the support and co-operation extended by them for the opening of this office.

Thank you.



037. Speech of External Affairs Minister Pranab Mukherjee on Statistics day.

New Delhi, June 29, 2008.

- Shri G.K.Vasan-ji, Minister with Independent Charge for Statistics and Programme Implementation,
- Dr. Pronab Sen, Chief Statistician of India,
- Dr. S.K.Nath, Director-General of Central Statistical Organisation,
- Prof. S.P. Mukherjee,
- Distinguished Guests,
- Ladies & Gentlemen,

It gives me great pleasure to address this august gathering at the celebration of 'Statistics Day' in the country. India has always been a path breaker in the collection and use of statistics for planning and policy making. It has also given to the world some of its finest Statisticians for many decades. I have had reason to appreciate the strong statistical base that has developed in the country not only in my earlier tenures as Finance Minister & Deputy Chairman, Planning Commission but now as the External Affairs Ministers too.

The quality of statistics being generated by a country contributes immensely to the country's reputation. It is not merely the question of availability of data which helps decision making by various foreign governments and agencies interested in our country but its 'reliability' & 'transparency' which are now being regarded as important indicators of the quality of governance. It is a source of great pride that our statistical system measures up to the best in the world in terms of its quality and openness, and that this characteristic raises the stature of our country in international deliberations.

The high quality of our statistical system did not happen by accident. It owes an enormous debt of gratitude to its founding father and long time mentor - Professor Prasanta Chandra Mahalanobis. He was one of the very few pioneering Statisticians who was instrumental in creation of the United Nations Statistical Commission. I am therefore extremely delighted and honoured to be here today to participate in the celebration of the Second Statistics Day and to pay homage to the memory of late Prof. P.C. Mahalanobis, the doyen of Indian Statistics on his 115th Birth Anniversary.

Prof. Mahalanobis pioneered the organized collection of official statistics. He contributed immensely in establishment of formal teaching of statistics in many Indian universities and also in the Indian Statistical Institute which he founded at his residence itself in Kolkata. In collaboration with the International Statistical Institute, he established an International Statistical Education Centre at the Indian Statistical Institute. Many of our great statisticians have been products of this institutional legacy left by Prof. Mahalanobis.

Mahalanobis's contribution to large scale sample surveys is among his most significant and lasting gifts to statistics. He started his work on sample surveys with estimation of area and yield of jute crop in Bengal in 1937. However, it was not easy for him to get these estimates accepted. Ultimately he was able to demonstrate that estimates based on sample surveys were often more accurate than those based on complete enumeration, and that sample surveys could yield estimates with small margins of error within a short time and at a smaller cost than complete enumeration. He made many methodological contributions to survey sampling. Mahalanobis's concept of pilot surveys was a forerunner of sequential sampling developed by Abraham Wald, as acknowledged by Wald himself in his book. In addition to introducing these concepts, Mahalanobis raised important and difficult philosophical questions on randomness and representativeness of a sample, which remain relevant and challenging even today.

He was elected Chairman of the United Nations Subcommission on Statistical Sampling in 1947, and held the post till 1951. His tireless advocacy of the usefulness of sample surveys resulted in the final recommendation of this Subcommission that sampling methods should be extended to all part of the world. Mahalanobis received the Weldon Medal from Oxford University in 1944 and was elected a Fellow of the Royal Society, London, in 1945, for his fundamental contributions to Statistics, particularly in the area of large-scale sample surveys.

As an architect of India's economic planning models he realized early that the models developed for advanced countries might not be applicable to India. He, therefore, developed completely new approaches, which are now known as Mahalanobis two-sector and four sector models of economic development. He also recognized that the data needs of our country could not be met through conventional methods. India is too large and diverse to be amenable to simple data collection systems.

Professor Mahalanobis therefore responded by creating two strong pillars of the Indian Statistical system, namely the Central Statistical Organisation and the National Sample Survey Organisation. These two organizations have brought India on the world map of official Statistics. The credit must go to the Indian Statisticians manning these organizations who have managed to cover such a vast country and consistently produce credible data for the planning and policy needs of the country. I understand the last Economic Census conducted in 2005 has shown to the world that India can conduct such a gigantic Statistical exercise visiting 211 million households and 42 million establishments without any legal backing and with limited resources. No other country even comes close to such magnitudes.

However, meeting our domestic data needs is no longer sufficient. In a world which is rapidly getting integrated and where major issues of a global nature are becoming increasingly more important, it is incumbent for our statistical system to generate data which are necessary to undertake analysis and to facilitate policy decisions in a multilateral framework. Environmental degradation, climate change and its concomitant effects, disaster management, and global food and energy security are only a few examples of such imperatives that have come to the fore in recent years. India has a particularly important role to play in this regard, since many developing countries look to us for providing standards and methodologies which reflect the specific conditions of developing countries and which can be met within the limits of our resource constraints. This is a responsibility we cannot shirk. I am confident that Indian statisticians will again rise to the challenge as they have done so many times in the past.

In today's international environment, characterized by rapidly increasing interdependence between countries, especially with the advent of information and communication technologies, the demands being placed on statistical systems are growing apace. The role of Statisticians has consequently undergone major changes during last two decades. In earlier years, various international or multilateral organizations like the United Nations, International Monetary Fund, World Bank etc. played a key role in evolving the contours of international statistical developments. In recent years, however, many regional statistical groups also have come up like EUROSTAT, OECD, AFRISTAT etc., which seek not only to meet the needs of their economic groupings but also to influence the future course of international data flows.

We cannot be impervious to these developments, since they have a bearing on the course of strategic engagements all across the world in the future. In such a situation, the first condition for the efficiency and sustainability of any statistical authority is to define a clear vision of the role of statistics in decision-making in its widest sense and the strengthening of capacities to anticipate and evaluate emerging trends in the statistics arena. This is indispensable for the strategic processing of new demands for statistical data and information and to ensure that we protect our long-term interests. I am happy that India took a lead role in creation of SAARCSTAT - a statistical cooperation group under the aegis of SAARC Secretariat - for raising the quality of official statistics and harmonization of statistical system in this region.

During 14th SAARC Summit, this point was emphasized by Heads of States when they met at SAARC Retreat.

It is, therefore, necessary for the National Statistical Organisation to develop a strategic framework and plans for the development of statistical capacity and infrastructure, which will be sufficiently robust, stable and independent to respond to these challenges. It will also be necessary to ensure that the entire range of statistical agencies in Central Ministries and States, which operate in our federal framework, are sensitised to the strategic aspects of data and information flows.

Ladies & Gentlemen,

The primary statistical function to be fulfilled in this framework will of course continue to be the production of reliable, relevant and timely data for the formulation and monitoring of policies in the interests of the poor and the most vulnerable groups. It will also have to facilitate decision-making, coordination of available resources and detection of financial and institutional obstacles.

The National Statistical Commission, under the chairmanship of Dr. C. Rangarajan had already gone into these issues pointing to the imperative need to improve credibility, timeliness and accuracy of our data system. Much has been accomplished, but much remains to be done. More importantly, in this fast changing world, reform and restructuring of our statistical system cannot be a one-time exercise.

Our government also firmly believes in transparency and openness. Reliable and timely statistics is a basic requirement for this. Accordingly, to meet

both these requirements, we have set up a nodal body - the National Statistical Commission - to oversee all core statistical activities in the country.

The Commission has a wide mandate. It would oversee the design and implementation of strategies for collection, analysis and dissemination of core statistics as per a standardized advance release calendar. Besides implementation of a comprehensive nationwide programme for capacity creation in collection and analysis of data, its mandate also includes implementation of strategies for improving the quality of statistics, enforcing appropriate standards, encouraging the use of statistical analysis in policy formulation and increasing public awareness of Official Statistics.

I am aware that the Statistical system is already overburdened in view of ever-increasing data needs. The CSO deserves special commendation for taking up new emerging areas of work like Cost of Price Index for Urban sector, Natural Resource Accounting, and Disaster Management Statistics for policy, planning, analysis and advocacy. The NSSO has more than ably supported these initiatives through the collection of primary data on an ever-expanding range of issues. But we cannot rest on our laurels. New demands will arise, and we will have to meet them in the best way we can. New theories and innovative approaches will have to be developed to cope with the demands within the resources available to us.

As I understand it, a major problem confronting the official statistical system now is paucity of proper manpower at all levels. Today there is hardly any science or academic discipline be it medicine, engineering, finance, business, sociology, anthropology or information technology which is in some way not dependant upon statistics and statisticians. It is therefore no wonder that the globalized knowledge regime is attracting large number of students of statistics in other fields like information technology etc.

In this context, the role of the Ministry of Statistics and Programme Implementation has become all the more critical to ensure that at least the basic minimum number of statisticians are drawn into and retained within the official system. As a matter of fact, it is extremely necessary to develop a high level human resource development programme for the Indian Statisticians not only at the Central level but also in the States. I am happy to know that the Central Statistical Organisation has set up a National Academy for Statistical Administration (NASA) for human resource development for Indian Statisticians and also for the Statisticians of other developing countries.

India is one of the very few countries where the Statistics Ministry has total transparency and makes the micro level data available to the public. India has succeeded in creating long time series of data about its people and their standard of living. No other developed, developing or undeveloped country has such a wealth of statistical information as India has about its people. This huge wealth of data is the handiwork of an army of Statistical Investigators working under the fold of the NSSO. Over the years, in other important sectors like health and education, a number of large scale surveys have been introduced. What is important about the findings of these data is their credibility. For the sake of ensuring credibility of statistics, Prof. P. C. Mahalanobis used to emphasize on statistical craftsmanship. The skill of data collection and validation is something, which cannot be fully replaced by the use of modern gadgets. With the increase of demand for diversified statistical products and owing to the needs of globalization, the statistical system has to develop its base right from the village level. The existing institutional mechanism has, therefore, to harness the skill of statistical work from beyond limited scope of colleges and universities.

I have great expectations from the outcome of the "Statistics Day" celebrations through out the country and look forward keenly to the development of Indian Statistical System to meet the growing needs of the society.

I would also like to express my gratitude to the Prime Minister, who, while visiting Indian Statistical Institute, accepted our request to observe the birth anniversary of Prof. Mahalanobis as "Statistics Day".

Thank You.



038. Speech of Minister of Petroleum and Natural Gas Murli Deora at the 18th World Petroleum Congress on "Energizing India for sustainable growth".

Madrid, July 3, 2008.

I am delighted to be present in this historic city of Madrid with professionals of oil and gas sector from all over the world sharing ideas on the challenges facing us.

2. India's population has crossed the 1 billion mark. To maintain high growth rate of the economy, we need substantial amount of oil and natural gas.
3. India is currently world's fifth largest consumer of energy and accounts for nearly 3.5% of world's energy consumption. Our consumption of oil has been on the increase. Till the mid of 80s, we had been self-sufficient to the extent of 70% in oil. Today we are importing around 75% of our oil requirements.
4. A small section of the oil analysts has been ascribing the relentless rise in crude prices in recent months to the spurt in demand for oil from India and China. I wish to take this opportunity to set the record straight. While China and India account for over one-third of the global population, their combined oil consumption is less than one-eighth of the world's consumption. And, with steadily declining energy intensity, both our countries are registering rapid economic growth with less than proportionate increase in oil demand. And their high rates of economic growth are a significant factor in ensuring stable and orderly growth of the world economy. India's refining capacity today stands higher than our oil demand. This has a sobering effect on the product prices by reducing the mismatch between product demand and supply. Given these facts, we are of the firm view that attribution of high crude prices to rising demand from India and China is completely devoid of merit and misses the wood for the trees.
5. Economic growth rate of 9% to 10% calls for rapid development of energy market. India's energy needs are growing as income levels and population are both rising. Our main focus is to enhance energy security for the country. Government of India and Oil Companies have taken several steps to enhance energy security for the country, which include :

- (a) increasing exploration and production activities in the country
 - (b) acquiring oil and gas assets abroad
 - (c) development of alternate sources of oil and gas
 - (d) strategic storage of crude oil
 - (e) conservation of oil and implementation of environment friendly Policies.
6. The development of E&P sector has been significantly boosted through the New Exploration Licensing Policy of Government of India, which ushered in major liberalization in the sector and opened it up to for private and foreign investment, where 100% Foreign Direct Investment (FDI) is allowed. Before implementing new exploration licensing policy (NELP), 11% of Indian sedimentary basins was under exploration which has now been increased to cover 44% of Indian sedimentary basins. In the next four years, it is planned to increase coverage of 80% of total Indian sedimentary basins. By 2015, entire area of Indian sedimentary basins is likely to be under exploration.
7. Under NELP, licenses for exploration are being awarded only through a competitive bidding system. Six rounds of bids have so far been completed under NELP, in which 162 exploration blocks have been awarded. 60 oil and gas discoveries have already been made in onland and offshore areas including deepwater, for which development plans by the operators are in progress. In India, apart from the two national oil companies, ONGC & OIL, more than two dozen foreign companies are working in E&P sector including global majors like BG, BP, ENI, Petrobras, Santos, Cairn and NIKO.
8. With recent exploration and development efforts under way in India, Crude oil production is likely to increase by over 30% in the next five years. Similarly, by year 2012 natural gas production will more than double from the present level of about 90 million standard cubic metres per day (MMSCMD). The seventh round of NELP has been very successful as 96 companies including 21 foreign companies, have submitted 181 bids for 45 exploration blocks. We will be awarding these blocks shortly.
9. In view of unfavourable demand - supply balance of hydrocarbons in the country, acquiring equity oil and gas assets overseas is one of the important components of enhancing energy security. The

Government is encouraging Oil PSUs, ONGC Videsh Limited and others to aggressively pursue equity oil and gas opportunities overseas. In addition, private companies such as Reliance Industries Limited, Essar and Videocon are also investing on overseas E&P assets. Indian companies now have presence in 22 countries. ONGC Videsh Ltd. (OVL) has made an investment commitment of over US\$ 7 Billion and had an oil and gas production of 8.92 million tonnes in the year 2007-08.

10. Ensuring uninterrupted availability of petroleum products is essential for sustained economic growth. To achieve this, in the downstream sector, India has doubled its refining capacity in last 10 years.
11. India's geographical location between East Asia and the Middle East makes it ideally placed to emerge as an export hub for the growing Asia Pacific market. Our product exports have soared more than 10 times, from 2.4 MMT in 1997-98 to over 32 MMT in 2007-08, with foreign exchange earnings of about US\$ 26 billion. Over the next four years, Indian downstream companies, both public and private, are poised to set up new refineries that will enhance capacity by an additional 90 MMT, with a cumulative investment of US\$ 22 billion. We are committed to increasing the product availability for the domestic market and also meeting the requirements of the export market.
12. Holding the price line of life-line fuels is important from the point of view of ensuring equitable access to the weaker sections of the society, in the interest of inclusive growth. To protect the domestic economy from the inflationary impact of high oil prices, we have taken steps to stabilize the retail selling prices of life line fuels so that the weaker sections of the society are not affected. The issue of subsidy on life-line fuels is a sensitive one. While we agree that fuel subsidies may have a negative impact on the energy market in the long run, the current volatility in the international oil prices and its potential for destabilizing emerging economies, makes States' intervention in pricing of life-line fuels inevitable.
13. The national endeavour to bridge the ever-increasing gap between demand and supply of petroleum products in India by intensifying exploratory efforts for oil and gas in the Indian sedimentary basins and abroad need to be supported by other alternate sources of energy like Coal Bed Methane, Gas Hydrates, Coal Liquefaction,

Ethanol and bio-diesel etc. I am happy to inform you that the first CBM gas production from one CBM block in India has commenced in July 2007.

14. Towards other efforts for energy security, Government is pursuing Iran-Pakistan-India (IPI) Gas Pipeline, Turkmenistan-Afghanistan-Pakistan-India (TAPI) Gas Pipeline and Myanmar-India Gas Pipeline Projects.
15. Creation of proper gas infrastructure network is crucial to evacuate the gas produced from the field. Presently GAIL is operating about 6170 km gas pipeline and authorization for laying additional pipeline of about 3400 km has already been issued. In addition Reliance Gas Transportation Infrastructure Limited (RGTIL) has plan of laying gas pipeline of 1386 km from Kakinada to Ahmedabad. RGTIL has also been given authorization for laying another four pipelines with total length of 2875 km.
16. The continuous rise in crude oil price in the last ten years is not sustainable over longer period. Now, time is ripe to find out new technologies, which are harmonious to economic growth and environment friendly as well. In this regard, developed countries should take pro active actions in order to meet the growing energy demand of the world.
17. In India, we do believe in knowledge sharing for the benefit of people and harnessing natural resources judiciously while protecting the environment. We should employ the technology which is environmentally sensitive and socially acceptable. We should not forget the fact that the environment we are enjoying today belongs to future generations and we are custodians of these environs which must be handed over to our progeny with no damage whatsoever.
18. We would need to form strategic alliances and investments from major global players for technology, services and resources. Forums like WPC offer tremendous scope not only to discuss areas of mutual interest but also for paving the way for firming up alliances.
19. I am sure that WPC will offer enough opportunities for technological understanding and networking with people and companies for mutual benefit. I am also confident that the Council will come out with sustainable solutions for the overall benefit of the hydrocarbon sector.

20. With these words, I wish great success for the 19th World Petroleum Congress and fruitful outcome of the discussions and deliberations.

Thank you.



039. Speech by External Affairs Minister Pranab Mukherjee at the Post Graduate Institute for Medical Education and Research XXIX Convocation, 2008.

Chandigarh, July 18, 2008.

Dr. Anbumani Ramadoss, Minister for Health & family Welfare & President PGIMER

His Excellency Shri A.R Kidwai, Hon'ble Governor of Haryana

His Excellency Genl. S.F. Rodrigues, (Retd) Hon'ble Governor of Punjab

Shri Parkash Singh Badal, Hon'ble Chief Minister of Punjab

Members of Parliament & State Legislature

Dr. K.K. Talwar, Director PGIMER, Chandigarh

Members of the faculty

Students

Distinguished Guests,

Ladies & Gentlemen,

It is my privilege to be here in one of India's most prestigious medical institutions, on the occasion of its Convocation Day. The Convocation Day of any institution is the most important day in its calendar, because it symbolizes the very purpose of the existence of that institution. Today, 287 students have received their post-graduate and doctoral degrees in various specialties and super-specialties and many of them would be leaving the portals of this institute to start a career. I congratulate you all for your achievements and wish for a bright future. I also take this opportunity to congratulate the esteemed faculty of the Post-Graduate Institute for Medical Education and Research (PGIMER) for successfully training yet another batch of students, who will disperse and spread the fame of PGI. It is indeed a proud day for all of you.

Getting a degree is not the end of the road, it is only the beginning. Medical science is probably the most vast, complex and impermanent of the sciences. The ancient Indian physician, Charaka had said to his fellow-physicians: "Always strive to acquire more knowledge, for there is no end to medical science. And even if possessed of sufficient knowledge, you should not boast of that knowledge, because it will ultimately give way to new knowledge." It is a measure of the wisdom of our ancient predecessors that around 2000 years after they were written, these lines continue to be so true.

Our country has seen considerable improvement in health standards over the last six decades. The indicators for life expectancy, child mortality, infant mortality and maternal mortality have continuously shown encouraging trends. Small pox and guinea worm have been eradicated and there is hope that poliomyelitis will be contained in the near future. Recent studies show that the Infant Mortality Rate is now 57 per 1000 live births, down from 72 per 1000 live births a decade back. Although the overall fertility rate stands at 2.7 children per woman, there are 10 states where the replacement level fertility rate of 2.1 has already been achieved. Similarly, urban India has already achieved the replacement level fertility rate of 2:1.

Nevertheless, problems abound. Malnutrition affects a large proportion of children. An unacceptably high proportion of the population continues to suffer and die from new diseases which are emerging apart from continuing and new threats posed by the existing ones. Pregnancy and childbirth related complications also contribute to the suffering and mortality.

The National Rural Health Mission (NRHM) was launched in April 2005 by the UPA government to address the gaps in health infrastructure and human resources. This envisages a generic public health delivery system from village to block level. The Mission aims to provide universal access to equitable, affordable and quality health care which is accountable and at the same time responsive to the needs of the people. The Mission is also expected to achieve the goals set under the National Health Policy and the Millennium Development Goals. NRHM facilitates increased access and utilization of quality health services by all, forge a partnership between the Central, State and the local governments. It provides a platform for involving the PRIs and the community in the management of primary health programmes and infrastructure and furthers the opportunity for promoting equity and social justice. The urban areas will also need a similar strategy.

Distinguished Participants,

Access to health services by the poor remains a big challenge. The strong link between poverty and ill health needs to be recognized. The onset of a long and expensive illness can drive the non-poor into poverty. Ill health creates immense stress even among those who are financially secure. High health care costs can lead to entry into or exacerbation of poverty. The importance of public provisioning of quality health care to enable access to affordable and reliable health services cannot be underestimated. This is specially so, in the context of preventing the nonpoor from entering into poverty or in terms of reducing the suffering of those who are already below poverty line. The recently launched Rashtriya Swasthya Bima yojana will provide family health cover of Rs. 30,000 to every unorganized sector worker living below the poverty line.

Availability of appropriate and adequately trained human resources is an essential concomitant of Rural Health Infrastructure. Across rural areas, there are considerable shortfalls plus a large number of vacant positions of doctors, nurses and paramedical personnel. There is also wide variation in number of persons served by a specialist in rural areas. A large proportion of population is visiting private providers for their health care needs. The challenge is to resolve these problems and provide the poor access to affordable public health services.

The government, under the Pradhan Mantri Swasthya Suraksha Yojana, has undertaken to establish six new medical institutions with 850-bed hospitals and upgradation of 13 existing medical institutions on lines of AIIMS to provide quality health care and medical education in poorly served States. Construction work has already started in seven existing medical institutions and will begin soon for the new ones.

The Eleventh Five Year Plan commits itself to provide accountable, accessible and affordable system of quality health services. One of the prime objectives of the Plan is to achieve good health for people, especially the poor and the underprivileged. In order to do this, it is guided by a comprehensive approach which encompasses individual health care, public health, sanitation, clean drinking water, access to food and knowledge of hygiene and feeding practices. To achieve these objectives, aggregate spending on health by the Centre and the States will be increased significantly to strengthen the capacity of the public health system to do a better job. The 10th Plan allocation for health was Rs. 42,000 crore. The 11th Plan envisages tripling the allocation,

which shows the determination and priority that the Government attaches to the health sector. Contribution of the private sector in providing primary, secondary and tertiary services will be enhanced through various measures including partnership with the Government.

Distinguished Participants,

During the 14th SAARC Summit held in New Delhi from 3-4 April 2007 the leaders of SAARC Member States urged for early implementation of the telemedicine project in the region. In line with its commitment to discharge its responsibilities in a non-reciprocal manner, India has taken the lead in setting up the project. It is proposed that three super speciality hospitals in India will provide telemedicine services to designated hospitals in SAARC Member States. I am happy to note that PGIMER has been chosen to provide telemedicine services in the first phase of the SAARC telemedicine project. Agreements have been signed with Telecommunications Consultants India Limited for implementing the project in Bhutan and Sri Lanka. Assessment visits by a team from Government of India to all Member States have taken place. Memorandums of Understanding have been signed between Government of India and Governments of Bhutan and Sri Lanka regarding the project. Telemedicine services to Bhutan are likely to begin in September 2008 followed by Sri Lanka and other SAARC countries.

It has been decided to set up a SAARC Development Fund as an umbrella body to fund development projects in the region. The Agreement for setting up the Fund will be signed during the 15th SAARC Summit in Sri Lanka from 2-3 August 2008. India has shared concept papers with SAARC Member States on implementing projects in the areas of setting up of blood banks, Sick Newborn Care Units, cold chain in routine immunization and training programmes in the areas of obstetric care and AIDS. To begin with, the projects will be implemented by an interim cell set up at the SAARC Secretariat. To show its commitment towards early operationalization of the Fund India has paid USD 19.2 million out of its assessed contribution of about USD 100 million to the SAARC Secretariat.

Distinguished participants,

The youth of today in India is full of hopes, aspirations, energy and ideals. They are part of a generation that is living in historic times. I believe that posterity will judge the initial decades of the third millennium as one that changed India's destiny forever. We have seen India emerge as software giant on the global stage, as an elite member of the space club, as the most

avored destination for medical tourism and as a hub for biotechnology industries. Today, India is gaining strength not just because of its booming economy and its strategic might but because of its so-called "soft power". Some of our most popular exports today are our festivals, our movies, our culture, our cuisine and our authors. You, the students of today, have the unique privilege of starting your professional lives in this new, confident and effervescent India.

How has all this change occurred and why is the world standing up to take note of India? One very important reason is that unlike what happened in many third world nations after independence, India gave importance and respect to her institutions. We, the people, have continued to respect our democratic traditions and institutions that uphold a semblance of order in public life. We have nurtured and taken pride in our institutions. The Postgraduate Institute of Medical Education and Research (PGIMER) at Chandigarh is a shining example of the same. It ranks amongst the foremost institutes of India. This culture of respecting institutions was given primacy by none other than our first Prime Minister, Pandit Jawaharlal Nehru, in whose honour the main hospital building is named.

Our doctors have a responsibility. They must remember that the science and art of medicine is learnt from the bodies and minds of the poor and underprivileged. It is from the unclaimed dead body of a wretched man that you learn anatomy dissection; it is from the poor patient lying in the general ward that you learn your clinical and surgical skills. Ask yourself, how many times have you spoken rudely to a shabbily dressed patient because you thought you would get away with it, whereas you reserved your sweetest behavior for a well dressed affluent patient? Remember, the wound caused by a surgical blade will ultimately heal, but not the scar left by the tongue. Since you have learnt medicine by virtue of the poor, you need to give back something to this stratum of society. To those of you who are planning to join private and corporate hospitals, I will implore you to keep aside a part of your time for those who cannot afford your fees. Your standard of living is not going to impact by this gesture. The twin destinations of self-interest and societal interest are not mutually exclusive. Some of the richest people in the world have also been the greatest philanthropists.

I am well aware that the Faculty of PGIMER is among the best in India, and comparable to many in the world. They have continued to do research, teach students and take care of patients under trying circumstances. I am no expert on the health research priorities of India, but as a lay person, I would urge the faculty to focus their energies on answering the

health needs of this country. We need a lot more grass-roots research on the epidemiology of our diseases, on infections, on nutrition and its interaction with disease processes, on simplified treatment regimens, and so on. I am sure that well conducted studies on large number of patients on these aspects would attract international attention and would get published in leading journals. Others are not going to solve our health problems for us.

We also have a vast and ancient system of traditional medicine that has stood the test of time. It is not the fault of this ancient system, that it is not based on evidence as per modern norms. It is the duty of institutes like this to collaborate, investigate and inform us all about which among the many traditional medicines have a scientific basis for usage. I am told that China performs much more scientific research on their traditional herbs than what we do. It would be a pity if some day, researchers in other countries perform scientific trials on our herbs and teach us what we were supposed to know all along. I am glad to hear that PGIMER has taken steps in this regard.

Doctors can have tremendous influence on society. I remember the legendary doctor; Dr. Bidhan Chandra Roy, who had an amazing influence on his patients as well on the political life of this country and who could be an ideal for most of you. He was the founder of the Indian Medical Association, a Bharat Ratna recipient, an exemplary politician and the Chief Minister of West Bengal, all rolled into one. Doctors' Day is observed on 1st July each year on his birth anniversary and the prestigious BC Roy awards are instituted in his name. It would surprise you to know that he continued seeing patients even after he became Chief Minister. One humorous side of his personality was that he managed to defuse many agitations and strike by meeting their leaders, diagnosing their illnesses in the course of negotiations and converting them from bitter opponents into grateful patients! Dr BC Roy continued serving humanity till his death.

Service to society is something which is integral, and not incidental, to a doctor's calling. I salute all of you who have chosen this noble profession. I would like to end with the poignant words of Gurdev Rabindranath Tagore. He said:

"I slept and dreamt that life was joy. I awoke and found that life was service. I acted and discovered that service was joy."

Thank you.



**040. Speech by External Affairs Minister Pranab Mukherjee
at the Engineering Export Promotion Council on the
occasion of All India Award Presentation.**

New Delhi, August 9, 2008.

Chairman Shri Rakesh Shah, Chairman, EEPC

Shri G.D. Shah, former Chairman, EEPC

Members on the Dais,

Distinguished Award Winners,

Ladies and Gentlemen,

At the outset, I regret for my delay. By grace of God and magnanimity of all Congress Prime Ministers since 1970's, I was given important & critical portfolios, in which capacities I had been present amongst you all on such occasions.

It is my pleasure to be amongst you all on this occasion of All India Export Excellence Award presentation function of the Engineering Export Promotion Council (EEPC) of India for the year 2006-07. I am also happy to know that Engineering exporting community of India has made substantive contribution in projecting India's image as a producer of high quality engineering goods. Quarter century ago, I had initiated reforms & felt need to push exports.

At the outset, I congratulate all the Award Winners for their outstanding export performance during the year 2006-07. In this very year, engineering exports were to the tune of USD 26.49 billion out of total exports of USD 126.26 billion accounting for 20.98% of India's total exports. Thus making engineering goods as the largest foreign exchange earner among merchandise goods. Today's Award Winners can, therefore, justifiably claim credit for this achievement and I am extremely proud of the efforts made by you all in promoting "Brand India" worldwide.

I would also like to take this opportunity to hail the efforts, in particular, of those members of the Council who are from Small and Medium Scale sector for their spectacular performance and their continuous effort to show case their engineering skills abroad. This sector employs an estimated 31 million persons spread over 12.8 million enterprises. This labour intensity in the MSE sector is pivotal to inclusive growth.

I am aware that Indian exporters were severely impacted by the appreciation of the Indian Rupee against the US dollar. To mitigate their problem, Government took series of measures, like the enhancement of certain export benefits, interest subvention and the use of the market stabilization scheme by RBI to sterilize the inflows.

Your Chairman has brought out the problems being faced by the engineering exporters in the country. The price of engineering raw materials like steel, pig iron and other metals have increased substantially resulting in the imposition of export duty on many steel items. Here I would like to mention that Government response has to be calibrated since the interests of both manufacturers and users of engineering raw materials has to be kept in mind in formulating policies.

It is also true that our trade infrastructure needs to be upgraded to meet the growing trade volumes of the country. One must appreciate that within a span of 16 years India's trade as a percentage of GDP has increased from 14% in 1990-91 to 34% in 2006-07. This is bound to strain the infrastructure. The Government is aware of this and is doing its best under the circumstances to upgrade the infrastructure keeping in mind the needs of the country over a longer period of time. The Core Committee set up under the Cabinet Secretary would ensure implementation of schemes taken up for improvement of infrastructure.

On the fiscal side, I think much has been done and will continue in the days ahead. There is the problem of refund of taxes on goods being exported, both at the central and state level. I do believe that with the introduction of the Goods and Service Tax (GST) in 2010, much of the problem will be sorted out, particularly with taxes at the State level. Some of the suggestions of your Chairman will be considered by the Government and appropriate steps will be initiated at the earliest possible time.

The dynamics of global trade has thrown up considerable challenges for the participants in the international trading system. The recent deadlock at Geneva over the Doha Negotiations points to the difficulties in liberalizing trade notwithstanding the commitments made by the Developed world over the present negotiations being a "Development Round". India has always been a believer in multilateralism and a supporter of trade liberalization under the auspices of the WTO. This should not, however, blind us to the other reality of our country. India has nearly 300 million people below the poverty line. We would always ensure our country's legitimate food security concerns

protection of livelihoods of rural communities. No compromise can be made on these issues.

I must applaud the EEPC for re-focusing their area of operations from being merely an export promotion organization to a premier trade promoting organization of the country. India is a country with tremendous manufacturing capability and there is, therefore, no reason to adopt mercantilist approaches to the world at large in this context. A country which imports has a greater capacity to export value added products. The new EEPC Logo which I have had the privilege to release today will carry this message far and wide and ensure that the foreign trade sector plays an important role in wealth creation and employment generation.

Before I conclude, I am tempted to small part of speech of your Chairman that not only we require change of law but of mindset/culture/attitude. I belong to generation of your Chairman's father. When I look at the younger generation like your Chairman I am confident that they are set to conquer world and India will be net investor in U.K. in future. With leadership of present Commerce Secretary, I am confident that I will achieve the target.

To conclude, let me congratulate the Award Winners, once again, for their achievements and do hope that they will achieve many milestones in the years ahead. India is a country of great diversity and resilience. The latent skills of its people are what make this country march ahead despite the challenges faced by us. I am sure that the members of EEPC will successfully face the challenges of the present times and move forward as in the past.

Thank you.



041. Press Release of the Ministry of External Affairs on the Fourth Meeting of the Nalanda Mentor Group.

New Delhi, August 13, 2008.

The Nalanda Mentor Group held its Fourth Meeting in New Delhi on 12 - 13 August 2008. The Mentor Group reviewed the developments since its last meeting in New York in May 2008.

The following issues were discussed in the Meeting.

The Group reiterated the objective of the Nalanda University to provide contemporary studies in philosophy, history, business & management, languages and literature, ecology & environment, international relations, among others.

The Group also discussed the legal and financial framework necessary for setting up of the Nalanda University.

The Group reaffirmed that the Nalanda University should be a unique place of learning, of high scholarship, centre of academic excellence, aimed at becoming one of the best universities in the world meant for high calibre students and scholars. The Group felt that while the Nalanda University will be located in the state of Bihar proximate to the site of the ancient university, one of the six schools would be based in New Delhi.

The report of the Group will be finalized by the time of the EAS Summit to be held in Bangkok in December, 2008. Once it is adopted, Government of India will proceed with the necessary legal framework.

The Group unanimously adopted to use the 'Nalanda Seal' in the emblem of Nalanda University.

The Group considered the views of the experts from academia and commerce & industry and agreed to incorporate suggestions on public-private partnership, connectivity, distinctiveness, to attract the best international students and faculty members. There was emphasis on creation of physical infrastructure as a 'green campus'.

The External Affairs Minister hosted a dinner for the Members of the Nalanda Mentor Group on 12th August, 2008. The group interacted with the former president of India, Dr. A.P. Abdul Kalam and the Chief Minister of Bihar, Shri Nitish Kumar on 13th August, 2008. The Group called on the Prime Minister

and conveyed the extent of progress made thus far on the Nalanda University Project.

The Group decided to visit the Nalanda University site in early 2009.



042. Extract from the speech of Prime Minister Dr. Manmohan Singh delivered from Red Fort on the occasion of the Independence Day.

Delhi, August 15, 2008.

My dear countrymen, brothers, sisters and my dear children

Greetings to all of you on this happy occasion of our Independence Day. This is a sacred day for every Indian. Today we remember the sacrifice of those who under the leadership of Mahatma Gandhi fought for our freedom from foreign rule. Today we remember the hard work and dedication of all those who have toiled to build a free and modern India. And we re-dedicate ourselves to that cause. We remember our farmers, our workers and our teachers. We remember our soldiers - who defend our borders in snowy mountains, in deserts, in jungles, on the shores and in the oceans.

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Four years ago I stood here and said to you that I have no promises to make, but I have promises to keep. The implementation of the National Common Minimum Programme, was our promise to keep;

To give a "new deal to rural India", was our promise to keep;

To make our economy and society inclusive was our promise to keep;

To take India to its rightful place in the comity of nations, was our promise to keep;

* * * *

India's atomic scientists and technologists are world class. They have developed nuclear energy capacities despite heavy odds. But there are handicaps which have adversely affected our atomic energy programme. We have inadequate production of uranium. The quality of our uranium resources is not comparable to those of other producers. Many countries

have imposed sanctions on trade with India in nuclear materials, nuclear equipment and nuclear technology. As a result, our nuclear energy programme has suffered.

The nuclear agreement that we are negotiating with developed countries will end India's nuclear isolation. It will open up new opportunities for trade in dual-use high technologies and nuclear materials and equipment, opening up new pathways to accelerate industrialization of our country. It will enable us to provide electricity to meet the needs of our farmers, our artisans, our traders and our industry.

* * * *

Terrorism, extremism, communalism and fundamentalism have emerged as major challenges to the unity and integrity of our country. The recent terrorist attacks in Bangalore, Ahmedabad, Jaipur and other parts of the country have shocked the nation. What words can I find to condemn such acts of barbarism. I share the sorrow and grief of people affected by terrorism. The Government of India will take concrete steps to rehabilitate and help such families.

I commend our security forces and intelligence agencies for the dedication with which they are dealing with the problem under difficult circumstances. But I agree that we have to further strengthen our intelligence agencies and police forces to deal with the problem of terrorism.

We will examine the functioning of our intelligence agencies and police and security forces and take all possible steps to equip them to tackle this challenge. Whatever resources are required, will be provided. Whatever manpower is required will be provided. We are firm in our resolve to meet the challenge of terrorism. I urge the State Governments, all political parties, civil society groups and social and religious leaders to cooperate with us in rooting out terrorism from our country.

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Our ancient Himalayas are under environmental threat. If the Himalayan glaciers recede, the flow of water in our sacred rivers will go down. Climate change can disrupt our economy in several ways. Some of our coastal areas could be submerged. Our monsoon pattern may change. We need long term solutions to such threats. A national consensus is also required for the Government to evolve effective policies to deal with these problems.

Our Government has come forward with a National Action Plan on Climate Change. This plan shows how each of us must adapt our ways of working and living and how we must treat our natural resources, so that our carbon emissions remain within reasonable limits and our environment is protected.

My fellow countrymen,

Our goal in South Asia is to seek a peaceful, stable and prosperous neighbourhood. We seek to accelerate the pace of social and economic development in our country and our region, while safeguarding our national security. Our foreign policy has been based on these principles.

We wish all our neighbours well. We welcome the strengthening of democratic forces in our neighbourhood, especially in Bhutan, Nepal and Pakistan. The recent blasts in our Embassy in Kabul have cast a shadow over our efforts to normalize relations with Pakistan and to bring a lasting and honourable peace in our region. I have personally conveyed my concern and disappointment to the Government of Pakistan.

If this issue of terrorism is not addressed, all the good intentions that we have for our two peoples to live in peace and harmony will be negated. We will not be able to pursue the peace initiatives we want to take. The terrorists and those who support them are enemies of the people of India and Pakistan, of friendship between the two countries and of peace in the region and the world. We must defeat them.

In the last year we have strengthened our relations with the major powers, Latin American countries, Arab countries and African countries. We will continue our efforts in this direction, keeping in view our national interests.

India is today viewed with respect as one of the world's fastest growing economies. People of Indian Origin are engaged in diverse activities around the world and their capabilities are recognized the world over. Their achievements inspire us. The world today expects India to regain its due place in the comity of nations. This is a moment of opportunity for us.

We are rapidly marching forward to regain our rightful place in the comity of nations. But to reach that goal we have a lot of work to do at home. We have to overcome each of the challenges I have spoken about. We have to forge a greater unity of purpose between various political parties, between different communities, between all sections of our society, rich and poor.

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043. Inaugural Address by External Affairs Minister Pranab Mukherjee at the 26th Health Ministers' meeting and the 61st Regional Committee Session of South East Asia Region of the World Health Organisation.

New Delhi, September 8, 2008.

Excellencies,

Distinguished Delegates,

Ladies and Gentlemen.

On behalf of the people and the Government of India, I warmly welcome you all to the Twenty-sixth Meeting of the Ministers of Health and the 61st Regional Committee Session of WHO's South-East Asia Region. We are delighted that India is hosting this significant event. It is also a great privilege to address this august forum which provides an opportunity to all of us not only to visit the public health agenda but also reaffirm our commitment and renew our efforts. The importance of this Meet is underscored by the fact that we have with us a number of international experts and leaders in the field of health from countries of the Region. We look forward to gaining new knowledge in examining many health issues in depth through your discussions.

The South East Asia Region is home to more than a quarter of the world's population, with almost 30 % of the global disease burden. The countries of this region, many of them being economies in transition, bear the irony that on one hand we have strong economic growth leading to prosperity of the people as never before; on the other, sustenance of growth momentum is threatened by weak social sector indicators led by poverty, illiteracy, disease and ill-health. We are faced with existing prevalence of communicable diseases and non-communicable diseases. Our countries are faced with the unprecedented threats from emerging infectious diseases and the growing burden of chronic diseases. Negotiating a health care scenario with such diverse needs and demands requires a number of different thinking hats. I must compliment all of you for your achievements in bringing about a steady improvement in health care delivery in our region despite the many complexities and odds, not the least of which are the limited resources available.

The health sector is a very crucial sector and, being fundamental to overall socio-economic development, is a priority for any government. It is well

known that poverty and ill-health are closely correlated. Poor countries tend to have distinctly worse health outcomes than wealthier countries. Inequities in access to healthcare services exist across our nations. Therefore, cooperation in the field of Health & Medicine will further strengthen the friendly relations and deepen the historic ties that exist among our countries. Recognising the significant capabilities that exist in the South East Asia Region, we must step up collaboration amongst ourselves for promoting universal access to quality health care and affordable medicines.

Excellencies, Distinguished Delegates,

Your leadership of the health programmes in the region has been remarkable. That all of you operate in a very complex area can be gauged from the fact that the 60th Regional Committee for South East Asia held in Thimpu, Bhutan adopted ten resolutions on subjects as varied as Nutrition and Food Safety, Prevention and Control of Non-Communicable Diseases, Implementation of the New Stop TB Strategy, The Revised Malaria Control Strategy and International Migration of Health Personnel. I am given to understand that the progress so far has been positive and encouraging in most of these areas.

This time you will be deliberating upon emerging and important issues such as Climate Change & Health, Millennium Development Goals, Tobacco Control, Emerging and Re-emerging Vector-borne Diseases, Combating HIV / AIDS, Managing Human Resources, Counterfeit Drugs, Pandemic Influenza Preparedness, Re-vitalizing Primary Health Care and UN Reform Process & Health Partnerships. The achievements of technical programmes being run in these diverse areas with the resultant improvement in health indicators of our region are a tribute to the political commitment at the national level and the resources being made available by all our countries for the health sector.

Access to health services by the poor remains a big challenge. The strong link between poverty and ill health needs to be recognized. The onset of a long and expensive illness can drive the non-poor into poverty. Ill-health creates immense stress even among those who are financially secure. High health care costs can lead to entry into or exacerbation of poverty. The importance of public provisioning of quality health care to enable access to affordable and reliable health services cannot be underestimated. We must introduce innovative financing methods, so that healthcare is within the reach of all households. Poor people have to be empowered to enjoy access

to modern healthcare systems, more so because ill-health accentuates poverty.

The health sector in India is undergoing both quantitative and qualitative transformation. Our government's vision and persistent efforts have seen an unprecedented scaling up of health investments not only to control communicable and non-communicable diseases but also to expand and strengthen the primary and referral health care. There is more than two-fold increase in allocation over the Xth Five-Year Plan outlay for the Health & Family Welfare and Health Research, which now stands to US \$ 350.34 billion (Rs. 140135 crores) in the XI Plan. The National Rural Health Mission (NRHM) was launched in April 2005 by the Government of India to address the gaps in health infrastructure and human resources. This envisages a generic public health delivery system from the village level to specialised health care. The Mission aims to provide universal access to equitable, affordable and quality health care which is accountable and at the same time responsive to the needs of the people.

With the initiatives taken in the health sector, both the decadal birth and death rates have shown steady decline, having fallen from 33.9 % in 1980 to 23.8% in 2005 and from 12.5% to 7.6 % during the same period. Life expectancy has risen to 64 years. The total fertility rate (TFR) which was over 6 children per women in 1960 has declined to 2.8 in 2006. While nearly a quarter of deaths occur in those less than five years, child mortality has shown a decline in recent years, under five mortality rate falling from 125 in 1990 to 85 in 2005 (MDG Target 2015 - 41). The infant mortality rate fell from 80 to 57 during the same period (MDG Target 2015 - 27) and the maternal mortality ratio (per 100,000 live births) has declined from 437 to 301 (MDG Target 2015 - 109). The efforts being made under the National Rural Health Mission, especially on inter-sectoral convergence with the avowed aim of reducing maternal and infant mortality rates, will, I am sure, bear desired results and help accelerate progress towards achieving the Millennium Development Goals.

A serious challenge faced in the region is the undersupply of skilled health workers. Through capacity building and formal training all countries need to develop a skilled health workforce. Availability of appropriate and adequately trained human resources is an essential concomitant of Health Infrastructure. Although it is a known concept now, e-health or telemedicine has come to characterise as not only 'Internet medicine', but also virtually everything related to computers and medicine. The World Health Organisation (WHO) defines e-

health as: "The cost-effective and secure use of information and communications technologies in support of health and health-related fields, including services, surveillance, literature and education, knowledge and research."

The events, such as the one here today, reaffirm our commitment to fight the challenges together and come out with shared solutions. Of many such multi-lateral forums, one glowing example is our cooperation under the aegis of the South Asian Association for Regional Cooperation (SAARC). In keeping with its commitment at the 14th SAARC Summit held in New Delhi (3-4 April 2007) India is implementing a telemedicine project in the SAARC region under which super-speciality hospitals in India will provide telemedicine services to designated hospitals in Member States. The project is already being implemented in Bhutan and Sri Lanka and will be extended to other Member States. India's programme on telemedicine under SAARC can be replicated by adaptation to the South East Asia region under WHO.

The Charter for setting up the SAARC Development Fund to fund projects for socio-economic development of the region was signed during the 15th SAARC Summit in Colombo (2-3 August 2008). India intends to take up projects on maternal and child healthcare to be implemented under the Fund. The proposals relate to setting up blood banks, Sick Newborn Care Units, vaccine storage facilities and training programmes on HIV/AIDS and will be implemented shortly. Similar projects, I am sure, could also be considered as a part of our "Look East" policy.

Excellencies, Distinguished Delegates,

All the Member countries of the Region have rich experiences to share. These meetings can serve as an ideal stage for discussing the primary health issues of the Region. Through robust long-term cooperation, we must ensure that healthcare can be made available to all. I am confident that with the presence and participation of leading health experts such as Dr. Margaret Chan, Director General, WHO and Dr. Samlee Plianbangchang, Regional Director, South East Asia Region, the 26th Health Ministers' and 61st Regional Committee Meetings of the South East Asia Region will be constructive and conclude the agenda items with useful insights on meeting the new challenges emerging at various levels of governance to manage and deliver quality health services.

In conclusion, I would like to say that with the increasing role being played by our emerging economies in setting global health agendas, taking our cooperation

forward would result in public health gains for all of us and enable us to meet the aspirations of our people for equitable and accessible health care.

I can see that a very hectic schedule has been drawn up for you over the next four days. Even so, I sincerely hope that you will be able to find some time to experience and see this historic and lively city, which is a microcosm of our national heritage, culture and way of life. I wish you all a pleasant and comfortable stay in India and a very fruitful meeting.

I now declare the Twenty-sixth Health Ministers' Meeting and the Sixty First Regional Committee Meeting Session of the South East Asia open.

Thank you.



044. Inaugural Address by External Affairs Minister Pranab Mukherjee at the opening of Regional Passport Office, Coimbatore.

Coimbatore, September 14, 2008.

**My colleagues Shri Chidambaram,
Shri Vasan, Smt. Subbulakshmi Jagadeesan and Shri Elangovan,
Shri Pongalur N Palanisamy,
Members of Parliament and State Legislative Assembly,
Mayor of Coimbatore,
Senior Government Officials,
Representatives of Media,**

Ladies and Gentlemen,

In December 2006 in Chennai, while announcing a series of measures to further simplify the passport issuance procedure, I also committed to the people of Tamil Nadu that we would open a Branch Secretariat of the Ministry of External Affairs in Chennai and two more Passport Offices in Coimbatore and Madurai. The Branch Secretariat was opened in August 2007. The Madurai Passport Office was opened in December 2007.

Now, I am delighted to be in this textile city today to inaugurate the new Passport Office. This office located in the heart of the city will fulfill the

aspirations of the people not only in the district of Coimbatore but all the adjoining four districts to have a passport facility of their own. From today, Tamil Nadu will have four Passport Offices in Chennai, Trichy, Madurai and Coimbatore out of a total of 37 in the entire country. This Office is equipped with the latest Information Technology. In addition, I am happy to inform you that it is a fully air-conditioned office and will provide comfortable conditions for submission of passport applications.

Last year, about six lakh passports were issued jointly by the Regional Passport Office, Chennai, and the Passport Offices in Trichy and Madurai. The number of passport applicants from Tamil Nadu is expected to be around seven lakh this year. In the first eight months of 2008, about 40,000 passports have already been issued to applicants from the five districts that will be served by the Coimbatore Passport Office.

Coimbatore is a major industrial, educational and business centre in Tamil Nadu, accounting for export revenue of about Rupees 20,000 crores per annum. Tirupur Corporation in the Coimbatore district alone contributes export revenue of Rs 11,000 crores per annum. Given the abundance of skilled manpower and favourable government policies, the State of Tamil Nadu has been able to attract a large amount of overseas investment, technology transfers, joint ventures and foreign collaborations. Tamil Nadu is one of the largest recipients of foreign direct investment. Consequently, a number of people from this area travel abroad for business, study, tourism and other purposes. As all their requirements, especially Tatkal services, could not be catered to by the District Passport Cells and Speed Post Centres located in this area, a large number of passport applicants had to go to Chennai for passport services. The Coimbatore Passport Office will remove the hardship suffered by the public in this area. It will also enable more and more people to travel abroad to seek business and employment opportunities.

Distinguished Guests,

With India's rising international profile, fast growing economy and our increasing integration with the global economy, the number of Indians traveling abroad has shown phenomenal growth in the recent years. There has been considerable interest among overseas investors in India. Engagement of foreign business community in the Indian economy has increased considerably. This in turn has resulted in rapid increase in the issuance and re-issuance of passports and other miscellaneous services rendered by our Passport Offices. We issued about 50 lakh passports last

year, compared to 22 lakhs in 2000. We expect to issue around 58 lakh passports in 2008 and over 80 lakh passports in 2010.

We have taken a number of steps to simplify the passport issuance system and to make it applicant-friendly. Let me take this opportunity to mention some of these:

- To improve the efficiency and effectiveness of Passport Offices, we embarked on computerization - and I am happy to inform you that all the 37 Passport Offices including the Coimbatore Passport Office are fully computerized.
- All the passport offices and our Missions abroad issue machine-printed, machine-readable passports as per the standards laid down by the International Civil Aviation Organisation. Additional security features have also been introduced in the passport booklets. These measures have facilitated expeditious immigration clearance for Indian travelers.
- Electronic token system has been introduced in several Passport Offices to ensure orderly submission of applications. We are introducing a token system at this office too.
- Facility of online registration of Passport applicants is now available in all Passport Offices.
- 464 District Passport Cells have been set up all over the country, enabling easier submission of applications and taking the passport issuance system to the doorsteps of the applicants.
- In addition to these District Passport Cells there are 1095 Speed Post Centres for submitting passport applications and 15 Passport Application Collection Centres.
- In Tamil Nadu there are 31 District Passport Cells and 140 Speed Post Centres and in the area served by the Coimbatore Passport Office, we have 5 District Passport Cells and 21 Speed Post Centres.

However, we still have a long way to go. The National Common Minimum Programme envisages introduction of e-governance on a massive scale, to simplify procedures and to make Government citizen-friendly. As a rapidly growing and modernizing country, we are duty bound to provide services to

our public that are completely transparent, prompt, user-friendly and, above all, in conformity with the best international standards and practices.

While our Passport Offices are fully computerized, there is scope to make further improvements by introducing better and latest IT solutions that have become available as a result of the rapidly growing Information Technology. There is also need to further simplify our procedures and to reduce paper work to the barest minimum with a view to maximizing the comfort levels of passport applicants and achieving the best international standards. The Government has already started implementation of the Passport Seva Project with the objective of delivering passport related services to the citizens in a timely, transparent, more accessible, reliable manner.

Ladies & Gentlemen,

The Passport Seva Project is expected to be implemented in a time frame of 19 months to be completed by the last quarter of 2009. It will result in the issue of passports within three days, and in cases which require police verification, within three days after the completion of the verification process. Tatkal passports will be issued on the day of submission of the application. We propose to have 68 Passport Facilitation Centres all over the country where the non-sovereign functions, involved in the passport issuance process, such as initial scrutiny of the application forms, acceptance of fee, scanning of the documents, taking photos, etc. will be performed by the service provider who has been selected through an open bidding process. The Government staff at the Passport Facilitation Centres will verify the documents and decide on granting of passport. The other activities such as printing and dispatch will also be done by the Government staff. Police verification will be expedited through electronic linkage of the Passport Facilitation Centres with the police authorities in State Capitals.

With the National Launch of e-passports, India has become the first major developing country to issue such passports. We have started issuing e-passports, also known as biometric passports, in the diplomatic and official categories. I had the privilege of presenting our very first e-diplomatic passports to the Honourable President, Vice President and Prime Minister in June this year. The Ministry of External Affairs has drawn up a programme for the full roll out of e-passports in the ordinary passport category by September, 2009. Such passports will be much safer against forgeries and will facilitate easier movement of our people through the border points equipped with e-passport reading facilities.

It will be our effort to make the Passport Office at Coimbatore a model passport office. I am hopeful that the people of Coimbatore region will benefit from this office, which will spare no effort to render prompt and efficient service to the public.

I would like to convey my sincere gratitude to my colleague Chidambaramji who took special interest in making the Coimbatore Passport Office a reality. I should add that without his support and active involvement we would not have been able to implement the Passport Seva Project. I look forward to his continuing support, especially for additional manpower in the Passport Offices to cope with the increasing work-load.

Before I conclude, I would also like to thank the Chief Minister of Tamil Nadu Thiru Karunanidhi and Thiru Palanisamy who is representing the Chief Minister today, for the support and co-operation extended by the Government of Tamil Nadu in opening this Office.

Thank you.



045. Address of Vice President M. Hamid Ansari at the 4th North East Business Summit.

Guwahati, September 15, 2008.

This is a conference with a difference and I am delighted to be present here to inaugurate the 4th North East Business Summit, to showcase the potential of this region for domestic and foreign investors.

Nowhere else in the country do we have such a geographical agglomeration trying to attract business and investments with a commonality of purpose, and driven by their common strengths, and indeed, their common problems.

This Summit is as much about business as it is about politics, both domestic and external. It is about correctives. The effort today is as much to overcome the physical and commercial isolation of this region, as it is to set aside its "geo-political isolation and put it on the path of accelerated and inclusive growth".

Ladies and Gentlemen

The humanitarian and political consequences of the events of 1947 have

been well documented. Less understood and appreciated are the implications of parceling economic entities whose functioning and welfare was contingent on their integrity. This regrettably is the case with the North Eastern Region; it was among the prosperous regions of India at the time of independence and six decades later is lagging far behind the rest of the country in most parameters of growth.

Let me cite a few indicators:

1. The region accounts for around 8% of the geographical area of the country and around 4% of our population. Yet, its contribution to the Net Domestic Product of India has remained at less than 3%.
2. The region as a whole is amongst the poorest regions in the country with per capita income that is roughly 2/3rd of the national average. Over 35% of the population of this region is below the poverty line as compared to the national average of 26%.
3. It is a paradox that this region has a literacy rate that is higher than the national average, with one of the States having the second highest literacy rate in the country. Yet, agriculture provides livelihood support to 70% of the population of the region, indicating paucity of employment opportunities in the manufacturing and services sectors. The unemployment rate is close to 12% as against the national average of 7.7%.
4. Despite agriculture remaining the main source of income, the region is a net importer of food grains even for its own consumption, as it produces only 1.5% of our total food grain production.
5. The pace of urbanization is far slower than the rest of the country. Urban population in the region is less than 15% as compared to the national average of around 28%.
6. Per capita resource consumption and output is far lower than the national averages. For instance, domestic electricity consumption in the region is around 1/4th of the national average and the gross per capita industrial output is about 1/3rd of the national average.

Friends

The eight States of the North Eastern Region have different levels of

human development, resource endowments, levels of industrialization and infrastructure facilities. What are common, however, are the existence of immense potential and the lack of its realization for the benefit of the peoples in the region.

Despite rich natural resources and high literacy levels, what we see is a pattern of low capital formation, poor infrastructure, high levels of poverty and unemployment, poor geographical and physical connectivities and lack of exploitation of inherent strengths of the region.

The gathering today is an affirmation that it should not be so and that the development deficit of the region should be addressed.

The North Eastern Region Vision 2020 document approved by the members of the North Eastern Council and released by the Prime Minister in July this year is the best testimony of the commitment of the Union and various State Governments to the comprehensive, inclusive and accelerated development of the region so as to restore its national economic eminence.

What we need today are similar concerted and innovative approaches to fashioning economic and trade arrangements, not only for ensuring closer integration with the national economy but also with the economies of neighbouring countries in the region.

It is here that I come to the very important external dimension to economic development and growth of business and entrepreneurship in the North Eastern Region.

The Vision document has noted that the region should play "the arrow-head role....in the vanguard of the country's Look-East Policy". The Look East Policy was not just a foreign policy initiative. It was an amalgam of a strategic shift in our global perspective, an aspect of our economic reform process focused on enlargement of our external economic engagement accompanied by renewal of civilizational linkages with our neighbours in South East and East Asia.

The Look East Policy was also complemented with a 'Look Around Policy' of closer economic and political partnership with our neighbours in the SAARC region.

The North Eastern Region is at the focus of all of these multi-faceted initiatives. South East Asia begins where North East India ends. Within SAARC Bangladesh, Nepal and Bhutan are central to ensuring sustainable

regional economic development and prosperity through close cooperation and partnership.

The institutional structures for increasing economic cooperation and trade are being put in place. Let me cite a few:

- All SAARC states are committed to implementing SAFTA in letter and spirit.
- The Indo-ASEAN FTA negotiations have been completed and this lies at the core of our engagement with ASEAN.
- During the visit of Vice Senior General Maung Aye of Myanmar in April this year, the Agreement and Protocols for the Kaladan Multi Modal Transit and Transport Project were signed by both countries. This is a milestone in mutually beneficial cross-border cooperation and would considerably enhance connectivity to the North Eastern Region.
- Besides ASEAN, The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, BIMSTEC, represents the second element of our Look East Policy architecture. This grouping focuses on trade and investment, technology, transport and communications, energy and tourism, and is mandated to serve as a bridge between South Asia and South East Asia.
- The Mekong Ganga Cooperation brings together Cambodia, India, Laos, Myanmar, Thailand and Vietnam and is focused on promotion of tourism and cultural and educational cooperation.
- Finally, the East Asia Summit provides a forum to take forward our vision of an Asian Economic Community, beginning with a Pan-Asian Free Trade Agreement.

Our target is to enhance connectivities of the North Eastern Region with Thailand and with other ASEAN countries beyond. The existence of land route connectivity was amply demonstrated by the India-ASEAN Car Rally of 2004. The missing links of the road route need to be upgraded.

All these efforts must be seen within the context of the objectives of the Vision statement of "an imaginative leap in the foreign policy, defence policy and internal security policy as much as in investment, infrastructure and commercial policy" to end the geo-political isolation of the North Eastern Region and launch it on the growth path. I believe that this new development

paradigm is firmly ensconced in the approaches and efforts of the government, business and industry and civil society. The various institutional structures put in place must be harnessed to this end. Only then would there be real and tangible dividends for the people of the North Eastern Region.

The task is gigantic and cannot be achieved without private investment that can infuse capital, modern technology, managerial best practices and generate employment. For investors, the North East Industrial Investment and Promotion Policy (NEIIPP) 2007 provides liberal concessions and subsidies. I am happy to note that 68 investment proposals worth over US\$ 1.5 billion have been received under this Policy covering various economic sectors. Private investment has a huge opportunity in sectors such as agriculture, education, healthcare and tourism. I urge businessmen participating in this Summit to take full advantage of this Industrial Investment and Promotion Policy.

The interest shown by members of the diplomatic community is heartening. The Government of India is committed to converting diplomatic initiatives into commercial opportunities for the overall development of the North Eastern Region.

The efforts of Prime Minister, Minister Mani Shankar Aiyar and various Chief Ministers and Governors of the States of the Region have resulted in a plan of action and identification of sectors where private investments have immense opportunity. The Central and State governments are fully aware that good governance, adequate physical infrastructure and power supply, skilled manpower and peace and security are as important as concessions and incentives for attracting investments. The experience and example of Public Private Partnership in other parts of the country must be used for developing the infrastructure in this region.

Friends

I once again extend my good wishes for the success of the 4th North East Business Summit and thank Minister Mani Shankar Aiyar for inviting me to inaugurate it.



046. Press Releases of the Ministry of Home Affairs regarding the Asia Pacific Regional Seminar on Terrorism.

New Delhi, September 15 and 16, 2008.

September 15, 2008.

Union Home Minister, Shri Shivraj V. Patil, inaugurated an International Seminar on Terrorism organised by the Asia Pacific Chapter of the International Association of Chiefs of Police (IACP) at Vigyan Bhawan, New Delhi today. He expressed hope that such seminars would provide opportunities to forge cooperation and coordination between Governments, police and security organisations of countries in different regions of the world to effectively tackle the menace of terrorism. He emphasised the need for exchange of intelligence on terrorism and called upon countries not to provide shelter to terrorists and to prohibit the free flow of funds, which are collected for financing terrorism.

The Home Minister also stressed upon putting an end to the open sale of weapons and explosives in some countries and pointed out that training of police personnel and development of innovative technologies were critical to combating terrorism and threats from nuclear, chemical and biological weapons.

The National Security Adviser, Shri M.K. Narayanan in his keynote address, emphasised upon the global ramifications of terrorism, elaborating on the particular susceptibilities of Asia on account of its rapid economic growth. He said that the continent faced challenges originating from diverse issues such as ethnicity, religion, politics and development, as also climate change and energy security. The use of asymmetric warfare, he stated, was the most significant challenge. He expressed that the outreach of technology, identity politics and the emergence of non-state players had enhanced the vulnerabilities of nation-states. Stressing on zero tolerance against terrorism, the National Security Adviser emphasised that liberal democracy was the strongest answer to terrorism.

Alain Bauer, President, French National Crime Commission, in his presentation, "New Criminals and Terrorist Threat", focused on the need to diagnose and analyse terror acts before looking for solutions. Highlighting the dangers of customised forms of terrorism, he stressed on the need for strengthening the basic structures of the judiciary, police and society for tackling terror. He underlined that terrorism is principally a policing issue

and also pointed out that in addition to sharing compiled data on terrorist outfits, cooperation between countries should extend to timely exchange of actionable intelligence.

Earlier, Director, Intelligence Bureau, Shri P.C Haldar mentioned that traditional counter-terrorism strategies needed review and required a quick, dynamic and uniform response conforming to national systems. He stated that in the fast changing paradigm of terror, the terrorist remains invisible and exhibits a cross-national spread, spawning intricate networks, with the internet being used as a force multiplier and a resource base for terror cells.

The two-day seminar is being attended by foreign delegates from 13 countries in the Asia-Pacific region, President and key officials of the IACP besides senior security administrators and police officials from terrorism/militancy affected States, officers of Central Para-Military Organisations and analysts/commentators from think-tank institutions in India.

After the conclusion of the Seminar the Ministry issued another Press Release.

September 16, 2008.

The 2-day Asia Pacific Regional Seminar on Terrorism concluded today. IACP President, Ronald Ruecker, in his address observed that the recent terror strikes in several parts of the world had clearly demonstrated the need for law enforcement agencies throughout the world to establish effective intelligence sharing mechanisms and working relationships with one another. He reaffirmed IACP's commitment towards enhancing international cooperation, communication and exchange of critical information.

Earlier, Haroun Mir, Co-Founder and Deputy Director of Afghanistan's Centre for Research and Policy Studies and Frederic Grare of the Carnegie Endowment for International Peace discussed terrorism related issues in South Asia and its neighbourhood. He identified poverty, unemployment, madrasa education and radicalisation as some of the factors fuelling the growth of terrorism in Afghanistan. He remarked that drug money and charities received from the Middle East and the Gulf are contributing significantly to terrorism in the region. Mir also called upon Pakistan to take effective measures on the Pak-Afghan border to curb radicalisation and growing terrorist activities. His prescriptions for containing terrorism in

the region included economic development, promotion of democratic values, strengthening of civil society and international cooperation.

Frederic Grare stated that the South/South East Asian region has the highest concentration of jihadi terrorist groups in the world. Elaborating on the gradual politicisation of terrorism, he alluded to the use of terror as an instrument to either pursue foreign policy goals or further domestic political interests. In this context, he commented that Pakistan has been both a major actor in terrorism as also a victim of this menace.

Thomas Michael Sanderson, Deputy Director and Senior Fellow in the Center for Strategic and International Studies Trans-national Threats Project, presented an overview on extremism, insurgency and radicalisation in South East Asia with special focus on Thailand, Indonesia and Philippines. Dilating on the social, religious, economic and political causes of extremism, he suggested de-radicalisation and demobilisation as effective tools for tackling terrorism. He pointed out that the Thai Muslim youth were adopting jihadi rhetoric from Indonesia. Sanderson also focused on the efforts of Jemaah Islamiyah in Indonesia to consolidate its support base in order to reengage in jihad.

Praveen Swami, Associate Editor, Frontline and Dr. Ajai Sahni, Executive Director, Institute for Conflict Management, also participated in the Seminar.



047. Field Marshal KM Cariappa Memorial Lecture 2008 delivered by External Affairs Minister Pranab Mukherjee on "Emerging India - Economic and Security Perspective".

New Delhi, September 17, 2008.

Hon'ble distinguished colleague in Council of Ministers, Finance Minister Mr. P. Chidambaram, Guest Speaker; General Deepak Kapoor, COAS; Lt. Gen. Rajender Singh, Director General, Infantry; Members of the Diplomatic Corps; Ladies and Gentlemen, before I make my short observations I would like to compliment my young colleague Shri P. Chidambaram for a brilliant exposition and particularly for thinking in a bit non-conventional way. He has raised a number of questions and these need to be answered. He has very strongly and adequately advocated for moving from gradualism to transformation. Even for timing he has indicated time has come. In regard to time Shri Aurobindo once explained and particularly quoted German Philosopher Shauvin Hoffer that the right moment perhaps can be distinguished when it has just passed. I will not say the correct time is right now. I would like to confirm my observation to his brilliant exposition particularly and by raising lot of thoughts and ideas which this distinguished gathering will have to bear and mind and will have to ponder over it.

2. It is indeed an honour to be with this distinguished gathering on the occasion of the 13th Field Marshal KM Cariappa Memorial Lecture. It is only befitting that the Indian Army is perpetuating the memory of a great soldier of India through these annual lectures on issues of national importance. I must compliment the organizers for selecting a relevant topic - "Emerging India - Economic and Security Perspective" - for today's lecture. Recent developments, particularly the terrorist acts in Delhi last Saturday and in other parts of India recently, serve to emphasize both the critical importance of the subject of this years lecture as also the umbilical link between economic progress and the security environment.
3. India stands at the threshold of exponential economic growth which will help us keep our 'tryst with destiny', as envisioned by our first Prime Minister, Pandit Jawahar Lal Nehru. Though economic growth is undoubtedly the engine for development, many other momentous

changes are also taking place in the country. It is a tribute to successive Indian governments that we were able to adjust to the momentous economic and strategic changes ushered in during the 1990s.

4. It is with a sense of satisfaction and pride that we see the fruits of our decisions to liberalize our economy and integrate globally. As the balance of economic power shifts to Asia, India is referred to as one of the engines of global growth. Economic forecasts and surveys routinely describe India as a lead economic player in the years to come. For the last 3 years, economic growth has clocked 9% as India is hailed as the fastest-growing free-market democracy of the world. Here I would like to emphasize word democracy as this is being difference with Chinese model.
5. As you are aware, globalization has many benefits, but it also throws up challenges. Volatility in financial, capital and currency markets, as well as energy and commodity prices can have an unsettling effect not only on corporates but also national economies. Inflation, which has become a global phenomenon, can also wipe out hard-earned economic gains.
6. India's economic stature has well deservedly risen manifold. Steady industrial growth, rising exports and sound foreign exchange reserves are all signs of growing economic strength and resilience. Robust investments and sizeable capital inflows are other indicators of strong economic fundamentals. World over, there is a growing realization that India's business environment is changing. We are being watched with great interest and both developed and developing countries have shown considerable eagerness to forge economic partnerships with us.
7. At the same time, it is even more important that we ensure domestically that the gains of our new growth are spread across all sections of society to make them irreversible and sustainable. The rising tide of economic growth does not lift all boats equally. For this, our rapid economic growth is not an option but an imperative. India's economy needs to grow at a sustained rate of above 8% over the next decades to make a significant dent on our poverty and meet our human development needs. India also has to address its infrastructure deficiencies to secure our economic achievements.

8. Our focus is now on faster development of infrastructure, rural development, increase in agricultural productivity, further development of the education and health sectors and small and medium enterprises. We have ably demonstrated to the world, how India - a developing nation of more than a billion people - can give its people a better quality of life within the framework of a secular democracy. It is a tribute to the greatness of the people of India that amidst all trials and tribulations, we have made rapid progress as a nation. As members of the largest thriving democracy in the world, it is our duty to meet the challenges of security while achieving prosperity of the nation.
9. We have always maintained that an economically resurgent India is a growth opportunity for others, including in our neighbourhood. By resurrecting the ancient trade template of South Asia, we can once again bring natural trade partners who can benefit immensely from negligible distances and low transport costs into a mutually beneficial economic framework. In the international domain of trade and economics, India seeks an open, fair, equitable, inclusive and rule-based economic order. India is ready and confident of assuming new roles and responsibilities that the new economic order will create.
10. Ladies and Gentlemen, the topic of today's lecture underscores the fact that economic prosperity and security are interlinked and go hand in hand. Our national aim is to ensure a conducive internal and external environment for unhindered economic progress and socio-political development so as to enable India to assume its rightful role as a major power in the comity of nations. Security is thus the sine qua non for all economic activity and prosperity.
11. A number of factors are shaping the global and regional security environment. The dynamics of globalization has resulted in a blurring of the traditional boundaries between international and national security. The global war on terrorism, proliferation of Weapons of Mass Destruction, rising crime, considerations of food and energy security are defining new threat perceptions.
12. In this emerging global scenario, security is an evolving concept. It has undergone a profound change, and still continues to do so. No longer can security be viewed in terms of traditional threats to sovereignty, territories and borders. It is increasingly being defined in terms of a wider, concept which encompasses both the traditional

military dimension but has necessarily to include vital aspects of human and economic security, where aspects like human and economic security find an important place.

13. Changes in our perceptions of threats and conflicts first came to the fore in the post-Cold War era. The future security environment will be determined not only by the traditional military paradigm, but also by a complex interaction between geo-strategic elements, technological advancements, economic development, environmental trends and demographic factors.
14. How does all this impact on India? As India grows economically, the need for a conducive and supportive environment, to sustain this growth, becomes an absolute necessity. All of you would agree that only an environment of peace and prosperity can guarantee the economic development that our country would like to achieve on its path.
15. Let me highlight a few implications of the changing dimensions of India's security calculus. The traditional threats, the defence of our airspace and protection of our maritime energy supply routes are important components of our traditional security calculus. But there are additional and equally compelling other threats that we have to deal with on a daily basis.
16. We believe that terrorism is the greatest security threat that haunts the world today. We have been facing this scourge since almost three decades. Terrorists are increasingly and deliberately targeting symbols of our national pride and economic dynamism to disrupt normal life. The dastardly perpetration of violence against innocent citizens on Saturday in the heart of our capital deserves to be condemned in the strongest language. More than twenty innocent lives were lost and many times that number injured. The nation has rallied in support. The resistance and calm shown by the people of Delhi and earlier by other cities is a message to the perpetrators of the violence that their desires will not succeed. A zero tolerance policy which we will follow is the only logical response to these cowardly acts. The calibrated targeting of commercial centres is calculated to undermine and disrupt our economic security. They should realize that their attempts will be met with resolute counter measures by a determined government and people of India. We propose to fully

utilize all the provisions of law to contain, curb and finally eliminate this scourge.

17. The linkages and relationships among terrorist groups, their support structures and funding mechanisms today often transcend national borders. Global cooperation to break the links between terrorist groups and their financing channels has therefore become most critical. We have consistently underlined the need for a unified international response to terrorism.
18. Clandestine nuclear proliferation continues to be another major cause of concern in recent years. Recent reports have underlined the risk of nuclear proliferation and passing of Weapons of Mass Destruction into the hands of terrorists. It also underscores the fact that the security challenges of terrorism and nuclear proliferation are inter-linked and the international community must take immediate steps to cut supply links of WMDs to terrorists.
19. Further, we have been targeted by various forms of fourth generation warfare, of which the proxy war and cross-border terrorism have been the primary manifestations. Cyber attacks on our critical networks, as also the possibility of financial dislocation through manipulations of our stock markets or circulation of counterfeit currency, are other potent threats which India needs to guard against.
20. India's efforts at achieving high economic growth, as part of its national aspirations, can, as I have observed earlier, be hampered as easily by non-military security threats, as by the traditional ones. Today, India stands ready to take off and occupy its rightful place both as a regional and global player. You are all aware of India's success in enlisting the support of member countries of the IAEA and NSG to grant an India-specific waiver to enable resumption of civilian nuclear commerce with the international community. The support for India clearly indicates our standing in the world. As we engage more globally, it will bring a new set of security challenges and responsibilities. Thus, India will need to address both the traditional, as well as the emerging non-traditional security challenges effectively, if it is to achieve its aspirations of a rightful place in the world order of the future.
21. In conclusion, let me take this opportunity to express our gratitude to the brave personnel of our Armed Forces whose eternal vigil

and protection of our borders, seas and skies under challenging circumstances have ushered in a climate of peace enabling us to plan the path of future progress and development of the nation.

22. **Ladies and gentlemen**, it was a great privilege for me to be with you. Thank you very much.



048. Intervention of Finance Minister P. Chidambaram at the Round Table on "Poverty and Hunger" during the High-Level Event on the Millennium Development Goals convened by the Secretary-General and the President of the General Assembly at the United Nations.

New York, September 25, 2008.

Mr. President,

In 1990, more than 1.2 billion people, 28% of the population of developing countries, lived in extreme poverty. By 2004 this had been reduced to barely 980 million.

We are particularly concerned that in sub-Saharan Africa 41.1 per cent of people were still living in extreme poverty in 2004 and the poverty gap ratio was the highest in the world.

In India, a growth rate of around 8.9 percent for the past four years has allowed us to make considerable progress in the eradication of extreme poverty.

But, we still have more than a quarter of our population surviving on less than a US\$ 1 a day.

Mr. President,

In India, we recognize that economic growth must be socially inclusive and regionally balanced. We have taken major initiatives in agriculture and rural development, in industry and urban development, in infrastructure and services, and in education and healthcare, aimed at promoting inclusive growth.

A unique social safety net has been created through the National Rural Employment Guarantee Act, which guarantees 100 days of employment to every rural family in India. Through Bharat Nirman, a massive rural development scheme, we are investing huge sums in rural infrastructure.

We have recently adopted our Eleventh Five Year Plan for the years 2007-2012. Its monitorable targets include generation of 58 million new work opportunities, reduction in the head-count ratio of consumption poverty by 10 percentage points and reduction in infant mortality rate (IMR) to 28 and maternal mortality ratio (MMR) to 1 per 1000 live births, and by 2011-12 increasing the literacy rate of children of age 7 years or more to 85%, reducing the dropout rates of children at the elementary level to 20%, and the gender gap in literacy to 10 percentage points.

Mr. President,

The last year has seen major changes in the global economy with the very high food and oil prices and the disproportionate impact of climate change seriously jeopardizing the gains against hunger, poverty and disease in many developing countries.

An argument is made that large developing countries are "over-consuming" leading to increased food costs. Nothing could be further from the truth. Developing countries continue to have high child malnutrition levels and still need to battle chronic hunger. In India, in-fact, this is a major issue and our Eleventh Five Year Plan aims at reduction in malnutrition among children of age group 0-3 to half from its present levels.

Mr. President,

To prevent food shortages and continuing hunger in the developing world in particular, there is a need for a quantum leap in agricultural productivity, food grain output and farm incomes in the developing countries.

We are confident that the world has enough resources and ability to cope with this crisis.

Mr. President,

All studies on attainment of MDG goals have identified lack of finances as the main impediment and have called for vast increases in Official Development Assistance (ODA).

Despite many developed countries having increased their ODA, the imperative to reach the goal of 0.7% of Gross National Income on an urgent basis cannot be overstated.

This urgency is underscored by the very limited time that we have to reach the MDG targets.

Mr. President,

MDGs comprise the core human development agenda. They embody our collective vision of human dignity and solidarity.

When we adopted the Millennium Declaration we wanted to mount a frontal attack on poverty, hunger, ignorance and disease, and that its benefits would percolate across the globe.

But eight years later, and more than half-way to our target date of 2015, we are discussing implementation of the MDGs with a realization that most developing countries will not be able to achieve these goals. This situation must change.

We welcome the initiative of the UN and others, and urge that we act urgently and collectively in a global partnership to translate commitment into concrete action in the interest of our future generations.

Thank You.



049. Address by External Affairs Minister Pranab Mukherjee on 'India and Global Challenges: Climate Change And Energy Security' at The Asia Society.

New York, September 30, 2008.

Mr. Victor J. Menezes, Ambassador Frank Wisner, Ambassador Ronen Sen, Ambassador Nirupam Sen, Consul General Prabhu Dayal, Ladies and Gentlemen,

I wish to thank Asia Society for giving me an opportunity to share with you India's perceptions on two of the key issues of global concern in our times - climate change and energy security. We meet at an extraordinarily turbulent and uncertain juncture in contemporary times. The world has barely come to grips with a growing energy crisis with oil and gas prices reaching unprecedented highs. This has been further compounded by increase in food prices. And now the financial markets have plunged into a volatile and high risk situation due to the cumulative impact of the US sub-prime crisis, a continuing credit crunch, and a severe decline in investor and consumer confidence. As we are acutely aware, it is an interconnected world that we live in. Like it or not, along with all the advantages that this implies, we are all exposed, in different degrees, to the risks and uncertainties inherent in the situation.

Precisely for this reason, we need to keep our attention focused on the fundamentals. In fact, the very challenges that seem so overwhelming at the moment may well offer the opportunities that we are looking for to enable the world economy to regain its dynamism and restore a positive outlook for growth, in particular for developing countries.

It is against this background that I would like to speak to you today about the twin challenges of Climate Change and Energy Security, which are, in important ways, closely interlinked. The energy dimension of Climate Change is crucial, just as the Climate Change dimension is a decisive factor in the energy choices that we make.

Ladies & Gentlemen,

India has always been conscious of the need for global cooperation on environment protection. Prime Minister Indira Gandhi was the only Head of State or Government, apart from the host country, to attend the first international conference on environment protection held in Sweden in

1972. India was among the first countries in the world to set up a separate Ministry of Environment. Prime Minister Rajiv Gandhi spoke of the need to balance development and conservation in his address to the United Nations in 1987.

These leaders were not only pioneers in the global environment movement, but projected India's age-old conviction and commitment to environment protection. Their beliefs were deeply rooted in our civilizational legacy, which emphasized the need for harmony between Man and Nature, rather than Man triumphing over Nature. Indeed, from ancient times, Nature has been deeply revered as a source of Man's sustenance. The concept of sacred groves, sacred trees and sacred animals created a spiritual framework of conservation, which is still observed in many parts of our country.

It was this enduring philosophy, which was reflected time and again by our seers over the millennia. In Mahatma Gandhi's profound observation, which I feel should serve as our guiding principle in global efforts to preserve our planet; he said, and I quote, "The earth, the air, the land and the water, are not an inheritance from our forefathers, but a loan from our children. So we have to hand over to them at least as it was handed over to us". Far from heeding the Mahatma's plea, we have imperiled the very existence of our future generations. There is no longer any doubt that humanity faces a very real threat to its very survival due to the risks emanating from Climate Change.

The Fourth Intergovernmental Panel on Climate Change, which has been honoured with the Nobel Prize, has unequivocally confirmed that Climate Change is taking place, and that this has resulted from an accumulation of greenhouse gases (GHG) in the atmosphere from intensified industrial activity in the last two centuries.

The risks from such Climate Change are real, serious and immediate. They must be addressed with a sense of urgency, if potentially catastrophic consequences are to be avoided. These consequences are no longer in the zone of the distant future; instead, we are beginning to see adverse consequences even in our own lifetime. The world has become susceptible to more frequent and extreme climatic events such as hurricanes, typhoons and heavy rains. There is a rapid decrease in the polar ice-caps, and even in our own Himalayas, there is evidence of glacial retreat. The risks of these climatic changes are greatest to developing countries, which are also the most vulnerable and least equipped to cope with climate challenge.

It is time that the world recognizes that Climate Change represents a classic example of a global cross-cutting issue, where only a timely multilateral and collaborative approach among nations will be able to provide the required response. I often hear people say that climate change is a truly extraordinary challenge and deserves an extraordinary response. I agree. Unfortunately, what we are witnessing at the multilateral negotiations on the Bali Action Plan is that attempts are being made to reach only the usual least common denominator outcome at the Conference of State Parties scheduled in December 2009. There is no sign, whatsoever, that the negotiations are being undertaken with the spirit of seeking an extraordinary and ambitious outcome.

Does India want an ambitious outcome at Copenhagen? We most certainly do. We are prepared to make our own contribution, with a sense of global responsibility. But, it must be recognized that no outcome will be viable and command a global consensus, unless it is seen as being fair and equitable. Equity demands the acknowledgement, indeed acceptance, of the principle that each citizen of the globe has an equal entitlement to the global atmospheric space. This would eventually lead us to a per capita convergence of greenhouse gas emissions. We recognize that this cannot happen overnight. But this is a principle which should inspire our ongoing negotiations.

In the context of Climate Change, historical accountability is often conveniently ignored. On the other hand, the current discourse, particularly in developed countries, has focused almost entirely on current GHG emissions, virtually side-stepping the scientific fact that it is accumulated GHG emissions in the atmosphere - collected over a hundred years - that are responsible for climate change. Current emissions only add to the problem, particularly as they accumulate for the future.

As I had mentioned earlier, our present crisis is the result of activity over the past two centuries, where the contribution of developing countries had been minimal. It is, therefore, completely one sided to target countries like India, whose emissions, though modest, are rising, but fail to bring to account those who have been responsible for more than 70% of the accumulated emissions in the atmosphere.

And, incidentally, despite the targets for reductions in emissions that these countries assumed under the Kyoto Protocol, there are few signs that these will be met. And if they are not met, will there be any accountability? The United Nations Framework Convention on Climate Change, which was

agreed to by consensus in Rio in 1992, recognizes this historical responsibility. It is for this reason that emission targets were confined to developed countries and the Framework Convention accepted the principle of "common but differentiated responsibilities".

Developing countries are committed to sustainable development, to be supported by transfer from developed countries of new and additional financial resources and technology on preferential and concessional terms. Emission reductions would follow as a result of sustainable development and not be the vehicle for sustainable development. This is an important distinction, which is largely being ignored in the debate today.

Even if we were to focus on current emissions, India's record is impressive. Despite being a continental-sized economy with a billion plus population, India's total emissions of carbon dioxide, the most important of the greenhouse gases, constitutes only 4% of the global total, while the U.S., for instance, accounts for 20% and Europe for around 15%. India's per capita level of emission is only 1.1 ton, as against 20 tons in the US, and that of Europe is over 10 tons. Additionally, during the past decade, while our economy has grown at 8% per annum, our energy growth has been a modest 3.7%, thus keeping the rise in emissions considerably low.

Ladies and Gentlemen,

Despite this excellent track record of responsibility, India has taken major steps to further enhance the sustainability of its growth. This is not because we are under pressure to reduce our emissions, but because we genuinely believe that it is in India's best interests to pursue environmentally sustainable growth. As Prime Minister Dr. Manmohan Singh has said "Our people want higher standards of living, but they also want clean water to drink, fresh air to breathe and a green earth to walk on".

The challenge for India is to reconcile its development imperatives with environmental responsibility. In order to eradicate poverty and bring about a modest increase in the living standards of our people, India needs to significantly increase its energy consumption. The Report of the Expert Committee on Integrated Energy Policy envisages an increase in power generation from a current level of 1,60,000 megawatts to about 8,00,000 megawatts by 2030-31.

In order to meet this magnitude of power requirement, we will need to pursue all available forms of energy. Our energy mix currently is 51% based on

coal, 36% on oil, 9% natural gas and only 2% from hydropower and nuclear energy respectively. If this energy mix remains unchanged over the next 25 years then our dependence on fossil fuels will continue and much of our energy requirement will have to be sourced from abroad. It is estimated that in 2030-31, we would have to import 66% of our coal, 90% of our oil and 60% of our natural gas. This is obviously not good news for India's energy security, particularly at a time when the prices of fossil fuels are steadily increasing. Unless this is effectively addressed, India's growth is likely to confront a major energy constraint.

Needless to say, even if there were no climate change arguments, considerations of energy security alone would require a medium-to-long term strategy of implementing a strategic shift from fossil fuels to non-fossil fuels, from non-renewable to renewable sources of energy, and from conventional to non-conventional sources of energy.

It is because we recognize the linkages between climate change and energy security that we have adopted a National Action Plan on Climate Change, which focuses on the need for the strategic shift which I referred to earlier. This Plan was released by the Prime Minister on the 30th of June this year and, in reality, constitutes India's plan for sustainable development. The Plan gives priority to Eight National Missions, of which two directly impact on energy security. The Mission which occupies pride of place among the 8 missions is the Solar Mission. The Sun is the original, inexhaustible and renewable source of energy. This Mission has the following objectives:

Firstly, to disseminate as widely as possible, existing applications of solar energy, such as solar lanterns. We currently have a nation-wide programme for the distribution of solar lanterns, particularly in rural areas where there is still no electricity. There are also plans to promote the use of solar photo-voltaic panels for larger, commercial buildings and solar heaters for urban residential buildings.

Secondly, there will be a focused effort to bring about improvements in efficiency and lowering of costs through technical innovations. We intend to do this through public-private partnerships. This includes not only promotion of new solar photo-voltaic technologies, such as thin film, but also solar thermal applications, which would help in providing both grid as well as distributed power.

Thirdly, to launch a major R&D effort to develop applications that can provide convenient, cost-effective and large-scale applications

of solar energy. The key here would be the development of storage systems that could make solar energy grid compatible.

Our Government is currently engaged in a series of brainstorming sessions with stakeholders, such as business and industry, scientific and technical institutes, non-governmental organizations and concerned government agencies to evolve an ambitious, but practical, plan to develop solar energy as the chief source of our energy over time. We would seek greater international collaboration in this area. This is an exciting adventure, because if India succeeds in this Mission, it would basically overcome energy constraint on its growth, and on global growth, while avoiding negative consequences for environmental sustainability.

Another Mission in this context relates to energy efficiency. India has already scored impressive results in this regard. The energy intensity of India's growth has been virtually halved over the past three decades, from over 0.30 kg of oil equivalent per US Dollar of GDP to the current 0.18 kgoe. This is already equivalent to the OECD average. Our experts say that this could be further improved by about 25%, bringing us closer to 0.12 kgoe. which is currently the best in the world. India enacted the Energy Conservation Act in 2001 and a Building Code in 2005, the implementation of which will bring about significant improvement in energy efficiency in high energy sectors, such as steel, paper and pulp and commercial buildings. Here again, a number of activities are planned with several stakeholders, particularly business and industry.

I would also like to add that, in our energy plan, nuclear energy occupies a prominent part. Nuclear energy is also a clean source of energy. We have, over the years, developed an impressive and comprehensive infrastructure for our nuclear industry, despite the fact that the country has, since its Peaceful Nuclear Explosion in 1974, faced a virtual isolation from the international civil nuclear energy market.

With the success that we have achieved in obtaining a waiver from the Nuclear Suppliers' Group and the pending US Congressional approval of the India-US civil nuclear agreement, we will not only close a chapter of over three decades of global nuclear apartheid against India, but open a new chapter in India-US and international cooperation in addressing shared interests in energy security, combating climate change and preventing non-proliferation in weapons of mass destruction. India is now also poised for a major expansion of its nuclear power sector. Our current estimates are that we can scale up nuclear power to at least 63,000 MW by 2030-31.

Ladies & Gentlemen,

To conclude, India is meeting the twin challenges of climate change and energy security by pursuing a strategy of sustainable growth. In multilateral negotiations on climate change, it will be our effort to evolve a global regime which does not unduly restrict our energy options, nor imposes significant costs of adjustment to a low-carbon economy. A shift to a low-carbon economy is critical to prevent climate change. But this can only be possible if the global regime is fair and equitable. India will contribute to this effort as a responsible global citizen, through its own ambitious Climate Change Action Plan. This sense of responsibility is obvious from our Prime Minister's solemn commitment that India's per capita emissions will never exceed that of developed countries, even as the country traverses a high growth trajectory.

As the Prime Minister recently reiterated in the UN General Assembly on 26th September 2008, "we in the developing countries do not have the luxury of time. Political compulsions force us to meet the aspirations of our people quickly even as we subject ourselves to newer and more rigid international standards and norms. We owe it to our future generations to make strong efforts to meet the Millennium Development Goals. There is a mutuality of interest in this between the developed and the developing countries. We hope the world will act in this spirit of enlightened self-interest".

Thank you.



050. Press Release of the Ministry of External Affairs on the signing of the agreement on the Passport Seva Project.

New Delhi, October 13, 2008.

Shri Shivshankar Menon, Foreign Secretary presided over a function today in New Delhi where the Ministry of External Affairs signed an agreement on the Passport Seva Project with M/s Tata Consultancy Services appointing them as the service provider for the project. Mr. S. Ramadorai, CEO and MD of TCS was also present at the function.

The Passport Seva Project is one of the Mission Mode Projects under the National E-Governance Programme. It aims to deliver passport related services to the citizens in a timely and transparent manner and in a comfortable environment, through streamlined processes. The entire project is being implemented on the Public Private Partnership (PPP) mode.

Speaking on the occasion, Foreign Secretary informed the gathering that about 5 million passports were issued last year all over India by the Central Passport Organization. The total demand for passports is expected to grow to over 10 million in 2011. To meet this rapidly growing demand, the Ministry of External Affairs conceived the Passport Seva Project which is expected to be completed in phases by January 2010. It will result in the issue of passports within three days, and where police verification is required, within three days after the completion of the verification process. Tatkal passports will be issued on the day of submission of the application. 77 Passport Seva Kendras will be opened all over the country. The pilot locations for the project are Bangalore and Chandigarh and the pilot sites will be functional by June 2009.

The design of this Project ensures that only support functions like improving citizen interface, managing the technology backbone, the call centres, training and change management etc. are provided by TCS, and the Government will continue to exercise all sovereign and security related functions in the passport issuance process. Security aspects have been fully taken care of in the Project with all strategic assets including the Data Centre, Database and the Application Software to be owned by the Government.

The Ministry of External Affairs has also started issuing e-passports, also known as biometric passports, in the diplomatic and official categories since June 2008, with full roll out of e-passports in the ordinary passport category

by September, 2009. The e-passports will be much safer against forgeries and will further facilitate the movement of their holders through the border points equipped with e-passport reading machines.



051. Address by External Affairs Minister Pranab Mukherjee at the National Defence College on "India's Security Challenges and Foreign Policy Imperatives".

New Delhi, November 3, 2008.

Major General N. K. Singh, AVSM, VSM, Senior Directing Staff,

Members of faculty and staff,

Student Officers,

Ladies and gentlemen,

I am very happy to be here once again at the National Defence College and share my thoughts on the security and foreign policy challenges before India.

You are all professionally engaged on the various dimensions of security and foreign policy - from the perspective of internal and regional, to the continental and global. The goal of our foreign and security policy remains to increase our strategic autonomy, so that we can like any other country, engage in a reasonable pursuit of its national interests, and bring to bear any capabilities it may have to promote geo-strategic stability and global economic prosperity and contribute to resolving a range of global problems as well as crisis situations. Our policies have been shaped by the geography and history of our region. India has traditionally taken a broad view of security, an approach that goes beyond defence preparedness and includes fundamental issues of economic strength, technological self-reliance, food security, energy security, human security and preservation of core national values and cohesiveness.

Underlying these principles is India's security paradigm, of expanding circles of engagement, with our neighborhood at its center and extending outwards in concentric circles. The framework of a policy embedded in our geography

and historical experience and coupled with a paradigm of a concentric security structure has served us well.

The question nevertheless is, in a globalised world have these parameters met our requirements? Is such an approach adequate? These questions assume particular salience given that we are at a historical cross-road; firstly, India is being called upon to assume an increasingly demanding role on the global stage; and secondly, the global architecture is under strain and fundamental shifts are underway. Our response to these challenges will shape and influence the future direction of our country. The past can act as a guide; but it is the decisions we take in the present which shape our future.

Global Developments

Recent developments, particularly the challenges confronting the global financial system, have thrown up a qualitatively different set of questions to security and foreign policy practitioners. The most obvious is the unprecedented linkage between economic stability and security policy. We have in recent weeks seen countries seeking international financial assistance to stave off financial and economic collapse; elsewhere, falling oil prices have dampened political confidence and muted foreign policy and security orientations. In addition we also are hearing protectionist voices as previous notions about globalization bringing in all around benefits are being questioned.

The manner in which the present events reshape the structural contours of the world can be difficult to predict. We can however conclude with some certainty that we will be required to address new challenges the coming years, the biggest of which would be the management of global interdependence.

From India's perspective, we need to see how best to manage the crisis while positioning ourselves to play a role in any future global financial or political structure. The immediate challenge will be to continue with economic reforms, striking a balance between financial stability, price stability and maintaining growth rates. The long term challenge will be to fashion a set of policies encompassing both the security and foreign dimension such that we can ensure an external environment conducive to India's transformation and continued development.

Immediate challenges

What are the immediate challenges that we face. To my mind, the foremost among these would be (a) to cope with the rise of China; (b) maintenance of a peaceful periphery; and (c) managing our relations with the major powers.

China as India's largest neighbour and as an emerging power is both a challenge and a priority. As a result of our engagement with China over the last thirty years we have now reached a somewhat normalized relationship. Of course there are some unresolved issues between us. However we need to factor in the fact that as a result of our engagement we have today a completely different situation than when we started. Further the economic developments in this period has given both our countries new capabilities. We are today faced with a new China. Today's China seeks to further her interests more aggressively than in the past, thanks to the phenomenal increase of her capacities after thirty years of reforms. There are also new set of challenges which China poses such as the strategic challenge as China develops its capabilities in outer space; the geopolitical challenge as it reaches out to various parts of the globe in search of raw materials and resources. We would need to develop more sophisticated ways of dealing with these new challenges posed by China. We cannot change our neighbors. It is important therefore for us to recognize and work with the reality. Our belief is that there is sufficient space for both of us to grow together and build a cooperative relationship in the new architecture.

We need to ensure a peaceful periphery and an environment of peace and stability in our region and in the world, which will facilitate maintenance of socio-economic development and safeguarding of our national security. India is already engaged in establishing strategic partnerships and expanding the scope and depth of our economic and strategic interaction with different countries, groupings and regions - whether it is Russia, a long standing partner, South East Asia, Japan, Central Asia, IBSA or many others with whom we are developing a fruitful and active dialogue. The underlying rationale is that in a globalized world, challenges, be they financial or security, can no longer be tackled by countries acting alone.

The biggest threat to peace and security in our region and to the world at large comes from terrorism which emanates from our neighbourhood. This is compounded by the danger posed by terrorists' accessing weapons of mass destruction or related technologies. The series of terrorist attacks in

Pakistan shows the fragile internal situation of that country, a situation we continue to monitor closely and which we hope will not deteriorate. The situation in Afghanistan remains grave concern and a resurgent Taliban poses a threat beyond Afghanistan.

Our challenge has been try and work with both countries, to stabilize the situation. With Pakistan, India has called for removing bilateral impediments to trade and economic relations, which should not be predicated on resolving contentious political issues. Some progress has been achieved in this regard, notably along the line of control. We are however continuing to persuade Pakistan to grant overland transit to our goods as this can speed up stabilization in Afghanistan. We believe this can also lead to greater commerce and benefit all the countries in the region.

Our goal of a peaceful, stable and prosperous neighbourhood is predicated on enabling each of our neighbors to pursue the shared objective of the development of our peoples. Our economic growth is having an impact in the region and there are increased opportunities for others to benefit by partnering India. The challenge will however be to persuade our neighbors to set aside past mistrust and suspicions which have undermined development of harmonious relations and restricted the space for expression of our natural sentiments of affinity, based on a shared history. We continue to put forward proposals, multilaterally through the SAARC and bilaterally, to our neighbors, by making unilateral gestures and extending economic concessions. The facility of extending duty free access to imports from Bangladesh, Nepal, Bhutan and Sri Lanka demonstrates India's readiness to assume asymmetric responsibilities.

Looking beyond the immediate neighbourhood, we continue to add important elements to our traditional ties with countries in the Gulf and the Central Asian regions by leveraging economic opportunities and long standing cultural and people to people links. Our Look East policy which was based on ASEAN's economic, political and strategic importance in the Asia-Pacific region and its potential to become a major partner of India in trade and investment has now evolved to include the Far Eastern and Pacific regions.

I have just concluded a visit to Iran, a country with whom we have had a long history of cultural interaction. Today, a sizeable portion of India's energy requirements are met by Iran. Discussions on an India-Iran-Pakistan gas pipeline are ongoing. We are also exploring possibilities of transit for our goods to central Asia and Afghanistan through Iran, since Pakistan does

not permit transit to us. On the nuclear issue, we have conveyed that Iran must fulfill all its international commitments including those it has undertaken under the NPT.

Another set of challenges is that of managing our relationship with the world's major powers. We need to use our strengths to create partnerships with major powers in a manner which would allow us political and economic space to grow. This will require us to strengthen relations with all the major powers of the world. Over the last few years our relations with all the major powers have substantially strengthened. Our relations with the US are now completely transformed and this is reflected in the successful completion of the civil nuclear initiative. As the US prepares itself for electing a new administration, we can be satisfied with the fact that today there exists a strong bipartisan support in the US for further strengthening and broadening our relations. We have developed a strong partnership with the European Union covering a wide range of areas including trade and investment, culture, science & technology. Our traditional relations with Russia continue to remain strong. PM's visit to Japan recently further strengthened the strategic and global partnership that we have established with Japan. As we look forward to an increasing role in global affairs we need to expand our network of international relationships, political engagement and economic and technical cooperation with the world. We are also working with the major powers in forums such as the UN, G8, East Asia Summit and ASEAN Regional Forum, the trilateral initiative with Russia and China (RIC) and the IBSA forum with Brazil and South Africa. Multipolar engagement allows us to contribute actively to the search for solutions to issues such as regional and international security, terrorism, climate change, economic growth and energy.

In closing, and to illustrate the changes underway in the global order and India's role, I will use the example of the civil nuclear initiative. The decision adopted by the NSG on 6th September 2008, enabling civil nuclear cooperation with India is a landmark development. You know that the NSG was established in response to our nuclear tests of 1974. On the one hand it is a vindication of our policies, of our impeccable non-proliferation record and our principled refusal to compromise on a well established nuclear policy. On the other, it is a recognition of India's achievements. Despite years of technology denials and discriminatory measures, India developed a comprehensive atomic energy programme covering the entire fuel cycle in respect of uranium, plutonium and thorium fuels and has established

world leadership in heavy water nuclear reactors. Over the years, we have progressively developed and put in place a domestic nuclear infrastructure comparable to the best in the world, including critical designs for validating thorium based advanced heavy water reactor core. The NSG's decision enables India to make an even bigger contribution to the growth of international civil nuclear cooperation.

The importance of this initiative lies not just in the fact that it allows a resumption of international cooperation in civil nuclear energy with India but also that it would in course of time lead to greater access to technologies that were hitherto denied to us. We would need to adapt and master these so that we can meet the challenges of the future.

To conclude, it is not merely the structure of the international system that is changing at a rapid pace. The challenges themselves are evolving rapidly. We need to charter new waters, leveraging our competitive skills and managerial talent across the globe with confidence. We must be ready to play our rightful role on the global stage through forward looking approaches, based on our ethos of non-violence and peaceful co-existence, which would allow us greater strategic autonomy and space for maneuverability.

Thank you.



052. Clarification¹ issued by the Ministry of External Affairs on November 7 on the remarks by the External Affairs Minister about China in his speech.

We have seen press reports which convey a misleading impression of what the External Affairs Minister said about China in his speech to the National Defence College on 3rd November. The full text of the speech is available on MEA's website. It is clear that in his speech he recognized that there is enhanced engagement with China and as a result of our engagement we have today a completely different situation; economic development has given both our countries new capabilities and that it is our belief that there is sufficient space for both India and China to grow

¹ The clarification became necessary because a section of the media interpreted the speech in a manner as if EAM was alluding to aggressive challenges from China in the region of India's natural sphere of operation.

together and build a cooperative relationship in the new architecture. At no point in his speech did the Minister use the word "threat" to describe China. There is thus no cause for misinterpretation and the kind of negative gloss that has been put on the speech by certain elements in the media.



**053. Speech by External Affairs Minister Pranab Mukherjee
at the 8th Buddha Mahotsava.**

TAWANG (Arunachal Pradesh), November 9, 2008.

General (Retd.) J.J. Singh, Governor

Mr. Dorjee Khandu, Hon'ble Chief Minister

Distinguished Guests,

Ladies and Gentlemen,

When the Hon'ble Chief Minister invited me to be the Chief Guest at the 8th Buddha Mahotsava in Tawang, I accepted his invitation with great happiness, not only because of my deep respect for the Enlightened One, the Buddha, but also because Tawang finds a special place in the spiritual and cultural history of Buddhism. On this auspicious occasion I wish to convey my greetings and warm good wishes to all the people of the state of Arunachal Pradesh. We are very proud of your efforts to develop the state and your patriotic spirit and your contribution to the overall development of the country.

In the 5th century B.C. the great spiritual teacher who is the Light of Asia emerged from our country to shed his radiance over millions of people around our world. The story of his life and his teachings created lofty ethical and humanitarian ideals and a vibrant spiritual tradition that suffused our own great civilization and radically transformed other civilizations in Asia, and even beyond. His teachings were not only lucid and deep, but also simple and direct, and dealt with the most universal of all human problems, the problem of suffering. His greatness lay not in his ability to discern the causes of such suffering, but in teaching a universal message addressed to all human beings on how to live a life that is both morally correct and practically useful to our fellow beings. We celebrate Gautama Buddha for this today.

We can rightfully be proud that India is the *janm-bhoomi* and *karma-bhoomi* of this great son of ours. It is also a matter of pride for all Indians that it is we who nurtured and developed the Buddha's teachings and spiritual traditions at Nalanda, Vikramsila and other Buddhist centres after his *parinirvana*, and that his message of peace and tolerance was carried abroad by Indians as well - by Mahinda, the son of Emperor Ashoka to Sri Lanka, by Padmasambhava to Tibet, by Kashyapa Matanga and *Boddhidharma* to China and by countless others to the vast swathe of our world from Central Asia to the islands of Japan. What is remarkable is that throughout this great journey the message of peace and compassion was never spread by the force of arms. The tradition of persuasion by truth and non-violence, for which India is justly famous, found fruition two millennia later in our freedom struggle led by our beloved Gandhiji who always acknowledged a debt of gratitude to Lord Buddha.

Lord Buddha's message of peace, tolerance and harmony must continue to guide us in this new century as it has in the past twenty four centuries. The world is still troubled by suffering and conflict and our country is seeking to liberate millions from the ignominy of social and economic deprivation. There can be no two views on the pressing need for social and economic changes so that we achieve the full potential of our future. The Buddha's teachings can be a great unifying force and a practical way of achieving social integrity. But we must always remember that Lord Buddha did not merely speak of abstaining from unwholesome actions (*sabba papassa akaranam*), but in fact practiced it, and it is in the practice of his message that we Indians must find the solution to whatever problems it is we face. Violence of any kind by anybody and at any time was condemned by Lord Buddha and we should pledge to do the same at this 8th Buddha *Mahotsava*. It is only in this way that we will be truly honouring the teachings of this great son of India.

Buddhism is an important and integral part of life and tradition in Arunachal Pradesh. We rejoice in this diversity of our country's spiritual and cultural traditions. Our Government has given the highest priority to the development of the north-eastern region, including the state of Arunachal Pradesh. Although you are geographically further from Delhi than some other regions, you are close to our heart. We have a clear strategy for the development of this great state, and when our Prime Minister visited you in January this year, he announced several steps that we would be taking to ensure that there is more development here, and that the people of Arunachal can

enjoy better economic and social conditions as quickly as possible. We recognize that the state needs good connectivity and good infrastructure, as well as more opportunities for all round economic development. Government is making special efforts to fast-track the development of road and other infrastructure projects, so that economic and tourism opportunities will benefit the citizens here. The mighty Brahmaputra, that has brought life to millions of Indians through centuries of our recorded history, flows through this beautiful state. Its mere presence offers immense opportunities for development, and it is time for us to realize this hidden potential. I would like to assure the Hon'ble Chief Minister and all of you present here on this occasion that we will give priority to all those projects that the Hon'ble Prime Minister announced during his visit here earlier this year.

Ladies & Gentlemen,

It has also been my effort, as External Affairs Minister, to enhance the external linkages of our north-eastern region with our neighbours. Arunachal Pradesh shares its border with three countries - China, Myanmar and Bhutan. We enjoy cordial relations with China, our great neighbour to the north. I visited China earlier this year and it was also my privilege to host the Foreign Minister of that country. Our Prime Minister has also visited China twice this year. Although we have not yet settled the boundary question with China, the Special Representatives of our two countries are working together to find a fair, reasonable and mutually acceptable settlement which will create a boundary of peace and friendship between us. The Chinese side is fully aware that Arunachal Pradesh is an integral part of India. At the same time it has been my constant endeavour to develop friendly and cooperative ties with China, and to explore all possibilities for economic and other cooperation between China and our border states. We will continue to work with our Chinese friends to persuade them to open border trade with Arunachal Pradesh and to create other economic opportunities for communities on both sides of the border.

I also want to say how pleased I am at the opportunity afforded me to visit the beautiful town of Tawang. Tawang has had a long and illustrious association with Buddhism. Arunachal was a home to Buddhists from the first millennium AD when Guru Padmasambhava came here with Lord Buddha's message, and it is in these high mountains that some of the earliest Buddhist temples are found. Tawang's great monastery, which I will be visiting later in the day, continues to flourish today and the gentle

traditions of Buddhism are carried into the new century by the people of Tawang district. I sincerely congratulate all the people of Tawang for making renewed efforts to build the economy and to improve life in this high altitude part of the state. With its great natural beauty, rich cultural and spiritual heritage and vast resources, Tawang and all of Arunachal Pradesh will be able to develop its economy and tourism and we will fully support and assist you in this endeavour. Your progress will strengthen the nation.

In conclusion, I express my gratitude to the Chief Minister and the people of Arunachal for their warm welcome and hospitality, and extend my best wishes to the organizers of the 8th Buddha *Mahotsava* and to all the participants who are gathered here today on this auspicious occasion.

Thank you.



054. The Second Noble Laureates Lecture "WITNESS : The Inward Testimony" delivered by Noble Laureates Dr Nadine Gordimer as part of the Outreach Programme of the Public Diplomacy Division of the Ministry of External Affairs.

Kolkata, November 10, 2008.

September 2001, A sunny day in New York. Many of us who are writers were at work on the transformations of life into a poem, story, a chapter of a novel, when terror pounced from the sky, and the world made witness to it.

'HORROR was written on the sun'

The prophetic words of the South African poet William Plomer. The horror of Hiroshima and Nagasaki were part of the unspeakable horrors of a past war; this was the horror that had come with the arrival of a new kind of war in a new millennium that has dedicated itself to globalization - a concept which both implies and is absolutely reliant on an end to violent solutions of international conflict. It is now 2008: we have come to coexist with the horrors of Madrid bombings, London underground trains explosions, the dead in Afghanistan, Rwanda, Irak, Darfur, Sri Lanka and the knowledge that this incomplete list of tragic violence continues to lengthen even as we sit here. Suicide bombers and retaliation attacks of all natures - including

blockades of food and medicine - slaughter the innocent bystander wherever, destroy homes and livelihood, whatever territorial, political religious aims, just or unjust, they represent.

What place, task, meaning will literature have in witness to disasters which make the entire world the front line of any and every conflict?

Place. Task. Meaning.

To apportion these for us, the world's writers, I believe we have first to define what witness is.

No simple term.

I go to the Oxford English Dictionary and find that definitions fill more than a small-print column.

'Witness: attestation of a fact, event or statement, testimony, evidence; one who is or was present and is able to testify from personal observation.'

Television crews, photographers, are pre-eminent witnesses in these senses of the word, when it comes to catastrophe, staggeringly visual. No need for words to describe it; no possibility words could.

First-hand newsprint, elaborately descriptive journalism, becomes essentially a pallid after-image. Television makes 'personal observation', 'attestation of a fact, event' a qualification of witness not only for those thousands who stood mind-blown aghast on the scene, but everyone worldwide who saw it all happening on television.

The place and task of attesting the fact, event or statement, testimony, evidence - the qualification of one who is or was present and is able to testify - this is that of the media. Analysis of the disaster follows in political, sociological terms, by various ideological, national, special or populist schemas, some claiming that elusive, reductive state, objectivity.

Place, task - meaning.

Meaning is what cannot be reached by the immediacy of the image, the description of the sequence of events, the methodologies of expert analysis. If witness literature is to find its place, take on a task in relation to the enormity of what is happening in acts of destruction and their aftermath, it is in the tensions of sensibility, the intense awareness, the antennae of

receptivity to the lives among which writers experience their own as a source of their art. Poetry and fiction are processes of what the Oxford Dictionary defines the state of witness as 'applied to the inward testimony' - the individual lives of men, women and children who have to reconcile within themselves the shattered certainties which are as much a casualty as the bodies under rubble.

Kafka says the writer sees among ruins 'different (and more) things than the others.... it is a leap out of murderers' row; it is a seeing of what is really taking place.'

This is the nature of witness that writers can, surely must give, have been giving since ancient times, in the awesome responsibility of their endowment with the seventh sense of the imagination. The 'realization' of what has happened comes from what would seem to deny reality - the transformation of events, motives, emotions, reactions, from the immediacy into the enduring significance that is meaning.

If we accept that 'contemporary' spans the century in which all of us here were born, as well as the one scarcely and starkly begun, there are many examples of this fourth dimension of experience that is the writer's space and place, attained.

'Thou shalt not kill' : the moral dilemma that patriotism and religions demand be disregarded in the individual sent to war, comes inescapably from the First World War pilot in W.B Yeats' poem: 'Those that fight I do not hate, Those that I guard I do not love'. A leap from murderers' row that only the poet can make.

'The Radetsky March' and 'The Emperor's Tomb' - Joseph Roth's peripatetic dual epic of frontiers as the Charybdis and Scylla of the breakup of the old world in disintegration of the Austro-Hungarian Empire, is not only inward testimony of the ever-lengthening host of ever-wandering refugees in the new century, the Greek chorus of the dispossessed that drowns the muzak of consumerism. It is the inward testimony of what goes on working its way as a chaos of ideological, ethnic, religious and political consequences that come to us through the vision of Roth.

The statistics of the Holocaust are a ledger of evil, the figures still visible on people's arms; but Primo Levi's 'If This Is A Man' makes extant a state of existence that becomes part of consciousness for all time.

The level of imaginative tenacity at which the South Africa poet Mongane Wally Serote witnesses the apocalyptic events of apartheid amid which he

was living is organic, in its persistent perception. He writes 'I want to look at what happened; /That done./ As silent as the roots of plants pierce the soil / I look at what happened.../ When knives creep in an out of people / As day and night into time.'

In an earlier age, the greatness of Conrad's inward testimony finds that the heart of darkness is not Mistah Kurtz's skull-bedecked river station besieged by Congolese, but back in the offices in King Leopold's Belgium where knitting women sit while the savage trade in natural rubber is efficiently organized, with a quota for extraction by blacks that must be met, or punished at the price of severed hands.

These are some examples of what Czeslaw Milosz call the writer's 'fusing of individual and historical elements' and that Georg Lukacs defines as the occurrence of 'a creative memory which transfixes the object and transforms it', 'the duality in inwardness and the outside world'.

The duality of inwardness and the outside world - this consciousness, which is that of the writer - reveals at a depth beyond history, the unpredictable developments in social and personal values that come about in the aftermath of drastic; transforming political change: the veering of power from one form of order to another, the post-victory as the attainment of freedom. There is a strangely interesting and in some instances contradiction in the situational similarities of South Africa and India, as seen in their literatures. Both revealed the distortions brought about in the human personality by a long era under colonialism, the reduction of a people into 'The Other' and at the same time the discovery within themselves of forms of resistance, psychological as well as active, that defeated the self-appointed masters, finally.

India finds herself left with the trauma of partition, the wound lacerating individual lives both territorially and exacerbating religious conflict. And there is the caste system, a traditional oppression surviving the British one. These ironic inheritances within freedom are brought to the world's real understanding by the creativity of Indian writers.

South Africa's victory over apartheid, in which South African Indian freedom fighters had an important role, finds South Africa left with the land itself still mainly in the title deeds of the white minority. And colour, if not caste, remains a source of prejudice and pain, even if it now more understandably sometimes manifests itself in reverse, black against white in certain situations

of the new age. South African writers - which identify includes South African Indian writers - brought to the world the totally invasive impact of apartheid on the individual and group human psyche.

Much of contemporary writing from India now has the running theme of a new servitude among India's peoples: an apparently uncontrollable urge of materialism, the passion for possessions, and the corruption at many levels which is an inevitable consequence, along with corruption attendant on passion for political power. The winner of this year's Booker prize is novel critical of the present-day national ethos by a young Indian writer, Aravind Adiga.

In South Africa the same betrayal of what freedom was envisaged as, the goal of human justice and caring, has evidenced itself in the same way - even by some heroes who were the bravest and most self-sacrificing in the freedom Struggle. Pavan K Varma's outstanding comprehensive study, 'The Great Indian Middle Class', with a change of names and places could be read as a study of South Africa in the ten years since his was written. The relevance of witness literature's inward testimony to world-wide fault-lines in the evolution towards freedom of human relations political, religious, national, international, brilliantly analysed in Amartya Sen's 'Identify And Violence' find another dimension in Nayantra Sahgal's extraordinary, vivid feat of inward testimony captured by her novel 'Mistaken Identify' - the country, continent, planet-wide, obsessive fear of terrorism that means any one of us, anywhere, no matter how irrationally and haphazardly, may find him or herself imprisoned as a kind of random precaution against who-knows-what fundamentalist political or religious threat. The highly original new surrealism of Kunal Basu's novel, 'Racists' carries to a startling ultimate the human entanglement of science and myth of racism with concepts of identify.

Writers cannot and do not indulge the hubris of believing they can plant the flag of truth. A deep thinker like Karan Singh brings together philosophy, interfaith national and international possibilities, along with political responsibilities in this context. What is sure is that we can exclude or discard nothing in our solitary travail towards meaning, downward into the acts of violence. We have to seek this meaning in those who commit such acts just as we do in its victims. We have to acknowledge them. Graham Green's priest in 'The Comedians' gives a religious edict from his interpretation of the Christian faith. 'The Church condemns violence, but it condemn indifference more harshly.'

Where does the despotism of violence begin to grow; why? And where will it end? How? This is the mined territory of meaning, in the crises of the present, from which the writer's responsibility cannot be absolved. 'Servitude, falsehood and terror.... Three afflictions are the cause of silence between men, obscure them from one another and prevent them from rediscovering themselves.' That is what Camus found in that territory. It is a specification within Milan Kundera's credo: 'For a novelist, a given historical situation is an anthropological laboratory in which he explores the basic question: What is existence?' And Kundera goes on to quote Heidegger: 'The essence of man has the form of a question'.

Whether this question is unanswerable, just as final truth is unattainable, literature has been and remains a means of people rediscovering themselves. It has never been more necessary, vital, than now, when information Technology, the new faith, has failed to bring this rediscovery about.

Is there inevitably a loss of artistic liberty for the writer in inward testimony as witness?

A testy outburst not from a writer, but a painter, Picasso, replies vis-à-vis their creativity, for artists in every medium. 'What do you think an artist is? An imbecile who has nothing but eyes if he is a painter or ears if he is a musician, or a lyre at every level of his heart if he is a poet... quite the contrary, he is at the same time a political being, constantly aware of what goes on in the world; whether it be harrowing, bitter or sweet, and he cannot help being shaped by it.' Neither can the art. And there emerges Guernica.

Flaubert writes to Turgenev: 'I have always tried to live in an ivory tower, but a tide of shit is beating at its walls, threatening to undermine it....'

Witness literature is not anathema to, incompatible with experiment in form and style, the marvelous adventures of the word. On the contrary, when writers, as Andre Pieyre de Mandiagues asks 'have been given a disaster which seems to exceed all measures, must it not be recited, spoken', in response the writer has to wrestle with all the possibilities of his medium, the Word, to find the one way in which the demands of meaning can be recited, spoken.

There is no style and form readymade for witness literature.

If it is to be poem, it has to be found among all the combinations of poetics, tried or never tried, to be equal to the unique expression that will contain the

event before and beyond the event; its past and future. If witness is to be a story or a novel, that final demand - the expression of the event before and beyond the event - is the same. Among all the ways of plumbing meaning, existing and to be, this has to be discovered. Julio Cortazar, Carlos Fuentes,

Gabriel Garcia Marquez, Octavio Paz, Jose Saramago, Amos Oz, Chinua Achebe, are among those who discovered it unsurpassably in different eras for their own people, own countries, and by the boundlessness of great writing, for the rest of us who see the same responsibility of discovery to be pursued in our own countries.

RK Narayan, Salman Rushdie, V.S Naipaul, Anita Desai, Shashi Tharoor, Kumal Ba, Amitav Ghosh, Vikas Swarup; South Africans Zakes Mda, Achmat Dangor, Mongane Wally Serote, Lewis Nkosi, Andre Brink, Rajesh Gopie, Ahmed Essop, are some of those who come to mind, only a random few among many. And some of them belong to the phenomenon of writers in the diaspora: Indians and South Africans who for political, personal, and sometimes inexplicable choice write from other countries where they have made their homes. Whatever the reason, one cannot ignore Jean Paul Sartre's view. 'To go into exile is to lose your place in the world'. However, these writers, even of voluntary exile, often seem to disprove this in their writings.

I have had my own experience as that of a writer given evidence of disaster, which seemed to exceed all measure. In South Africa racism in its brutally destructive guises, from killing in conquest to the methodology of colonialism, certified as divine will be religious doctrine, took the lives of thousands of Africans and stunted the lives of millions more, systematically. I grew up in the Union that came out of wars for possession between the British and descendants of the Dutch, the Boers. The African had already been dispossessed by both. I was the child of the white minority, blinkered in privilege as conditioning education, basic as ABC. But because I was a writer - for it's an early state of being, before a word has been written, not an attribute of being published - I became witness to the unspoken in my society. Very young I entered a dialogue with myself about what was around me; and this took the form of trying for the meaning in what I saw by transforming this into stories based on what were everyday incidents of ordinary life for everyone around me: the sacking of the backyard room of a black servant by police while the white master and mistress of the house looked on unconcerned; later, in my adolescence during the '39-45' War, when I was an aide at a gold mine casualty station, being told the white

intern who was suturing a black miner's gaping head-wound without &: 'They don't feel like we do'.

As time and published books confirmed that I was a writer, and witness literature, if it is a particular genre of circumstance of my time and place, was mine, I had to find how to keep my integrity to the Word, the sacred charge of the writer. I realized, as I believe many writers do, that instead of restricting, inhibiting, coarsely despoiling aesthetic liberty, the existential condition of witness was enlarging, inspiring aesthetic liberty breaching the previous limitations of my sense of form and use of language through necessity; to create form and use anew.

I read Rabindranath Tagore's 'Chokker Bali', translated by Radha Chakravorthy, only in 2003. But Tagore, in his foreword a hundred years before, 1903, expressed far better than I do here and now, that necessity, when he declared 'The literature of the new age seeks out not to narrate a sequence of events but to reveal the secrets of the heart'. This holds good for the literature of our new age, the new millennium. Aesthetic liberty is an essential of witness literature. Through bold and innovative liberty we writers have to question the story of our time in many inner voices, to tell it in whatever we might reach of its meaning, submerged beneath public ideology, discourse and action.

An aesthetic quest?

But there is no ivory tower that can keep the assault of reality from beating at the walls, as Flaubert dismayedly noted. In witness to it the imagination is not unreal but is the deeper reality. Its exigency can never allow compromise with conventional cultural wisdom and what Milosz calls official lies. That outstanding intellectual of no compromise, Edward Said, asks who, if not the writer, is 'to uncover and elucidate the contests, challenge and hope to defeat the imposed silence and normalized quiet of power?' And the final word on witness literature surely comes from Camus: 'the moment when I am no more than a writer I shall cease to be a writer.'



055. Statement of Prime Minister Dr. Manmohan Singh before his departure for Washington for the G-20 Summit.

New Delhi, November 13, 2008.

At the invitation of President George W. Bush, I am leaving today to attend the Summit on Financial Markets and the World Economy in Washington D.C., USA

This gathering of world leaders takes place against the backdrop of the financial crisis that has emanated in the United States and Europe. It has become clear over the last several weeks that the effects of the crisis are spreading. In varying degrees, all countries will be impacted. We are facing the prospect of a global economic slowdown.

I look upon the Summit as an opportunity to exchange views with other leaders on the reasons behind the recent developments and to consider what measures can or need to be taken by the international community to arrest the negative fallout. The Summit also has an important role to play in considering corrective measures to prevent future recurrence of such events. The issues involved are complex and will require sustained deliberation over a period of time.

As a major developing economy which is getting increasingly integrated with the global economy, India has a vital stake in the stability of the international economic and financial system. I will put forward our views on the need for greater inclusivity in the international financial system, the need to ensure that the growth prospects of the developing countries do not suffer, and the need to avoid protectionist tendencies.

The fundamentals of the Indian economy are strong. We have taken several measures to ensure adequate liquidity and credit in the system. I have met different stakeholders in the run up to the Summit.

I am fully confident about the growth prospects of our economy. The Indian economy, in fact, has the potential to contribute to global economic growth. My participation in the Summit demonstrates this changing landscape of the international economy.



056. Statement by Prime Minister Dr. Manmohan Singh at the Summit of Heads of State/Government of the G-20 countries on Financial Markets and the World Economy.

Washington (D. C), November 15, 2008.

We are meeting at a time of exceptional difficulty for the world economy. The financial crisis, which a year ago seemed to be localized in one part of the financial system in the US, has exploded into a systemic crisis, spreading through the highly interconnected financial markets of industrialized countries, and has had its effects on other markets also.

It has choked normal credit channels, triggered a worldwide collapse in stock markets around the world. The real economy is clearly affected. Industrialised countries were expected to slow down in 2008. They are now projected to be in a recession in the second half of the year, and there is as yet little prospect of an early recovery. Many have called it the most serious crisis since the Great Depression.

Emerging market countries were not the cause of this crisis, but they are amongst its worst affected victims. Recession will hit the export performance of developing countries and the choking of credit, combined with elevated risk perception, will lead to lower capital flows and reduced levels of foreign direct investment. The combined effect will be to slow down economic growth in developing countries.

India is experiencing this negative impact. After growing at close to 9% per year for four years, our growth rate is expected to slow down to between 7 to 7.5% in the current financial year. The pace of growth next year will depend, in part, upon how long the global recession lasts and how quickly global capital flows return to normal. Much of India's growth is internally driven and I expect we can maintain a strong pace of growth in the coming years, but many developing countries will be harder hit.

A slowing down of growth in developing countries will push millions of people back into poverty, with adverse effects on nutrition, health and education levels. These are not transient impacts but will impact a full generation. If we are to prevent a slide back and ensure that MDGs are achieved, we need to ensure that growth in developing economies is not affected.

Since the crisis is global, it calls for a coordinated global response and this summit is therefore timely. In our discussions, we need to distinguish between

the immediate priority, which must be to bring the crisis under control as quickly as possible with as little adverse effect on developing countries, and the medium term objective of reforming the global financial architecture to prevent similar crises in future. I will comment briefly on both.

As far as the immediate priority is concerned, I recognize that a number of important steps have already been taken by countries to inject liquidity into the financial system, recapitalize banks and other systemically important institutions. Some countries have also introduced a number of innovative, even unorthodox, measures to restore confidence so that the financial system could start functioning again. These measures have had some effect, but the crisis is far from over. Credit channels remain clogged and the signs of distress in the real economy suggest that additional measures are needed.

An obvious issue is to consider whether the emergence of recessionary trends calls for some fiscal stimulus. A coordinated fiscal stimulus by countries that are in a position to do so would help to mitigate the severity and duration of the recession. It would also send a strong signal to investors around the world. Resort to fiscal stimulus may be viewed as risky in some situations, but if we are indeed on the brink of the worst downturn since the Great Depression, the risk may be worth taking. We should therefore take all possible measures at the national level to complement any coordinated international stimulus.

The international community needs to consider special initiatives to counter the shrinkage of capital flows to developing countries that is almost certain to occur over the next two years. The initiative by the IMF to establish a new liquidity facility is a welcome step. However, we must also consider whether the IMF is adequately funded for the task it will face in managing this global crisis. Looking ahead we must plan for possible additional demands on the IMF if the global recession is pronounced. This suggests that we must activate a process for replenishing IMF resources.

An alternative to the IMF as a source of quick disbursing liquidity is the establishment of short term swap arrangements. The existence of such arrangements will reduce the burden on the IMF and will add to confidence in the system. Countries in a position to do so should consider the scope for expanding such arrangements.

Depressed conditions in the global economy are likely to produce a downturn in private investment in developing countries which will worsen recessionary

trends. It is necessary to take steps to counter this development. Expanding investment in infrastructure by the public sector and also the private sector where possible is an ideal countercyclical device. It has the immediate effect of stimulating demand counter-cyclically and the longer-term effect of laying the conditions for an early return to faster growth. Investment in infrastructure today is perhaps the best signal for reviving private investment, including FDI, tomorrow.

This requires new and innovative ways of solving the financing problems that will restrain infrastructure investment. The World Bank, regional development banks and national governments need to consider measures such as providing additional credit for infrastructure projects, promote new instruments for infrastructure financing and providing capital and liquidity support to banking institutions to lend to infrastructure projects that are underway. The World Bank / IFC and the Regional Development banks should aim at making an additional \$50 billion per year in support of infrastructure development in the public and private sectors. This window can be wound down once normalcy returns to global capital flows.

Industrialized countries can also help to revive trade flows in developing countries by expanding the scale of export credit finance available to these countries. We know there is a temporary market failure in this area with elevated risk perceptions which discourage private flows. There is a need to intervene to overcome market failure. A collapse of trade is the last thing that one wants in the current crisis, with all its implications for growth and employment. Concerted government action in expanding export credit financing on reasonable terms will help support the pace of development in developing countries, which is critical for achieving poverty alleviation and employment objectives.

Our willingness to take specific steps to support developing countries in this period of exceptional difficulty will be a test of our collective leadership. Many developing countries have made strenuous efforts to implement economic reforms to deal with the challenges of an increasingly open and globalised world. This has often required implementation of policies which have aroused domestic fears and uncertainties. We have persevered in this process and have benefited from it. Economic performance in almost all developing countries has improved. In the process, attitudes towards globalization have begun to change and people all over the world have come to appreciate the enormous benefits that can be derived from global economic integration. It would be a great pity if this growing support for

open policies in the developing world is weakened because of a failure to protect developing countries from a recession which is not of their making.

We need to take urgent steps to strengthen the global trading system and forestall any protectionist tendencies which always surface in times of recession. A successful conclusion of the on-going multilateral trade talks would be an important confidence builder at this stage. We are willing to work constructively with other major players to reach a balanced and mutually beneficial outcome.

While our immediate priority should be to deal with the crisis which is still unfolding, we also need to look ahead to see what changes are needed in the global financial architecture to avoid such crisis from recurring. Much useful work in this area has already been done by Finance Ministers and there is considerable consensus on many areas. I will, therefore, limit my remarks to a few points.

I agree with the general consensus that there are several factors behind the crisis and the future global economic architecture must be designed to deal with these. These include failure of regulatory and supervisory mechanisms, inadequate appreciation and management of systemic risks and inadequate transparency in financial institutions.

The new architecture we design must include a credible system of multilateral surveillance which can signal the emergence of imbalances that are likely to have systemic effects, and also put in motion a process of consultation that can yield results in terms of policy coordination. At this point, I would like to emphasise the importance of broad based multilateral approaches to our efforts. Bodies such as the G-7 are no longer sufficient to meet the demands of the day. We need to ensure that any new architecture we design is genuinely multilateral with adequate representation from countries reflecting changes in economic realities.

The International Monetary Fund is the logical body to perform the task of multilateral surveillance of macro-economic imbalances and their relationship to financial stability. However, it is relevant to ask whether its systems and procedures are adequate to the task. Over the years, the Fund has become marginal to the task of policy analysis and consultations on macro-economic imbalances and related policies in the major countries. That task is now performed in other forums, though it is questionable whether it is being performed well. I believe we need a comprehensive review of the procedures of the IMF leading to recommendations on governance reform

which would enable the Fund to perform the role of macro-economic policy coordination.

An important element of longer term reform is to restructure the representation in the governance levels of the Fund to reflect the current and prospective economic realities. Quota reform is the normal way to effect a change in voting power but it has been contentious and incremental, and what has been achieved thus far has fallen far short of what is needed. The Board of Governors of the IMF should be explicitly charged with exploring alternative modalities to achieve a more legitimate representation.

Looking ahead, we also have to pay attention to the many regulatory gaps in the financial system which allowed the development of excess leverage and the risks associated with it. It is obvious that we need better systems of risk management and better regulation and supervision, especially of institutions that have a global reach and are dealing in financial instruments that are exceedingly complex. Managers of financial institutions, credit rating agencies and regulators have to do a much better job. The structure of incentives in the system has to be aligned to this end. We also need to examine whether the existing forums of regulators that are there are adequate and cover the entire gamut of regulatory and supervisory activities that are required.

These are technical issues that should be tackled in the specialized forums dealing with financial stability, notably the Basle Committee on Banking Supervision and the Financial Stability Forum. However, both these bodies need to have broader representation than they do at present. International coordination on regulatory issues would be more easily achieved if the principal forums where these issues are discussed were seen to be more representative. Broad basing the present representation in these forums is much easier to achieve and I hope this Summit will give a clear signal in this direction. It will certainly build confidence in our intention over the longer term to achieve significant reform in the governance of the global financial system.

Given the fact that this financial crisis has affected growth prospects across the board, we also need to examine the present structures of trade and development finance to consider how to ensure greater stability in these flows in the face of difficult situations such as the current one. This issue could be examined by the expert group I have referred to or by separate group focusing on this issue. Its work could lead to the design of appropriate international mechanisms and instruments for maintaining and enhancing these flows in future.

The convening of this Summit has raised expectations in many circles that we will work to produce a new Bretton Woods II. The world has certainly changed sufficiently to need a new architecture, but this can only be done on the basis of much greater preparation and consultation. We can however signal that we are serious about starting a process that will, in time, produce an architecture suited to the new challenges and vulnerabilities facing the world economy and reflective of the changes that have taken place in the economic structure. We must also give the world a clear signal of our resolve to take specific coordinated action to handle the current crisis in a manner which restores confidence and which also responds to the needs of developing countries. We need to ensure that the processes we set in motion today safeguard and promote the welfare of our future generations.



057. Declaration issued by leaders of the Group of Twenty countries, at the end of their initial meeting in Washington to discuss the Global Financial crisis.

Washington (D. C.), November 15, 2008.

1. We, the Leaders of the Group of Twenty, held an initial meeting in Washington on November 15, 2008, amid serious challenges to the world economy and financial markets. We are determined to enhance our cooperation and work together to restore global growth and achieve needed reforms in the world's financial systems.
2. Over the past months our countries have taken urgent and exceptional measures to support the global economy and stabilize financial markets. These efforts must continue. At the same time, we must lay the foundation for reform to help to ensure that a global crisis, such as this one, does not happen again. Our work will be guided by a shared belief that market principles, open trade and investment regimes, and effectively regulated financial markets foster the dynamism, innovation, and entrepreneurship that are essential for economic growth, employment, and poverty reduction.

Root Causes of the Current Crisis

3. During a period of strong global growth, growing capital flows, and prolonged stability earlier this decade, market participants sought

higher yields without an adequate appreciation of the risks and failed to exercise proper due diligence. At the same time, weak underwriting standards, unsound risk management practices, increasingly complex and opaque financial products, and consequent excessive leverage combined to create vulnerabilities in the system. Policy-makers, regulators and supervisors, in some advanced countries, did not adequately appreciate and address the risks building up in financial markets, keep pace with financial innovation, or take into account the systemic ramifications of domestic regulatory actions.

4. Major underlying factors to the current situation were, among others, inconsistent and insufficiently coordinated macroeconomic policies, inadequate structural reforms, which led to unsustainable global macroeconomic outcomes. These developments, together, contributed to excesses and ultimately resulted in severe market disruption.

Actions Taken and to be Taken

5. We have taken strong and significant actions to date to stimulate our economies, provide liquidity, strengthen the capital of financial institutions, protect savings and deposits, address regulatory deficiencies, unfreeze credit markets, and are working to ensure that international financial institutions (IFIs) can provide critical support for the global economy.
6. But more needs to be done to stabilize financial markets and support economic growth. Economic momentum is slowing substantially in major economies and the global outlook has weakened. Many emerging market economies, which helped sustain the world economy this decade, are still experiencing good growth but increasingly are being adversely impacted by the worldwide slowdown.
7. Against this background of deteriorating economic conditions worldwide, we agreed that a broader policy response is needed, based on closer macroeconomic cooperation, to restore growth, avoid negative spillovers and support emerging market economies and developing countries. As immediate steps to achieve these objectives, as well as to address longer-term challenges, we will:
 - Continue our vigorous efforts and take whatever further actions are necessary to stabilize the financial system.

- Recognize the importance of monetary policy support, as deemed appropriate to domestic conditions.
- Use fiscal measures to stimulate domestic demand to rapid effect, as appropriate, while maintaining a policy framework conducive to fiscal sustainability.
- Help emerging and developing economies gain access to finance in current difficult financial conditions, including through liquidity facilities and program support. We stress the International Monetary Fund's (IMF) important role in crisis response, welcome its new short-term liquidity facility, and urge the ongoing review of its instruments and facilities to ensure flexibility.
- Encourage the World Bank and other multilateral development banks (MDBs) to use their full capacity in support of their development agenda, and we welcome the recent introduction of new facilities by the World Bank in the areas of infrastructure and trade finance.
- Ensure that the IMF, World Bank and other MDBs have sufficient resources to continue playing their role in overcoming the crisis.

Common Principles for Reform of Financial Markets

8. In addition to the actions taken above, we will implement reforms that will strengthen financial markets and regulatory regimes so as to avoid future crises. Regulation is first and foremost the responsibility of national regulators who constitute the first line of defense against market instability. However, our financial markets are global in scope, therefore, intensified international cooperation among regulators and strengthening of international standards, where necessary, and their consistent implementation is necessary to protect against adverse cross-border, regional and global developments affecting international financial stability. Regulators must ensure that their actions support market discipline, avoid potentially adverse impacts on other countries, including regulatory arbitrage, and support competition, dynamism and innovation in the marketplace. Financial institutions must also bear their responsibility for the turmoil and should do their part to overcome it including by

recognizing losses, improving disclosure and strengthening their governance and risk management practices.

9. We commit to implementing policies consistent with the following common principles for reform.
 - Strengthening Transparency and Accountability: We will strengthen financial market transparency, including by enhancing required disclosure on complex financial products and ensuring complete and accurate disclosure by firms of their financial conditions. Incentives should be aligned to avoid excessive risk-taking.
 - Enhancing Sound Regulation: We pledge to strengthen our regulatory regimes, prudential oversight, and risk management, and ensure that all financial markets, products and participants are regulated or subject to oversight, as appropriate to their circumstances. We will exercise strong oversight over credit rating agencies, consistent with the agreed and strengthened international code of conduct. We will also make regulatory regimes more effective over the economic cycle, while ensuring that regulation is efficient, does not stifle innovation, and encourages expanded trade in financial products and services. We commit to transparent assessments of our national regulatory systems.
 - Promoting Integrity in Financial Markets: We commit to protect the integrity of the world's financial markets by bolstering investor and consumer protection, avoiding conflicts of interest, preventing illegal market manipulation, fraudulent activities and abuse, and protecting against illicit finance risks arising from non-cooperative jurisdictions. We will also promote information sharing, including with respect to jurisdictions that have yet to commit to international standards with respect to bank secrecy and transparency.
 - Reinforcing International Cooperation: We call upon our national and regional regulators to formulate their regulations and other measures in a consistent manner. Regulators should enhance their coordination and cooperation across all segments of financial markets, including with respect to cross-border capital

flows. Regulators and other relevant authorities as a matter of priority should strengthen cooperation on crisis prevention, management, and resolution.

- Reforming International Financial Institutions: We are committed to advancing the reform of the Bretton Woods Institutions so that they can more adequately reflect changing economic weights in the world economy in order to increase their legitimacy and effectiveness. In this respect, emerging and developing economies, including the poorest countries, should have greater voice and representation. The Financial Stability Forum (FSF) must expand urgently to a broader membership of emerging economies, and other major standard setting bodies should promptly review their membership. The IMF, in collaboration with the expanded FSF and other bodies, should work to better identify vulnerabilities, anticipate potential stresses, and act swiftly to play a key role in crisis response.

Tasking of Ministers and Experts

10. We are committed to taking rapid action to implement these principles. We instruct our Finance Ministers, as coordinated by their 2009 G-20 leadership (Brazil, UK, Republic of Korea), to initiate processes and a timeline to do so. An initial list of specific measures is set forth in the attached Action Plan, including high priority actions to be completed prior to March 31, 2009.

In consultation with other economies and existing bodies, drawing upon the recommendations of such eminent independent experts as they may appoint, we request our Finance Ministers to formulate additional recommendations, including in the following specific areas:

- Mitigating against pro-cyclicality in regulatory policy;
- Reviewing and aligning global accounting standards, particularly for complex securities in times of stress;
- Strengthening the resilience and transparency of credit derivatives markets and reducing their systemic risks, including by improving the infrastructure of over-the-counter markets;
- Reviewing compensation practices as they relate to incentives for risk taking and innovation;

- Reviewing the mandates, governance, and resource requirements of the IFIs; and
 - Defining the scope of systemically important institutions and determining their appropriate regulation or oversight.
11. In view of the role of the G-20 in financial systems reform, we will meet again by April 30, 2009, to review the implementation of the principles and decisions agreed today.

Commitment to an Open Global Economy

12. We recognize that these reforms will only be successful if grounded in a commitment to free market principles, including the rule of law, respect for private property, open trade and investment, competitive markets, and efficient, effectively regulated financial systems. These principles are essential to economic growth and prosperity and have lifted millions out of poverty, and have significantly raised the global standard of living. Recognizing the necessity to improve financial sector regulation, we must avoid over-regulation that would hamper economic growth and exacerbate the contraction of capital flows, including to developing countries.
13. We underscore the critical importance of rejecting protectionism and not turning inward in times of financial uncertainty. In this regard, within the next 12 months, we will refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organization (WTO) inconsistent measures to stimulate exports. Further, we shall strive to reach agreement this year on modalities that leads to a successful conclusion to the WTO's Doha Development Agenda with an ambitious and balanced outcome. We instruct our Trade Ministers to achieve this objective and stand ready to assist directly, as necessary. We also agree that our countries have the largest stake in the global trading system and therefore each must make the positive contributions necessary to achieve such an outcome.
14. We are mindful of the impact of the current crisis on developing countries, particularly the most vulnerable. We reaffirm the importance of the Millennium Development Goals, the development assistance commitments we have made, and urge both developed and emerging economies to undertake commitments consistent with

their capacities and roles in the global economy. In this regard, we reaffirm the development principles agreed at the 2002 United Nations Conference on Financing for Development in Monterrey, Mexico, which emphasized country ownership and mobilizing all sources of financing for development.

15. We remain committed to addressing other critical challenges such as energy security and climate change, food security, the rule of law, and the fight against terrorism, poverty and disease.
16. As we move forward, we are confident that through continued partnership, cooperation, and multilateralism, we will overcome the challenges before us and restore stability and prosperity to the world economy.

Action Plan to Implement Principles for Reform

This Action Plan sets forth a comprehensive work plan to implement the five agreed principles for reform. Our finance ministers will work to ensure that the taskings set forth in this Action Plan are fully and vigorously implemented. They are responsible for the development and implementation of these recommendations drawing on the ongoing work of relevant bodies, including the International Monetary Fund (IMF), an expanded Financial Stability Forum (FSF), and standard setting bodies.

Strengthening Transparency and Accountability

Immediate Actions by March 31, 2009

- The key global accounting standards bodies should work to enhance guidance for valuation of securities, also taking into account the valuation of complex, illiquid products, especially during times of stress.
- Accounting standard setters should significantly advance their work to address weaknesses in accounting and disclosure standards for off-balance sheet vehicles.
- Regulators and accounting standard setters should enhance the required disclosure of complex financial instruments by firms to market participants.
- With a view toward promoting financial stability, the governance of the international accounting standard setting body should be further enhanced, including by undertaking a review of its membership, in

particular in order to ensure transparency, accountability, and an appropriate relationship between this independent body and the relevant authorities.

- Private sector bodies that have already developed best practices for private pools of capital and/or hedge funds should bring forward proposals for a set of unified best practices. Finance Ministers should assess the adequacy of these proposals, drawing upon the analysis of regulators, the expanded FSF, and other relevant bodies.

Medium-term actions

- The key global accounting standards bodies should work intensively toward the objective of creating a single high-quality global standard.
- Regulators, supervisors, and accounting standard setters, as appropriate, should work with each other and the private sector on an ongoing basis to ensure consistent application and enforcement of high-quality accounting standards.
- Financial institutions should provide enhanced risk disclosures in their reporting and disclose all losses on an ongoing basis, consistent with international best practice, as appropriate. Regulators should work to ensure that a financial institution's financial statements include a complete, accurate, and timely picture of the firm's activities (including off-balance sheet activities) and are reported on a consistent and regular basis.

Enhancing Sound Regulation

Regulatory Regimes

Immediate Actions by March 31, 2009

- The IMF, expanded FSF, and other regulators and bodies should develop recommendations to mitigate pro-cyclicality, including the review of how valuation and leverage, bank capital, executive compensation, and provisioning practices may exacerbate cyclical trends.

Medium-term actions

- To the extent countries or regions have not already done so, each country or region pledges to review and report on the structure and

principles of its regulatory system to ensure it is compatible with a modern and increasingly globalized financial system. To this end, all G-20 members commit to undertake a Financial Sector Assessment Program (FSAP) report and support the transparent assessments of countries' national regulatory systems.

- The appropriate bodies should review the differentiated nature of regulation in the banking, securities, and insurance sectors and provide a report outlining the issue and making recommendations on needed improvements. A review of the scope of financial regulation, with a special emphasis on institutions, instruments, and markets that are currently unregulated, along with ensuring that all systemically-important institutions are appropriately regulated, should also be undertaken.
- National and regional authorities should review resolution regimes and bankruptcy laws in light of recent experience to ensure that they permit an orderly wind-down of large complex cross-border financial institutions.
- Definitions of capital should be harmonized in order to achieve consistent measures of capital and capital adequacy.

Prudential Oversight

Immediate Actions by March 31, 2009

- Regulators should take steps to ensure that credit rating agencies meet the highest standards of the international organization of securities regulators and that they avoid conflicts of interest, provide greater disclosure to investors and to issuers, and differentiate ratings for complex products. This will help ensure that credit rating agencies have the right incentives and appropriate oversight to enable them to perform their important role in providing unbiased information and assessments to markets.
- The international organization of securities regulators should review credit rating agencies' adoption of the standards and mechanisms for monitoring compliance.
- Authorities should ensure that financial institutions maintain adequate capital in amounts necessary to sustain confidence. International

standard setters should set out strengthened capital requirements for banks' structured credit and securitization activities.

- Supervisors and regulators, building on the imminent launch of central counterparty services for credit default swaps (CDS) in some countries, should: speed efforts to reduce the systemic risks of CDS and over-the-counter (OTC) derivatives transactions; insist that market participants support exchange traded or electronic trading platforms for CDS contracts; expand OTC derivatives market transparency; and ensure that the infrastructure for OTC derivatives can support growing volumes.

Medium-term actions

- Credit Ratings Agencies that provide public ratings should be registered.
- Supervisors and central banks should develop robust and internationally consistent approaches for liquidity supervision of, and central bank liquidity operations for, cross-border banks.

Risk Management

Immediate Actions by March 31, 2009

- Regulators should develop enhanced guidance to strengthen banks' risk management practices, in line with international best practices, and should encourage financial firms to reexamine their internal controls and implement strengthened policies for sound risk management.
- Regulators should develop and implement procedures to ensure that financial firms implement policies to better manage liquidity risk, including by creating strong liquidity cushions.
- Supervisors should ensure that financial firms develop processes that provide for timely and comprehensive measurement of risk concentrations and large counterparty risk positions across products and geographies.
- Firms should reassess their risk management models to guard against stress and report to supervisors on their efforts.

- The Basel Committee should study the need for and help develop firms' new stress testing models, as appropriate.
- Financial institutions should have clear internal incentives to promote stability, and action needs to be taken, through voluntary effort or regulatory action, to avoid compensation schemes which reward excessive short-term returns or risk taking.
- Banks should exercise effective risk management and due diligence over structured products and securitization.

Medium -term actions

- International standard setting bodies, working with a broad range of economies and other appropriate bodies, should ensure that regulatory policy makers are aware and able to respond rapidly to evolution and innovation in financial markets and products.
- Authorities should monitor substantial changes in asset prices and their implications for the macroeconomy and the financial system.

Promoting Integrity in Financial Markets**Immediate Actions by March 31, 2009**

- Our national and regional authorities should work together to enhance regulatory cooperation between jurisdictions on a regional and international level.
- National and regional authorities should work to promote information sharing about domestic and cross-border threats to market stability and ensure that national (or regional, where applicable) legal provisions are adequate to address these threats.
- National and regional authorities should also review business conduct rules to protect markets and investors, especially against market manipulation and fraud and strengthen their cross-border cooperation to protect the international financial system from illicit actors. In case of misconduct, there should be an appropriate sanctions regime.

Medium -term actions

- National and regional authorities should implement national and international measures that protect the global financial system from

uncooperative and non-transparent jurisdictions that pose risks of illicit financial activity.

- The Financial Action Task Force should continue its important work against money laundering and terrorist financing, and we support the efforts of the World Bank - UN Stolen Asset Recovery (StAR) Initiative.
- Tax authorities, drawing upon the work of relevant bodies such as the Organization for Economic Cooperation and Development (OECD), should continue efforts to promote tax information exchange. Lack of transparency and a failure to exchange tax information should be vigorously addressed.

Reinforcing International Cooperation

Immediate Actions by March 31, 2009

- Supervisors should collaborate to establish supervisory colleges for all major cross-border financial institutions, as part of efforts to strengthen the surveillance of cross-border firms. Major global banks should meet regularly with their supervisory college for comprehensive discussions of the firm's activities and assessment of the risks it faces.
- Regulators should take all steps necessary to strengthen cross-border crisis management arrangements, including on cooperation and communication with each other and with appropriate authorities, and develop comprehensive contact lists and conduct simulation exercises, as appropriate.

Medium -term actions

- Authorities, drawing especially on the work of regulators, should collect information on areas where convergence in regulatory practices such as accounting standards, auditing, and deposit insurance is making progress, is in need of accelerated progress, or where there may be potential for progress.
- Authorities should ensure that temporary measures to restore stability and confidence have minimal distortions and are unwound in a timely, well-sequenced and coordinated manner.

Reforming International Financial Institutions

Immediate Actions by March 31, 2009

- The FSF should expand to a broader membership of emerging economies.
- The IMF, with its focus on surveillance, and the expanded FSF, with its focus on standard setting, should strengthen their collaboration, enhancing efforts to better integrate regulatory and supervisory responses into the macro-prudential policy framework and conduct early warning exercises.
- The IMF, given its universal membership and core macro-financial expertise, should, in close coordination with the FSF and others, take a leading role in drawing lessons from the current crisis, consistent with its mandate.
- We should review the adequacy of the resources of the IMF, the World Bank Group and other multilateral development banks and stand ready to increase them where necessary. The IFIs should also continue to review and adapt their lending instruments to adequately meet their members' needs and revise their lending role in the light of the ongoing financial crisis.
- We should explore ways to restore emerging and developing countries' access to credit and resume private capital flows which are critical for sustainable growth and development, including ongoing infrastructure investment.
- In cases where severe market disruptions have limited access to the necessary financing for counter-cyclical fiscal policies, multilateral development banks must ensure arrangements are in place to support, as needed, those countries with a good track record and sound policies.

Medium-term actions

- We underscored that the Bretton Woods Institutions must be comprehensively reformed so that they can more adequately reflect changing economic weights in the world economy and be more responsive to future challenges. Emerging and developing economies should have greater voice and representation in these institutions.

- The IMF should conduct vigorous and even-handed surveillance reviews of all countries, as well as giving greater attention to their financial sectors and better integrating the reviews with the joint IMF/World Bank financial sector assessment programs. On this basis, the role of the IMF in providing macro-financial policy advice would be strengthened.
- Advanced economies, the IMF, and other international organizations should provide capacity-building programs for emerging market economies and developing countries on the formulation and the implementation of new major regulations, consistent with international standards.



058. Statement by Minister of State E. Ahamed at the Plenary Session of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus.

Doha (Qatar), November 30, 2008.

Mr. President,

Excellencies,

Ladies and Gentlemen,

At the outset, I would like to thank His Highness the Emir and the Government of Qatar for the warm hospitality extended to us and for the excellent arrangements made in hosting this very important Conference. I would also like to express my appreciation for the UN Secretary General, the President of the General Assembly and their teams.

Mr. President

We are grateful for the words of sympathy and solidarity that many of you have expressed for my country in the wake of the dastardly terrorist attack on Mumbai. These attacks were well orchestrated and well planned. This is not possible without a strong institutional and financial support from outside.

I hope that this conference will send out a strong message that not only the perpetrators but also the organisers, financiers and supporters of terrorism will be brought to justice urgently. We would also urge an urgent adoption of the Comprehensive Convention on International Terrorism that has been pending for long at the UN.

Stamping out terrorism is also essential for social cohesion and safety and security in all our societies. These are, in-fact, essential preconditions for development.

Mr. President,

In 2002 at Monterrey, we made a renewed commitment of ensuring predictable and additional financing to developing countries for their development efforts.

Today at the half-way mark to our target date of 2015, it is clear that many developing countries, and the world as a whole, will not be able to achieve the Millennium Development and other Internationally Agreed Goals.

The main reason is the lack of delivery on the global partnership. There has been a drop from 0.31% of gross national income in 2006 to 0.28% in 2007, far less than the commitment of 0.7% of GNI made over 30 years ago. OECD figures also show a disappointing drop in total development assistance by 8.4% in real terms in 2007, on top of a 5.1% drop in 2006. It is high time that we stop making commitments after commitments and instead deliver on commitments.

Mr. President,

Our Conference is extremely timely given the magnitude of the financial and economic crisis that we are facing today. Developing countries were not the cause of the financial crisis, but may become its worst victims. The choking of normal credit will lead to lower capital flows and foreign direct investment to developing countries. Their export abilities will also be hit.

Much of the world's growth in the past several years has been due to growth in developing countries and any slowdown of this growth would have serious consequences for the world economy. If we are to prevent a slide back and ensure that Millennium Development Goals are achieved, developed countries will have to see that FDI, trade and infrastructure development in developing countries is not slowed down.

Mr. President,

International private capital flows to developing countries have increased since Monterrey though we should remember that there continues to be a net outflow of resources from developing to developed countries with the figure having reached almost US\$ 800 billion in 2007.

Given today's financial turmoil, more intensive efforts have to be made to ensure that capital flows to developing countries, including private flows, do not shrink. In these circumstances, ODA would have a more important role in development financing and there is an urgent need to scale up ODA.

There is also an imperative to put in place counter-cyclical policies by promoting infrastructure investment and investing in green and clean technologies. "Investment in infrastructure is today perhaps the best signal for reviving private investment, including FDI, tomorrow" is what our Prime Minister, Dr. Manmohan Singh, recently noted. The World Bank, International Finance Corporation and regional development banks have a special role in this.

Our focus must also be on ensuring that developing countries enjoy the proper economic and policy space to allow them to grow rapidly, unfettered by conditionalities. We must guard against protectionist tendencies and erection of trade and economic barriers. The global partnership should assist in capacity and institution building as well as transfer of technology.

Mr. President,

Our efforts to use trade as a catalyst for promoting development must yield results that ensure that development is at the heart of the outcome. For India, the livelihood interest of millions of our vulnerable subsistence farmers is of critical importance.

Mr. President,

As we meet here the UN Framework Convention on Climate Change is convening in Poznan. It is important that the negotiations under the UNFCCC respect the principle of common but differentiated responsibilities in letter and spirit and move towards an ambitious and equitable outcome. The outcome should recognise an equal right for all to the global resource of the atmosphere. Developing countries must be able to give their people a better life and cope with their huge adaptation needs.

The developed countries must deliver on their green-house gases reduction commitments. They must also commit support for developing countries with capacity building, technology and new and additional finance for addressing climate challenges without detracting from development finance commitments.

Mr. President,

The current economic crisis has brought about a clear recognition of the mismatch between the realities of today and the existing global architecture of international governance. The institutions created at Bretton Woods must have a greater voice, role and effective participation of developing countries reflecting current realities. We welcome the moves initiated in this direction. And, at the United Nations, too, the democracy deficit is no longer sustainable.

This requires genuine reform of the Security Council, which must encompass expansion in both permanent and non-permanent categories of membership reflecting contemporary realities.

Mr. President,

At this half-way stage to the target date for the Millennium Development Goals, we must ensure their attainment across the globe. The response to the current economic and financial crisis, which threatens to roll-back some of the hard-won development gains in developing countries, has shown that with the requisite political will, the world has tremendous capacity to mobilize large resources at short notice. We hope that at this Conference we will witness the same zeal of galvanized action for the good of all humankind.

Thank you.



059. Speech by External Affairs Minister Pranab Mukherjee at the 103rd Annual Session of Punjab, Haryana and Delhi Chamber of Commerce & Industry on "Integrating Rural and Urban India- Inclusive Growth".

New Delhi, December 17, 2008.

Shri L.K. Malhotra, President PHD Chamber of Commerce & Industry

Shri Krishan Kalra, General Secretary,

Distinguished Guests,

Ladies & Gentlemen,

I deem it a great privilege to be invited as the Chief Guest at the 103rd Annual Session of this prestigious institution, the PHD Chamber of Commerce and Industry. The Chamber holds the distinction of being one of the illustrious and oldest in the country. I also take this opportunity to congratulate the distinguished persons and enterprises who are being awarded by the Chamber for making outstanding contributions in different fields and achieving excellence. The topic of my address this evening "Integrating Rural and Urban India- Inclusive Growth" is indeed interesting and central to the challenges of development that our country faces today.

When we look back at the achievements made by our country, during the last more than six decades, we can feel legitimately proud about the difference that can be seen in the economic and social fabric of our country. Indeed, the country has undergone a positive and healthy transformation in all the critical areas of human activity and prosperity is very much evident even at the grass roots.

What is more, the opening up of Indian economy to global competition, spurred by the liberalization process and a progressive dismantling of controls since 1991, has catapulted India on a fast growth track - from a third world nation to a potential emerging world economic power. No wonder, economists are predicting a world order wherein our country would emerge as an economic power before the second half of the 21st century.

For us in the government, sustained economic growth remains a high priority. However, we also recognize that what matters is not just how fast a country grows, but also how it grows. We have to work towards making growth more inclusive so that the gains of economic growth and modern technology

are transmitted to the lowest strata of our society. And, one important pillar of any strategy for such inclusive growth is by strengthening rural- urban linkages and integrating rural and urban India.

We also realize that, despite our best efforts, a significant divide continues to exist between rural and urban India. This poses a threat to the social, economic and political stability of the country. We have to reverse this trend. We have to bridge and ultimately eliminate this gap. In this context, the major challenge for our economy is that of balancing our growth process with the glaring gaps that prevail between the cities and the villages. Therefore, it is important to ensure that growth is inclusive and equitable and intimately linked to the growth objective and attainment of one may not be possible without the attainment of the other. It is also true that sustained high growth rates may not be sustainable if they do not address the problems of urban-rural disparity and the lack of mobility of those employed in agriculture to productive jobs in industry.

We are aware that the elimination of abject poverty from India would be possible only through economic rejuvenation of our rural areas. Hence it is our endeavour- indeed our mission- to ensure that the economic conditions and lifestyle of our rural brethren are improved. We have to ensure that the agriculture sector grows by at least 4% per annum over a longer period of time. The Debt Waiver Scheme announced this year amounting to more than Rs. 71, 000 crores will benefit more than 4 crore small, marginal and other farmers and help to boost up agriculture.

Ladies & Gentlemen,

The Common Minimum Programme of the UPA government seeks to resolve the widening disparities between the rural and urban areas. Besides, the Eleventh Five Year Plan too has inclusive growth and rural rejuvenation as its central theme and resources are accordingly being allocated for the purpose. All this has helped our government to take numerous initiatives to close the gap between the cities and the countryside in quick time.

Among the numerous programmes launched by the Government for rural uplift, I would consider Bharat Nirman, conceived in 2005, as a major initiative of the government to unlock the developmental potential in the rural hinterland. It is a four year time-bound business plan for achieving the identified goals in six selected areas of rural infrastructure. The scheme aims to provide electricity to the remaining 1,25,000 villages and to 23 million households; to connect the remaining 59,461 habitations with all weather roads and construct 1,46,185

km of new rural roads network; to provide irrigation to an additional 10 million hectares; and connect all villages with telephones. It is estimated that out of the total projected investment of Rs. 14,40,602 crore to be incurred by the Centre and the States in the Eleventh Plan, Rs. 4,39,392 crore (or 30.5 per cent) would be spent exclusively towards improvement of rural infrastructure. The targets are, indeed, ambitious. But I am hopeful that with active participation of the State Governments and the people, the scheme would deliver on time.

Since the launch of Bharat Nirman in 2005 till early this year, over 20,830 habitations have been connected by all weather roads, over 45,000 villages provided electricity under Rajiv Gandhi Grameen Vidyutikaran Yojana, over 45 lakh houses constructed for the rural poor, and more than 3.8 million hectares of land brought under irrigation. Number of rural telephone connections has more than doubled and tariffs have fallen dramatically. Only 12,000 villages remain to be connected by telephone. To provide mobile telephones and broadband connectivity for Internet and other modern telecom facilities in rural areas, a massive scheme for creation of rural telecom infrastructure has been taken up.

Our Government has also approved a Special Accelerated Road Development Programme for the Northeast to improve about 8,737 km of roads. In the first phase of the project, works are in progress involving 2,304 km of roads. The norms of coverage of villages under Pradhan Mantri Gram Sadak Yojana have been revised to ensure coverage to hundreds of additional habitations in the Northeast, hilly and inaccessible areas of the country.

There are some concerns about the momentum in recent years in the development of rural electrification. Over 80,000 villages still do not have electricity connection. The Rajiv Gandhi Grameen Vidyutikaran Yojana is to ensure electrification of all villages by the year 2009. Once this is done, we should move rapidly to arrange availability of electricity to all households. Needless to say, much of our efforts are geared to augment electricity generation from all available sources. With more than 50% of our energy requirements met by coal and fossil fuels, and the current fluctuations in the prices of oil and gas, given our energy requirements for the next 20-25 years, we have come to the conclusion that there is no alternative to developing our nuclear energy sources. Today we have an installed power generating capacity of 1,60,000 MW. However, the actual generation is 1,38,000 MW constituting 89,000 MW thermal, 35,000 MW hydro, 10,000

MW renewable sources and 4,000 MW nuclear as of November 2007. Our projected requirement is 800,000 MW by 2030-31.

Indicators of human development such as literacy and education, and the maternal and infant mortality rates, show steady improvement, but they also suggest that the progress is slow and we continue to lag behind. The literacy rate in rural India is also catching up with that of urban areas aided by schemes like Sarva Shiksha Abhiyan. While the literacy rate has gone up from 18.3% in 1951 to 64.8% in 2001, the number of illiterate persons still exceeds 200 million, making India the country with the largest number of illiterate persons in the world.

Taken together with our initiative to guarantee rural employment, through the National Rural Employment Guarantee Scheme, and the initiative to improve rural health, through National Rural Health Mission, it should be clear that our Government is indeed giving a 'New Face to Rural India'. That we have moved so quickly in delivering on that commitment is a testimony to our sincerity. No Government in this country has launched such a massive programme of rural development and transformation in such a short period of time for inclusive growth of the country. Over three crore people are being provided employment annually in 330 districts covered under NREGA and many more will benefit with expansion of the programme to all the 604 districts in the country from April this year.

Ladies & Gentlemen,

As I said economic growth cannot be the only objective for national planning and needed over the years, development objectives are being defined not just in terms of increases in GDP or per capita income but broader in terms of enhancement of human well being. This includes the expansion of economic and social opportunities for all individuals and groups and greater participation in decision-making. The delivery of essential social services at the grassroots level is a major causative factor in unequal development. Much higher levels of human development can be achieved even with the given structure of the economy, if only service delivery is improved. In keeping with this, Panchayats have been given the central role in implementation and monitoring of all rural development programs.

I am glad to note that over the years, the private sector has also taken keen interest in bringing prosperity within the rural domain. Many firms have voluntarily undertaken excellent work in the countryside. They have adopted villages, built schools, undertaken health and other welfare programmes

and assisted rural youth in acquiring market oriented skills. Some of the initiatives taken by the corporate India have been trend setters for unleashing rural India's growth potential to help connect our villages with urban developments.

All this shows that rural development is not the agenda of the government alone. Involvement in rural areas affords many attractive business opportunities, if we adopt the approach of public-private partnership. It is also a win-win situation for trade and industry. For example, food processing, storage and handling of grains, marketing of the products of village industries, especially handicrafts, are all areas where greater private investment and management expertise can be profitably employed. Another area where the government, private sector, and rural communities can work together is in increasing both production and productivity in agriculture. This can be achieved through collaboration between the corporate sector and rural cooperatives. This is especially necessary in the early completion of ongoing irrigation projects, for which the Government's resources are limited. We also need to encourage private investment in wasteland development, social forestry, plantations, and improved management of dry land farming, animal husbandry, and fisheries.

Our government has started to give a major boost to self-help groups, supported by micro-credit from banks. Women's self-help groups have especially worked wonders. I would like the private sector to support these micro-enterprises with suitable technology transfer and marketing. Two other areas where public-private partnership is both urgently needed and can yield very good results are healthcare and education. Over the past sixty years, the Government has created a vast network of primary healthcare centres, and primary and secondary schools in rural areas. These sectors further require active participation of people outside the government.

In conclusion, I would like to say that there would be many more areas where debates and discussions would be important if we are to go forward for real broad based achievement in rural uplift and thereby integrating rural with urban India. We have, as Robert Frost said "promises to keep" and we must keep them, even if there are "many miles to go".

Thank you.



060. Address by Prime Minister Dr. Manmohan Singh at the International Conference on Development, Freedom and Welfare.

New Delhi, December 19, 2008.

When I look at the glittering audience with such powerful intellects seated in this Hall, I am wondering what am I doing here. But it's a rare occasion for me to be present here to release a book which celebrates the life and work of my good friend Amartya Sen. I am therefore delighted to join this glittering gathering to celebrate the enormous intellectual achievements of my good friend and one time fellow student Professor Amartya Sen, Nobel Laureate, Bharat Ratna. As Amartya mentioned, we have known each other since the days when we both were students at Cambridge. I certainly have always felt that Amartya even in those days gave one the impression that here is an individual who is going to make a lot of difference to the way people think about their problems and he has lived up to that expectation. Our paths diverged thereafter but I have watched with great admiration as he went on to climb the dizzying heights of economic theory, followed by forays into esoteric fields of moral philosophy, ethics and logics and with occasional illuminating excursions into history. More recently, he has also descended into the humdrum plains of development policy to study issues which are the focus of attention of the development community in general and are certainly the subject of daily debate in India and indeed in most parts of the developing world and that is as it should be. When I was a student at Cambridge, A.C. Pigou's 'Economics of Welfare' was the book which made a great deal of impact on me and there is a quote from Pigou's opening chapter about what economics is about which if I remember correctly reads something like this - "when we study economics, our impulse is not the philosopher's impulse, knowledge for the sake of knowledge but for the healing that knowledge may help to bring." And then going on to quote Carlyle, Pigou says, "Wonder says Carlyle is the beginning of philosophy. It is not wonder, Pigou adds but the social enthusiasm which revolts against the joylessness of withered life and disorderliness of mainstreams that is the main inspiration of economic science. Distinguished friend has been one of the greatest economist, one of the greatest philosophers and his life and work bear testimony to what Pigou said economy should be about.

It is a matter of great pride for all of us in India that Amartya's career as a teacher began in India, first at the Jadhavpur University, much of it later at the Delhi School of Economics where he and I were colleagues together

and where he first began to explore Welfare economics and Social choice theory. Since then he has held academic positions in some of the most distinguished Universities in the world. Though quintessentially a global citizen, Amartya remains both at heart, and in citizenship, an Indian. He has told me that he is still carrying an Indian passport despite all the difficulties that are associated with being an Indian when you travel abroad. It is therefore especially appropriate that this international conference in his honour is being held in India and I thank Kaushik Basu and Professor Kanbur for having given concrete shape to this idea.

I would like to take this opportunity to welcome all Amartya's friends and admirers who have come from different parts of the world to be here today.

Henry Kissinger is reported to have once observed that academic squabbles are as vicious as they are because the stakes are so low! This is not really true. Which ideas win out in the end is not a low stake activity. It has a huge impact on how we live our lives. Ideas matter enormously. As John Maynard Keynes in the General Theory in the last chapter said so eloquently and I quote :

"....the ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood... Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas."

The theme of this conference is development, freedom and welfare. As our Republic enters its 60th year I must emphasise the historical importance of the Indian experience in this area. India consists of over a billion people, seeking their social upliftment, their political empowerment and their economic betterment within the framework of a liberal, a plural and a secular democracy. This is a truly remarkable endeavour by any measure.

The global community, I sincerely believe, has a great stake in the success of Indian experiment. I venture to suggest that this experiment deserves more credit than it usually secures, especially from our fellow economists! We are all mesmerized by numbers and graphs. These are relevant to any evaluation of the human experience. But they do not capture the essence of human existence. We do not live to eat, we eat to live.

Development and welfare are not the end-all and be-all of human endeavour. Freedom is. And freedom has many manifestations. Economic, social, political, intellectual, religious and so on. Pursuing development and seeking welfare within the framework of a liberal democracy are not an easy journey for a poor country like ours. Many nations started this journey with us and drifted away. Some chose not to walk this path, others were denied that opportunity.

India's achievement in this dimension has global relevance even today. In a world where intolerance is on the rise, in a world where bigotry is on the rise, in a world where narrow nationalisms challenge universal values, in a world where ideologies of exclusion challenge the inclusiveness of the human spirit, more voices must speak for freedom and democracy. Even if such freedoms are partial and such democracies are flawed.

I do not deny that our democracy has its faults. Amartya values its' argumentative aspect, others more impatient to see movement at times deplore it. Personally I feel what is important about our democracy is not so much the argumentativeness, but its ability to build consensus. Building consensus in a plural society is itself a great human and social achievement. I suggest to this August audience.

India's experiment in democracy has been captured by that famous motto, "unity in diversity". It is a motto that captures our civilisational inheritance. It is a motto that created our nation. It is a motto that will have to guide the world in this troubled 21st Century.

All human challenges today have become global challenges. The unfortunate fact is that while our problems have become global, our responses remain national or, at best, regional. One reason for this could be the inherent weakness of global institutions. Another could be the enduring strength of national interests. Consider the area of economic policy making, a subject that many of you here have been interested in for a lifetime. Why have global institutions failed? What can we do to repair them, to strengthen them, to make them more broad-based?

I am often amazed by the jealousy with which nations guard their control over international institutions even as they speak of the virtues of globalization and democracy! The time has come, I believe, for the global polity to catch up with the times and address the challenges posed by the evolving global economy.

Even as we urge the global community to recognize the global nature of the challenges we face, and urge them to work with us, we assure the world and our own people that we will not be found wanting as a nation in addressing the challenges at hand. Good governance, development and security are the least we can deliver to our people.

The debate on globalization has become too straight-jacketed and divided between those who seek only global solutions and those who seek national ones. It has become divided between those who remain obsessed with the ideologies of the market and those who adhere to the ideologies of Statism.

We in India have long rejected such stereotypes and such ideological straight-jacketing of policies. We have walked the pragmatic Middle Path, and will continue to do so. We must learn to walk on both legs.

The response of developed countries to the challenges of our times, be it the financial crisis or climate change or the menace of terrorism, shows that they have no monopoly of good ideas. We in the developing world wish to work with the developed, but we have to find our own ways to deal with these challenges. The imperatives of development, of the well-being of our people, and the logic of democratic politics dictates all this. We are, after all, answerable to our people.

I am glad that we are today celebrating the achievements of Amartya Sen, who has written persistently about openness, about freedom and the advancement of the poor wherever they reside, whatever their colour or religion. He has reminded us of the intellectual collaborations that we once had with China, of the scholars from distant lands who came to our own Nalanda University more than a thousand years ago and of the open courts of Ashoka and Akbar. And in that spirit let me say that we all are truly proud of Amartya Sen's achievements not just for India but for humanity at large. I wish Amartya a long and purposeful life and wish your conference all success. For Amartya I would say the Urdu couplet : *'Tum Zinda Raho Hazar baras, har baras ke din ho pachhas hazaar'*.

You live a thousand year; each year has fifty thousand days.



061. Remarks of External Affairs Minister at a Panel Discussion to honour Prof. Amartya Sen, Noble Laureate.

New Delhi, December 20, 2008.

Distinguished Guests,

It is an honour to preside over this Panel Discussion on the theme Vision for a New South Asia. The panelists for this session are all very distinguished persons, who are highly respected in India and among the South Asian fraternity. Yesterday and today, we have heard great minds who have all come together to celebrate the 75th birthday of Nobel Laureate Amartya Sen through the sharing of ideas on development, freedom and welfare - all of which have been Amartya's lifelong search.

Interestingly this panel will talk about a 'new' South Asia, suggesting thereby that the 'old' South Asia is either dead or dying. At one level, it is true that there has been dramatic and truly momentous political developments in some countries of South Asia, especially Bhutan, Maldives and Nepal. All of us in South Asia applaud these developments. However, if a 'new' South Asia is to emerge, I believe that there would need to be a change in mindsets in the first instance.

If we were to identify, as sovereign nations, the one single thing that is critical to our national interests, I would say that it is freedom or the absence of insecurity.

Security has many dimensions and I do hope it would be possible for the panelists to explore these aspects in some depth during their presentations. Let us take the element of economic security. Without economic security can there be freedom? Today, much of South Asia is characterized by high rates of economic growth and yet, it remains as amongst the poorest regions in the world. There are almost 450 million persons who live below US\$ 1 per day. The prevalence of extreme poverty and human deprivation reflects the acute income inequality and disparity prevalent in the region. Statistically there has been progress in terms of poverty reduction but the countries in the region have a long way to go before they can attain the Millennium Development Goals (MDGs) by 2015. Unless we can guarantee economic security or development for our people, a 'new' South Asia will not emerge. Indeed, economic security or the freedom from hunger, destitution and poverty is the only path towards dignity and development.

Our government is committed to pursuing policies of inclusive growth because we believe that when the benefits of growth are shared equitably, growth will be transformed into development. Economic security is, thus, the primary focus of our government. At the same time, we have consciously sought to find ways and means through which the positive performance of the Indian economy could usher in 'shared prosperity' in the region. We believe, quite pragmatically, that 'shared prosperity' is mutually advantageous. As a result, during India's chairmanship of SAARC, we consciously tried to infuse dynamism in the SAARC process in a non-reciprocal manner.

Another element of security may be loosely termed as 'political freedom'. In a recent paper, Professor Kanti Bajpai has argued that democracy and democratization are vital for peace in South Asia. India believes it is the sovereign right of any people to decide on the kind of government they would like, whether democratic or military. We have seen a fresh wave of democracy sweep over many parts of South Asia and these are encouraging signs. However, genuine democracy does not come about simply by holding an election but rather through a process of democratization that makes the elected representatives accountable and more importantly, in ensuring that there does not exist a separate and de facto centre of power that is actually pulling the puppet strings. The pretense of democracy is not equivalent to democratization. We do not believe that it is for us to advocate how other countries should be governed but we would, most certainly, like to know whom we should deal with vis-à-vis another government; in other words, who runs the show?

While discussing a 'new' South Asia, can we forget the plural character of the region? India alone is home to every great religion in the world and we are proud of our secular and plural heritage. It is a heritage we will not abandon or forsake for it is the cornerstone of idea that is India. Security of all religious faiths is, thus, critical to the vision of a 'new' South Asia.

Finally, we need to focus on the aspect of physical security. Less than a month ago, India was held hostage to a dastardly terrorist attack in the city of Mumbai. Across the globe, the faces of the terrorists have been seen. The deaths of the innocent people, the wanton loss of life and property, were not accidental or unintended as is sometimes referred to as collateral damage. On the other hand, this was cold and calculated murder. One of the terrorists, who has been captured alive has given us a chilling accounts of his handlers. A few months earlier, the Indian embassy in Kabul was the

target of a terrorist attack. The impunity with which these attacks are carried out is possible only because of the safety the handlers have been assured. For as long as this continues, we will remain mired in the 'old' South Asia.

I am confident that the eminent panelists and the discussions that follow will try and explore the vast canvas that the theme of the panel opens up before us.



062. Inaugural Address by External Affairs Minister Pranab Mukherjee at Heads of Mission Conference.

New Delhi, December 22, 2008.

Dear Ambassadors,

It is my pleasure to inaugurate this first conference of all our Heads of Missions. The timing of this conference is most opportune. The world is in the midst of transition covering both political and economic spheres. Political transitions are underway in countries of our neighbourhood as also in the world's leading power. The global economic crisis shows no sign of an ending soon. Issues of energy, environment, food security, and water, to name a few, are becoming more complex. Above all, the effects of the processes of globalization are throwing up new challenges; but, they also provide opportunities for our national endeavours. We have to ensure that our interests and security are safeguarded and promoted. As a stakeholder in the international system, we need to manage the strategic shifts that are underway to maintain our stability and security and bring prosperity to our people.

Before I share my thoughts with you on how we should play a role in shaping these outcomes, I would like to use this opportunity to mention some of our achievements in the past four and a half years. In this period not only we have had significant diplomatic successes but we have also been able to make good progress in transforming our systems and way of functioning so that we are able to respond better to the global developments. If I were to list out the main achievements these would include:

- (i) Relations with neighbours: We live in a difficult neighbourhood. Each of our neighbours is undergoing a domestic transition. It is heartening

to note that most of these transitions are proceeding smoothly and have led to the spread of democracy. Our relations with each of our neighbours, apart from Pakistan are better than before. Both Nepal and Bhutan have new democratically elected governments and Bangladesh is soon going to hold its national elections. It is also a matter of some satisfaction that we have been a factor for stability and peace in the region and our economic growth is having an impact beyond our borders. There is a realization among most of our neighbours, of the increased opportunities and the benefits of partnering with us.

- (ii) Energisation of SAARC: During our chairmanship we have been able to move SAARC from a declaratory phase to an implementation phase and launch several initiatives including the SAARC Food Bank, SDF and the South Asia University.
- (iii) Relationship with major powers: Today our relations with all the world's major powers are much deeper and stronger than before. We are engaged in establishing strategic partnerships and expanding the scope and depth of our economic and strategic interaction with different countries, groupings and regions - whether it is the US, Russia, China, Japan, EU, South East Asia, Central Asia, IBSA or many others with whom we are developing a fruitful and active dialogue. Our relations with Africa got a major fillip with the first India-Africa Summit this year. The successful completion of the Civil Nuclear Initiative is a major diplomatic achievement. It is the first time that we have been able to move the international system to change long established rules in our favour. From being a target of the technology denial regimes we are now regarded as a partner.
- (iv) Passport/Visa services: The Passport Sewa project should result in better and efficient passport services to our fellow citizens in a comfortable environment. By the end of 2009 we should be able to issue new passports in 3 days and do all other miscellaneous services in a day. We have also been able to outsource visa work in 29 missions which has resulted in better use of available manpower and also better service to people.
- (v) As regards the functioning of the Ministry also there have been several new initiatives and milestones. Cabinet has approved 514 new posts which will be created in a phased manner over the next

10 years. This additional manpower should help us in dealing with our ever increasing responsibilities arising from greater engagement with the world. The work on a new state of the art building for the Ministry 'Jawahar Lal Nehru Bhawan' is progressing smoothly. When we next meet for such a conference it will be in that building. The new housing complex in Chankyapuri is almost complete and this should help to relieve the housing problem for our officers when they return to Headquarters. We are undertaking major construction projects in Beijing, Tokyo, Kathmandu and Singapore. We are also working to improve and strengthen the security of our missions abroad so that we can avoid incidents like the terrorist bombing of our mission in Kabul. The Ministry is processing a proposal to classify our missions in different categories depending upon threat perception and to provide them with requisite number of professionally trained security guards and security equipment.

This is just a brief listing of some of what we have done. The real indicator of our success and achievement in diplomacy is the fact India is being called upon to assume an increasingly demanding role on the global stage.

Dear Ambassadors,

I had mentioned in the beginning that the world today is in transition. This is evident in our immediate neighbourhood as well as in the larger global arena.

In our neighbourhood we have continued with our efforts to deepen engagement, either bilaterally or multilaterally and even by assuming a built-in asymmetry in responsibilities. An objective assessment shows that this policy has yielded results except with Pakistan. The recent terrorist attack on Mumbai was unprecedented both in terms of its scale and audacity. This and the series terrorist incidents preceding it including the attack on our embassy in Kabul, where we lost our colleagues indicate that terrorism emanating out of Pakistan is acquiring an increasingly dangerous dimension and continues to threaten peace and stability in this region and beyond.

We have so far worked at several levels. At the international level we have sought the support of the international community to put pressure on Pakistan to deal effectively with the terrorism. We have highlighted that the infrastructure of terrorism in Pakistan has to be dismantled permanently. We are not saying this just because we are affected but because we believe that it will be good for the entire world and also for Pakistani people and society. This terrorist infrastructure in Pakistan is

the greatest terrorist danger to peace and security of the entire civilized world. There has been some effort so far by the international community but this is not enough. Much more needs to be done and the actions should be pursued to their logical conclusion. We need effective steps not only to bring those responsible for the Mumbai attacks to justice, but also to ensure that such acts of terrorism do not recur. Unfortunately Pakistan's response so far has demonstrated their earlier tendency to resort to a policy of denial and to seek to deflect and shift the blame and responsibility. We expect civilian Government of Pakistan to take effective steps to deal with elements within Pakistan who still continue the use of terrorism as an instrument of state policy. We have so far acted with utmost restraint and are hopeful that international community will use its influence to urge Pakistani Government to take effective action. While we continue to persuade the international community and Pakistan we are also clear that ultimately it is we who have to deal with this problem. We will take all measures necessary as we deem fit to deal with the situation.

The international financial and economic crisis presents another set of transitional challenges for us. From our perspective, we need to see how we can manage the crisis and also place ourselves in a position so that we can play a role in any future global financial or political structure. The challenge for us is to shape a set of policies encompassing both the security and foreign dimension such that we can ensure an external environment conducive to India's transformation and continued development.

Dear Ambassadors,

You have the experience and are well versed in the craft of diplomacy. However I wish to point out some facets which will require particular attention, given the transitional global political and economic environment that we now find ourselves in.

We have today a multiplicity of actors on the global firmament, including think-tanks, NGOs and the media. These actors are exercising a significant level of influence. During the civil nuclear cooperation discussions, we saw how a concerted effort was made to unsettle negotiations, by portraying a narrow and distorted view of the negotiations. Therefore, even though these actors may exercise varying degrees of influence and hold views which may be antithetical, there is no alternative but to take cognizance and engage with them. This engagement can be at various levels in its intensity and range. In the coming years, the crafting of sound policies will also depend on the influence we are able to bring to bear and the way in which

we manage these processes and actors.

In this context, our soft-power is an asset we need to utilize with a greater degree of cohesiveness and with an outcome oriented approach. We have scholarships and mid-career training programmes, we offer defence cooperation and related technical programmes. A vast amount of money is spent on these programmes. Unlike some other countries, we have till date eschewed monetizing these programmes. Perhaps, we may now need to conduct a more realistic assessment and undertake an audit of the utility of these programmes, of these tools of soft-power at our disposal. The database of participants can be augmented not only by annual ITEC days but perhaps by promoting an alumni of graduates of Indian institutes in your countries. We should capitalize on the existing goodwill, in creative ways, and I expect our Missions to assist in this task.

Our chanceries and facilities for those seeking passport, visa and other consular services represent our public face and need a special mention. The maintenance and upkeep of these facilities should be a priority. At the same time we should endeavour to provide services comparable to best international standards. As I noted earlier we have made some progress in this regard. I hope that this will continue.

The Indian Diaspora is an asset. They are not only affluent in many countries and are also influential, being well integrated into their local communities. The efforts of previous years to engage them, has proven to be beneficial and they can be a source of strength. We need to continue to nurture them.

On the economic dimension, India's economy has proven to be both outward looking, competitive and resilient. Our companies are no longer shy in exploring new opportunities and our manufacturing is setting new standards and earning a healthy reputation. This can be utilized to enhance our reach and effectiveness in other countries.

The larger process of globalization has unintended consequences. There is the accelerated interaction, due to the speed and spread of the electronic media. This has severely compressed the time available for decision-making. We have to be aware of this in our work both in Headquarters and in Missions. We must be clear in our analysis and in our presentation of options. The transitions underway globally also makes it harder for us to arrive at assessments but we should gear ourselves to discerning the different strands, particularly the underlying currents which are influencing policy

making. The fluidity of the situation provides us an opportunity, to fashion new frameworks to enhance our interest.

To conclude, it is not merely the structure of the international system that is changing at a rapid pace. The challenges themselves are rapidly evolving. Traditional approaches must make way to more forward looking approaches of cooperative solutions. We should prepare to play a leading role in shaping the emerging world, by preparing long term strategies as an influential and respected member of the international community.

You will over the next three days consider many aspects of our global interaction. I wish you success in your deliberations and look forward to your conclusions which I will discuss in the concluding session on the 24th.

Thank you.



063. Press Release issued by the Prime Minister's Office on Dr. Manmohan Singh's address at the Conference of Indian Heads of Mission.

New Delhi, December 23, 2008.

Prime Minister today addressed the Conference of Indian Heads of Mission organized by the Ministry of External Affairs.

Prime Minister emphasized that India's foreign policy should be an extension of our enlightened national interests. The biggest challenges which the country faced were the removal of poverty, disease and ignorance. The removal of poverty and emancipation of our people should be given the pride of place in India's foreign policy. India's diplomatic efforts should be geared to removing obstacles which stand in the way of achieving these objectives. Particular attention needed to be paid to ensuring food security, the management of water resources, energy security and overcoming technology denial regimes.

Prime Minister noted that globalization had come to stay, and interdependence among nations was today a fact of life. The implication of this was that the destinies of nations were increasingly interlinked. India was a country that was not well endowed with natural resources on a per capita basis, and therefore India would have to be a major trading nation of the world. Indian diplomacy should be geared to ensuring an open and transparent multilateral trading system, and to overcoming barriers to Indian trade.

Prime Minister referred to the international security environment, and said that threats such as terrorism and piracy required a well thought out strategy. India sought peace and stability in its neighbourhood. The situation was however worrisome. Non-state actors were practicing terrorism aided and abetted by state establishments. The Mumbai terrorist attacks were an attack on India's ambitions to emerge as an economic power. India would not accept a situation where terrorism is used as an instrument to cripple India's economy or the values it stands for.

In conclusion, the Prime Minister said that India was destined to become a major economic and knowledge power which was at peace with itself. India's diplomatic efforts should be geared in this direction and reflect the aspirations of its people.



**064. Press Release issued by the Ministry of External Affairs
on the Conference of Heads of Indian Missions abroad.**

New Delhi, December 24, 2008.

A Conference of Heads of Indian Missions abroad was held in New Delhi on 22-24 December, 2008. The Heads of Missions (HoMs) were received by the President and Vice-President and were addressed by the Prime Minister. The Conference was inaugurated by the External Affairs Minister. The Minister of State for External Affairs interacted with the HoMs during the Conference.

Minister of Commerce and Industry; Minister of Overseas Indian Affairs; Minister for Agriculture, Food and Public Distribution and Consumer Affairs; Deputy Chairman, Planning Commission; Chairman, Chiefs of Staff Committee; National Security Adviser, as well as Secretaries of various Ministries addressed the HoMs.

The sessions covered the entire spectrum of issues concerning our foreign policy including politics, security and defence, economic and cultural issues, as well as challenges of food and energy security and the environment. The recent developments involving Pakistan were also discussed. During the Conference, the HoMs also interacted with the leaders of Indian industry.

The Conference also discussed issues of institutional efficiency and coherence, and measures for even more effective work by Indian Missions abroad.



065. Interview of Foreign Secretary Shivshankar Menon with Kalyani Shankar for All India Radio.

New Delhi, December 31, 2008¹.

Kalyani Shankar: (KS): Welcome to this programme, Mr. Shankar Menon. If you look at your crystal bowl, what do you see for the country in 2009 ?

Shiv Shankar Menon: (SSM): Well, I have to say because I think 2008 has been a year of so much change. And so many major changes in external relations, in the external environment that I think I would expect that it is a pace of change will be a little quieter. If you look at it, in the last year, we had, all our neighbours have changed their governments. Whether Bangladesh, Pakistan, Bhutan, had its first democratic elections, Nepal, Except Sri Lanka, Afghanistan and India. Next year, I think there will be. You had a world economic crisis of unprecedented proportions. So, that environment is changed. You, for the first time last year you managed to re-write the rules of international nuclear trade and diplomacy in your favour, you changed the international system in your favour. A huge change. So if you look at that kind of big change, systemic change, I think, and most of the major parts also are going through some changes or the other. I would hope that 2009 will be not quite so exciting. So interesting. I don't think the nature of change will be as that pleasing. But I think certainly, change is inevitable. And if you look at our economy, it is still growing. It is one of the few economies which is still growing and growing quite fast in the world. If you look at the way our society is changing, our needs from the rest of the world also are changing, the way we engage with the rest of the world. Today as we evolve into some kind of knowledge economy, the ways in which we deal with other countries is also changing tremendously. Our economic engagement is much more than ever before. So I would see most in next year, I would expect to be a continuation of that process. Of that change in phase and how you will deal with the rest of the world.

KS: A little will be more of economic diplomacy than...:

SS: I think, there will be a lot of than. I think partly. Well, first half of the year I suppose we will have our own domestic politics will keep us quite busy with elections and so on. So I think, but the normal business of India with

1 The interview was recorded on December 31 and broadcast on January 1, 2009.

the rest of the world will go on. And I think, that is, I think, the beauty of a system like us. That we will go on doing it. One big issue which I think Mumbai, the attack on Mumbai, which is a real concern for the next year. Israeli terrorism and international terrorism, which springs from the situation in Pakistan really, that is where the source of these elements attacked us from Pakistan. And that is going to be a major concern in 2009.

KS: So you will have to devise the big plan how to deal with it ?

SSM: Well, I think it is a national effort . It is not just an external affairs problem or home ministry problem. So therefore, I think it is really something that we have to deal with as a nation as a whole. Just as I think the world economic crisis also is a challenge to all of us, it is not one, not just commerce ministry or the. So I think that is the difference.

KS: Mr. Menon, there is one confusion in the minds of the people about the possibility of the war with Pakistan. Is it our government, sometimes Ministers and even government officials, sometimes you get the feeling that all options are open. Then again, there is a contradictory statement saying military option is also open. Then one says it is not open. Same thing is happening with Pakistan. Then Gen. Kyani says something that we will reply in five minutes. And then they say that they are talking in a folked tongue. You know once something they say, Zardari says something . So this is creating a lot of confusion. Are we going for a war or are we getting ready for a war or just rhetoric?

SSM: Well, I can speak very clearly for atleast government of India. (a) We have no quarrel with the people of Pakistan. We have a quarrel with those who did Mumbai and who did the series of terrorist attacks on India, Indian interests, which you have seen over the years. And there was Kabul Embassy was bombed on the 7th July, 2008. If you look at each of the cities- Jaipur, Delhi, Ahmedabad- all of them have been bombed, Bangalore. This series of attacks and Mumbai is really the most horrific. It is the whole new scale of it and that is really the most horrific of the series. We certainly have a quarrel with those people. And we do feel that those people who did this kind of dastardly act, they should be brought to Indian justice. They must feel the full forces of the law. And that not just we, but the world has the obligation to do this and Pakistan certainly has an obligation because all these are coming from Pakistan. There is clear proof in the Mumbai case. Now in order to do that, in order to make sure that the perpetrators of the attacks face Indian justice. And to make sure that Pakistan

will take credible action to stop such attacks, terrorists attacks out of Pakistan, we will do whatever is necessary. So when people say all our options are open, we will do whatever is necessary and so on. This is what they mean. We do not seek war. We will not move troops. We have not done any mobilization. A lot of propaganda comes out of Pakistan saying India is doing this and India is doing that. Frankly, I mean, they like boy who cry wolf. You know, they will be crying wolf for so long . I think the world also realizes by now, how much freedom to place by what they say. They will like to convert and divert attention from what is essentially a problem of terrorism coming out of Pakistan into an India-Pakistan crisis. So, here are two nuclear armed states. Then you can move the focus, then you tell, no no please come, deal with this and so on. They would try to shift the focus and divert attention. But frankly that is not going to work. They have tried that before. But we will not allow that to work. But let us say we must do whatever we must to protect our own people. That we will do.

This was an attack on India after all. And there has been a series of attacks on India. So we will do whatever we want. We don't want war. We have not done anything that but we will protect our people, we have a duty.

KS: Mr. Menon I don't ever support the possibility of a nuclear adventure from Pakistan. Is there a danger of the Pak nuclear installations falling into the hands of the militants which is what the Americans fear, I think? AQ Khan, you know, was under house arrest. He says that it is not possible. Do you believe this?

SSM: Well, he also said they that were not proliferating when they did. He ran a whole clandestine programme which he denied for many years, when they were actually doing this. He actually spread nuclear technology to all kinds of countries, sold it all over the place, ran a clandestine network. Now whether you want to believe somebody like that, I don't know. Certainly we worry about the possibility and I think it is something the world should worry about. Not just us. The fact that we don't know about the security of the nuclear weapons in Pakistan. Certainly their doctrines for use are offensive. They actually calculate on how to use nuclear weapons as war fighting weapons. That is part of their military doctrine. So certainly that that is theirs. We have declared a no first use policy. We will not be the first. Pakistan has not. Pakistan so far has refused to when we have asked them to. So they regard them as offensive weapons that they could use. So given that, I think it is natural, we have to think about it, we have to plan for it, we have to work on that basis.

KS: Are we ready to face such an eventuality?

SSM : We will do whatever we can. Whatever we have to do, we will do.

KS: Why is it despite India mobilizing the international support on the Mumbai terror attack, it is unable to make Pakistan take action against the perpetrators of the Mumbai terror attack?

SSM: Well, it depends on how you look at the situation. Quite frankly, I think the world today is much more united and has played much more pressure than ever before in this particular case. And certainly the world had made it clear whether it is by proscribing the Jamaat-d-Dawa at the United Nations adding them to the list of terrorists organizations, or whether it is not just expressions of sympathy when the actual cooperation that we receive from other countries what they have done, told Pakistan and so on. I think it is quite clear. Problem actually arises from the situation in Pakistan and the nature of the situation there. Where there are so many actors and all of them and in different stages, different kinds of relationship with each other. And whether it is a question of capacity or will, we don't know. But the fact is that Pakistan authorities have the responsibility for what happens in their territories. They regard themselves as a state, they have to do something about this. And I think the world is trying very hard to make sure that they do. I think, it is too early to say, yes they have, they haven't.

They promised various things. Our problem is that we have heard so many contradictory things, whether it is action against Masood Azar, first we were told by their Defence Minister that he has been arrested, then we were told by the Foreign Minister, no, he is in custody. Within three hours after that the same Foreign Minister told us no, no, he is at large, we don't know where he is. You know, whether it is action against Jamaat-ut-Dawa or, they say that they have done something, they have banned it, proscribed it, but their website is still being upgraded.

KS: Money is also going into their bank?

SSM: Money is going in, all kinds of things are happening. For all, you know, they have now started up entering new names, it looks like. So frankly, what we see is contradictory. Some things are done. Nowhere near enough. But some things are being done. But it is hard to

say that there is a consistent pattern. There is a perpetual tendency to go back into the Pakistan habit of denial, saying, no, no, we have nothing to do with this. Which is what has happened every time when we have given

evidence in the past that we have gone through the process. They have said, Oh! we should have joined anti-terror mechanism so on we set one up and we gave them evidence. Now they say, we want joint-commission. Why do we need another institution? We have an institution. They should make it work. But our experience so far has not been good. So we will keep at it and try and get Pakistani compliance with their international obligations and with the commitments that they made to us at various stages. President Musharraf had assured us and then President Zardari assured us. On the 24th of September 2008, President Zardari said he would not allow the territory of Pakistan to be used for terrorist attacks on India in any manner, no territory under Pakistani control will be allowed to be used. But it is happening.

KS: Well, I can understand they are not listening to India. But Pakistan is the child of the United States and U.S. is sending signals. Even today, Condoleezza Rice has said that Lakhvi has to be handed over to the Indians. But nothing is happening. So, what is the problem?

SSM: I can't read their minds. I mean, frankly, whether they do it because of us, whether because of thatI am interested in the results. And they must take credible action both against perpetrators of these attacks but also to guarantee that there are no attacks, no terrorists attacks out of Pakistan.

KS : At least friends of Pakistan like Saudis or Chinese, are they trying to tell them to do something.

SSM : I certainly hope so. I think they are hearing it from everyone because the rest of the world does not approve of this kind of terrorism or the export of terrorism. And certainly all their friends should be telling exactly as you said as they need to take real credible action.

KS: But Saudi Minister was here and then Chinese Foreign Minister also spoke to our Foreign Minister. Did you tell them about the evidence which we have.

SSM: We had told them and you heard what the Saudi Foreign Minister said. He said it is a cancer, it must be cut out.

KS: The same words were used by Zardari also immediately afterwards.

SSM: So, it is clear. I think the world is united on this, in its condemnation of the terrorism.

KS: What is your assessment of the political situation in Pakistan since you had been the High Commissioner there ? Does the civilian government have any control over the ISI and the army or do you see army taking over once again if the government is not able to survive.

SSM: I don't think there is any diplomatic answer to this. As Indian Foreign Secretary, I don't want to comment on their internal affairs because it immediately becomes part of their own internal dialogue, their own internal disputes, arguments, whatever they have and I don't want to become part of their domestic political process. That is really their business.

KS: But is the government strong enough, is it able to deliver, that is what I mean.

SSM: I am interested in what they do in terms of, as I said, they can take real action against the perpetrators of these terrorist attacks and they can also take credible action which guarantees that there will be no terrorist attacks on us or the rest of the world out of Pakistan. That is important. And they need to do this. Then we will regard them as credible. But I am not interested in their general conditions and the temperature, you know, whatever. That does not for me to certify.

KS: Do you see, I mean is it correct to say that they are moving their forces from Afghanistan to the eastern side?

SSM: We have seen some limited, very limited, movements of troops in Pakistan, but so far it has been very limited.

KS: So there is nothing to worry about.

SSM: We will naturally have to prepare for everything.

KS: How do you see the US-Asia policy after the new President takes over on January 20th. Will there be much change and how do you see Indo-US relations, as a second part of it and also there are talks of Bill Clinton becoming the envoy for Jammu & Kashmir ?

SSM: We are looking for very much to actually working with the new US Administration. We have worked with the transition team and it has been a very smooth transition actually. We went in early-December to Washington DC and spoke to them about what our interests are, what we think we can do and there was very positive responses. You know, President-elect Obama had written to PM actually when we were in the US in September

itself and had at that stage pledged his cooperation. I think there is a widespread understanding in the US on both sides whether Democrats or Republicans and we have managed successfully to transform the relationship over the last few years. We were only able to do the civil nuclear initiative because there was bipartisan support. It was not only one side of the House or the other. So, therefore, for us actually the relationship now has sufficient critical mass that it will continue and can develop. I think, now we are cooperating in several fields and several fields which are important to our own development, whether it is education, all these areas. Today, I think Indians are the single largest foreign student community in the US is, well over 90,000. And there are so many things we can do together. It is a natural sort of linkage, whether high technology, whether in other fields. We will look at it, energy, you know every field that you mention, there is scope and we have started working together. So, frankly I look forward to a much deeper engagement. I think the period of big new initial breakthroughs may be over, we have done all that. And now we have actually reached level where we can now build on what we have done in the last few years. It is a very different relationship from what it was before. And I think it really is a transformed partnership now.

KS : You say you had talked to the transition team and explained what you wanted. Could you tell us what are the things which you expect the US to do.

SSM: Well, as I said, most of it is a question of building on what we have done. Some areas you mentioned yourself, in space we can do more, high technology we can do much more and on the economic side we can do much more. This year's forum has made various recommendations, we implement those. Education is one, already doubled the size of the Nehru-Fullbright Fellowship programme. So we will increase that further. There is a whole set of things we can do. When you look at energy dialogue, climate change, these are all areas where there is a lot we can do together. So actually what we did was to go through that with them and all these cases, actually they were as interested as we were, in moving these things forward. So, what I anticipate, as I said there is no big dramatic breakthrough because we have already done that part. But we reached a level where now can build on what we had.

KS: And what about Bill Clinton ? Did you get any hint about ...?

SSM: We have seen a lot of articles, statements and so on. But, I don't

think we need to comment on all that until they sort of actually come to power and they then decide how to do their business. How they do their business, is their business.

KS: But his priority would not be South Asia. ?

SSM: I am not really sure. I think the economy, world economy, getting the US economy going again, I think that is going to be a major priority. It is also the subject which interests us greatly. Naturally, for us the more connected we are to the rest of the world, this is a globalised world. While we might be partially insulated from the effects of the global slowdown, we will suffer some of the effects, not on just the credit side, but in terms of export markets, outsourcing. All these issues that really concern us. So we will naturally be very interested in working with the new Administration on these. So, actually our priorities match, if you look at it.

KS: We also have election in the next four months, I don't think anything much can happen in the country.

SSM: The other issue which has tremendous scope is really counter-terrorism. That is something also which is very important to both of us.

KS: So, the first test is whether Pakistan delivers the perpetrators or not?

Mr. Menon, you mentioned about the nuclear deal. It is almost three years, you people have worked very hard to get it through. So after that, past two months, nobody has heard anything about the nuclear deal. What is happening ?

SSM: The real hard work is going on, detailed concrete work. We have said that once we put in place all these enabling agreements, which is the bilateral civil nuclear cooperation agreement which we signed and we have now ratified on 6th of December, we exchanged. So it is in force. We did the Safeguards Agreement with the IAEA and we hope to sign that very soon, bringing that into force. We got NSG clearance. So once you have enabling framework, within that now you have to do the detailed commercial discussions, for the reactors, for all the actual cooperation. That is something that firms have to do. So that is really what has been happening. In NPCIL, Nuclear Power Corporation of India Ltd., and their foreign partners. We have done the same with the US, we have done it with France, we have signed with Russia as well and they are talking, negotiating. DAE is also talking and negotiating with other partners as well. So, now it is really the

detailing and the actual implementation which you will see. So, it does not attract may be the same kind of headlines, same political attention. But this is the bit that is really meaningful.

KS: How long it will take for something concrete, somebody signed with any of these countries?

SSM: Many of those things are actually doing already. What I will do, I will ask BAE to tell you how far they have got. But they are actually moving forward quite rapidly.

KS: Mr. Menon, just now we have completed Jammu & Kashmir elections and there is going to be a new Chief Minister Omar Abdullah. The elections have been very peaceful and the record turnout. And these are very important for this country as well as even the world looking at Kashmir. How come that it has not got the kind of notice which it deserved. Is it the failure of the diplomatic community and why has India not able to sell Kashmir successfully?

SSM : I think that is partly “good news is no news”. May be, that is part of the problem. But the fact is that those who need to know, those who matter. No. 1 people who matter are the people of J&K. They have spoken with a very clear voice. By coming out in huge numbers, by voting, they have made it clear what bothers them, what interests them. Their interest is governance, roll issues and that they have faith in the democratic process, that it will be fair and free and it was. I think that is clear. I think the rest of the world has also noticed. And I think they have seen how it has happened. How people have chosen, what they have chosen to do. Obviously, the enemies of peace in J&K, the people with guns, the people across the line whom I would not like this and so on, they are not going to say “oh what a great victory”. This is against their interests presumably. But I think even they will read the writing on the wall. I think they should know that the people of J&K have spoken and spoken for peace, for governance, for development, for progress in J&K. And I can't believe this sentiment is not shared throughout the erstwhile State of J&K. And I am sure it is, I think it is a very useful example for people to see. Now, where we take it from here, really depends on the political process. We have always argued that it is the political process. It is giving people a chance to realize their potential through a normal democratic political process. That is the important thing and that is what India represents. That is what India offers, that is what India refers, a chance for people to express themselves democratically and

to determine their own future. And that is exactly what happened in J&K. They have chosen their own leaders, chosen to speak with them and they will now go about the business of developing their own lives and realizing their potential. So I think, frankly, the message has gone home. And in a sense, this is good news and if you don't see huge play in the headlines and so on, it is because I said "man bites dog is news". This is the way life should be. So it is not news.

KS: I can understand Pakistan keeping mum about this, but I have not seen any statement from the US or UK.

SSM: I think they all welcomed it. I have seen it has been very welcoming, and certainly the media coverage abroad has been very good.

KS : Then, the other key question is that elections were very peaceful in Jammu & Kashmir. What do you make of it, why it is because Pakistan is already facing internal trouble, because of that. But that does not go well with the way the Mumbai terror attacks have taken place. I can't reconcile to both. So what exactly could be the reason ?

SSM: I think the people of J&K, not just in these elections, but for several years now, have made it clear that they have a very low opinion of men with guns, of the people who came and try to force them into various directions. And they made it clear over time, so I think it is quite clear that anybody who sponsors men with guns in J&K, it is actually counter-productive. And there is tremendous unpopularity attached to this idea of men with guns coming and determining their lives. I think that is exactly what they proved again in the election. So I think the most important thing is what the people want.

There is still infiltration or there was until the Passes were closed by snow. There was until, quite late. And there was quite a step up in infiltration actually during this period. But the fact is that the combination of the security forces and the people, without people you cannot do anything. That combination I think worked.

KS: How much of international impact will there be on the successful elections of Jammu & Kashmir.

SSM: I think the world will certainly notice it. Ultimately, as you know, over the last few years, this has been an issue of our own domestic politics, our own governance and so on. And also the process of setting in place certain measures across the LOC, alongwith Pakistan to make people's lives

easy. So travel and all that became easier. And I think that has gone through, I mean people are saying quite clearly this is what we want. We want better lives, we want all the practical things that matter. But the world has not really in that sense for the last few years, not been that engaged or involved in this issue.

KS: During American elections, I think Kashmir was talked about by both.

SSM: I think we notice every reference. It was a big issue in their election.

KS: Mr. Menon, Pakistan Foreign Minister has said two things in his National Address on Tuesday. One is de-escalation, the other was ...

SSM: We can't de-escalate if we have not escalated. I don't know if he wants us to escalate first. Because we have not escalated. As I said, we are exactly where we were in an army peaceful configuration. We run exercises every winter, there were exercises going on but that is not a big surprise to Pakistan or anyone else. So, there is no question of our de-escalating. And I think he said something about air bases. What we are doing is normal, the standard. We are not the ones who have moved planes, they have been flying their aircraft over their cities creating a sense of panic. War hysteria in Pakistan has been built up, passing resolutions saying we must defend Pakistan or so on. I don't know against whom, against themselves or presume. It is not against us certainly, we are not doing anything like that. As I said, our goal is clear. This is not some big India-Pakistan crisis which some of them might like to create this impression. This is about terrorist attacks on India from Pakistan. That is what the issue is and that is what they need to concentrate on and do something about it.

KS: The second thing which the Foreign Minister talked about, was peace process. He said this should continue, may be it is at the prompting of the Chinese Foreign Minister or the Saudis, I don't know.

SSM: They have said it consistently that we must not stop the process. Let me make it very clear, the precondition of this whole process was an atmosphere free of violence and was started in 2004 January 6, when President Musharraf assured us that would be no terrorism in any manner from any territory under Pakistan's control against India. And it was repeated by President Zardari in September. So without that, we don't see how this process can just go along and act as if nothing has happened. This did happen and it happened from Pakistan.

KS: But now the entire thing has halted, right?

SSM: Right now, it has entirely.

KS: The other neighbour, Bangladesh, they have had a successful election.

SSM: They had a very good election.

KS : How do you look at it, What is going to be the future of Bangladeshis.

SSM: We are glad to see that democracy has been restored after a two-year pause. We are very glad that they have moved forward and we are glad that it was a peaceful, calm election where people got their chance to express their will and they did so in overwhelming numbers, I think in some places the turnout was over 80%. It is really quite remarkable those numbers. So, we are very happy. We are looking forward to working with the new democratically elected government. This is a government with whom we share values, we have very close and intimate relationship with Bangladesh. Of various kinds, both geography, history everything makes for that relationship. So we are looking forward very much to working with them.

KS: Sheikh Hasina is supposed to be a friend of India.

SSM: I would like to think that everybody is a friend of India. I don't want to single anybody out. But certainly we are looking forward to working with her.

KS: Will terrorism be one of the major things ?

SSM: It will be one of the issues, but I think we have to recognize that Bangladesh has a very vibrant polity, civil society and that there is much more life in Bangladesh than just this one issue, which is an issue and it is an issue for them also. She herself has suffered from grenade attack, you remember. It is an issue for Bangladesh, it is an issue with us and certainly we look forward to working with them to deal with it. But there are other issues. There are many constructive issues also where we can do things together. On the economy, there is so much we can do together because we are linked with each other. We can certainly do lots of other things that is available for both countries to do.

KS: Mr. Menon, the Tamil Nadu Chief Minister has been appealing to the Centre to talk to the Sri Lankan Government about ceasefire. Is any progress in it? Can we do anything?

SSM: I think we have spoken to the Sri Lankan Government and to all

concerned actually, except to LTTE whom we regard as a terrorist organization, making it clear that we think that they need to find some kind of solution within the framework of united Sri Lanka where all the communities are comfortable. The humanitarian effects in the war we have tried to enumerate. In fact, we are the one country who has managed to send material for shelter and so on into the LTTE-occupied areas through the UN and the UNHCR and the ICIRC. They have carried out relief supplies, we have sent relief supplies to the people throughout. So we try to take care of humanitarian aspects. We are also urging the Sri Lankan Government to do something in a political framework for a settlement. As far as the war itself is concerned, I think the Sri Lankan Government has made it clear that they would be ready to ceasefire if the LTTE were to lay down their weapons. But that, of course, they are not ready yet and unless there is some agreement between two of them, because it takes two to ceasefire, I think it is very hard to see that happening right away. We will continue to work with Sri Lanka, with the government, with all communities in Sri Lanka, to try and make sure that at least civilian casualties and civilian hardship is minimized to the extent possible. You know, the conflict has gone on for many many years, it is not something new and it is not something so easy to solve.

KS: Then what does Mr. Karunanidhi want? He wants a ceasefire, right?

SSM: He has asked for a ceasefire, but he has also asked for humanitarian effects for us to work to minimize the humanitarian effects which we are doing. We have worked with the Tamil Nadu Government actually to get relief supplies there. It is a real problem but we will continue to work with all concerned and all those we can work with.

Thank you very much.



INDIA'S FOREIGN RELATIONS - 2008

SECTION - II

CLIMATE CHANGE & ENVIRONMENT

066. Joint Declaration of France and India on the fight against global warming.**New Delhi, January 25, 2008.**

Please see Document No.615

**067. Inaugural Address by Prime Minister Dr. Manmohan Singh at the Delhi Sustainable Development Summit.****New Delhi, February 7, 2008**

I am delighted to welcome all the Heads of Government and distinguished representatives of various countries who are all here today. Delhi is unusually cold, for the time of the year, but I do hope the warmth of our hospitality will make your visit a very comfortable and memorable one.

I compliment my friend Dr Pachauri for the tenacity with which he has been organizing this very important annual summit on sustainable development for several years now. This Delhi Summit has become an important event in the annual calendar for all those who are committed to finding a globally acceptable and socially inclusive solution to the problems of climate change and outlining pathways to sustainable development.

I believe that the good work of institutions like TERI, groups like yours and individuals like Dr Pachauri have created the necessary 'climate for change' on climate change. Societies all over the world are challenging their governments to do something, to do it now and do it right. I assure you that India would be in the forefront of that effort.

This effort by TERI is a glowing example of that emerging trend of thought leadership that brings together ideas and people from across the world to collectively engage in this new struggle of human imagination over human predicament. The environmental crisis that manifests as climate change makes us realise that we have a common predicament. It is a collective human crisis but, if imaginatively handled, it offers a collective opportunity to reinforce human solidarity in the face of natural forces.

I have often said that the Indian approach to such global problems is defined by the ancient Sanskrit saying, "Vasudhaiva Kutumbakam" - the Whole World is One large Family. In his very first address to the nation as India's first Prime Minister, Jawaharlal Nehru said, "Peace has been said to be indivisible; so is freedom, so is prosperity now, and so also is disaster in this One World that can no longer be split into isolated fragments". These were the words of Jawaharlal Nehru on the eve of India's Independence on 15th August, 1947.

So we take our responsibility seriously. The Prime Minister's Council on Climate Change is now working on a National Plan of Action for Climate Change. Even as we engage internationally in creating a global strategy to address climate change we would in parallel, work on local, sub national and national action to meet the challenges of climate change. The impact of climate change falls differently on people and the poor are the worst hit. They have the least resources to cope. Action on climate change can then become an action for poverty reduction to reduce the vulnerabilities of the poor people everywhere.

We need technology innovations for reduction of energy use by industry and other user sectors. We need massive action for afforestation, drought proofing and flood protection. We need to act to protect our coastal areas. We need action to protect the glaciers that feed our river systems. A whole gamut of development action needs to be planned and funded. Our 11th Five Year Plan which has been launched this year has articulated strategies in many of these areas for our Nation.

Our National Plan of Action on Climate Change will be released in June later this year. An area that needs immediate attention is that of public transport. We have asked the Planning Commission to come up with a comprehensive policy in this regard.

We need to create knowledge partnerships across countries to collaborate on climate change action. India has decided to link all academic institutions that work on climate change on a national knowledge net and also identify key knowledge institutions that become centres of excellence in climate change related research. We are also considering setting up a Venture Capital Fund to promote green technologies.

At the international level we will continue to engage with all nations to strengthen global initiatives in the area of climate change. At the last G-8 Summit at Heiligendamm I made a commitment on behalf of India on carbon

emissions. India is prepared to commit that our per capita carbon emissions will never exceed the average per capita emissions of developed industrial countries. Moreover, as developed countries take measures to bring down their per capita carbon emissions, our threshold would come down too. This is our solemn commitment.

I am sure participants at this Summit will endorse India's stand because you are all concerned about poverty eradication and reducing global disparities in income and wealth. We cannot continue with a global development model in which some countries continue to maintain high carbon emissions, while the development options available for developing countries get constrained.

We therefore need to ensure an acceptable standard of living for all our people but would choose a sustainable path for that development. Climate justice must, therefore, inform all efforts at international collaboration in act of human solidarity. This then becomes an opportunity for a new global compact. Such a compact has to be based on the well-established principle of common but differentiated responsibility so ably articulated in the United Nations Framework Convention on Climate Change. This was reiterated at the recent conference in Bali.

By "climate justice" we mean a fair, equitable and transparent global regime for technology transfers. It is in the interests of people living in developed and developing countries to facilitate such transfers. We in the developing world desperately need access to environment friendly technologies, especially in energy, transportation, manufacturing and agriculture. Such technology transfer provides new opportunities for resource transfers to countries for adaptation. Nations of the world will have to engage in the next two years to create a consensus on a new architecture for cooperation that involves both finance and technology support to countries for adaptation.

When we felicitated Dr. R.K. Pachauri on the Nobel Prize to the Climate Change Panel, I had said that I would like TERI to present before the people of our country a global vision on energy security. What is it that we must do and must not do to address the challenge of energy security. What are the technology choices available and what public policy choices do we have that will enable Governments to address the challenges we face in making clean and affordable energy available to all our people. Can we afford persisting with the distortions that have long crept in to our

energy pricing policies? Are we contributing to environmental degradation through some of our energy pricing policies? Are we encouraging over use of resources through misdirected subsidies? What are the long term costs of the short term benefits we seek from such policies? Are we hurting our future energy security by shirking the responsibility to grapple with the political challenges at hand? We need a much wider national debate on such issues.

I sincerely hope that Summits like these will encourage such a public debate. I would like to see larger participation in these events of our young people, especially from our political parties. I would like our young people to be more vocal on these issues. After all, tomorrow is theirs. If the youth of today do not worry about tomorrow, who will then? I assure you that we in Government of India are seized of the matter and India will adopt a responsible and forward looking stance, aimed at promoting sustainable development. I look forward to being appraised of the conclusions of your Summit. I wish your deliberations all success.



068. Extract relevant to Climate Change from the President's Address to Joint Session of the Parliament.

New Delhi, February 25, 2008

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45. My Government acted with urgency on the issue of climate change and set up a Prime Minister's Council on Climate Change to plan and implement appropriate strategies for mitigating and adapting to climate change. A comprehensive National Action Plan on Climate Change is under preparation. India is willing to ensure that its per capita emissions shall at no time exceed the average per capita emissions of developed countries. At the Bali Conference on Climate Change, India constructively engaged with the international community to launch a comprehensive process on long-term cooperative action to deal with this issue in accordance with the provisions and principles of the UN Framework Convention on Climate Change. The River Conservation Programme will be revamped to focus on cleaning of major rivers. An Earth Science

Organisation Council has been created to guide policies of the newly created Ministry of Earth Sciences. A state of the art Tsunami Warning System has been commissioned.

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069. Speech of Special Envoy of Prime Minister for Climate Change Shyam Saran on 'Climate Change - From Back Room to Board Room - What Indian Business needs to know about India's approach to Multilateral negotiations on Climate Change'.

Mumbai, April 21, 2008.

I wish to thank the Ministry of External Affairs and the Confederation of Indian Industry (CII) for inviting me to address this distinguished gathering of business and industry leaders on the subject of Climate Change. Of course, CII itself has done an excellent job by bringing out an extremely informative publication recently, entitled "Building a Low-Carbon Economy." I wish to pay special tribute to Shri Jamshyd Godrej, Chairman of the CII Mission for Sustainable Growth and Climate Change, for taking the initiative in alerting Indian business and industry to the issues that are on the table and more important, both the challenges and opportunities likely to emerge in the coming years as the world comes to term with this new and existential threat to its very survival. For there is no doubt any more that the risks emanating from climate change, caused by anthropogenic greenhouse gas emissions, are real and serious and unless addressed expeditiously could have catastrophic consequences, perhaps even in our own lifetime, and that the worst suffering would be visited upon precisely those least able to cope, that is, the poor and disadvantaged across the globe, but particularly those residing in the developing countries.

How does India respond to this threat, despite the knowledge that its own contribution would probably make only a modest difference? Our total emissions are only a fraction of the global figure - just 4% compared to 20% for the U.S. and 16% for China. If you take per capita figures, then the differences are even more stark. India emits about 1.1 tonnes of CO₂ per capita while the corresponding figure for the U.S. is more than 20 tonnes.

Furthermore, the energy intensity of India's economy has been consistently declining and today, we are able to deliver 8% plus annual growth with only 4% increase in energy consumption. This trend is likely to continue and could even accelerate if government and industry were able to work together on improving industry standards in a host of energy intensive sectors.

For India, the most important argument in favour of adopting climate friendly technologies and embracing an environmentally sustainable strategy of growth stems from a very compelling and practical reality i.e. unless we are able to develop economically viable and new sources of energy, energy will become a major constraint on our growth. If we continue to rely on fossil fuels to underpin our growth, and fossil fuels become increasingly more scarce and expensive, as oil has already become, there is little doubt that our ability to sustain high levels of growth of our economy over the medium and medium to long-term, could face severe constraints. Therefore, even if there were no climate change argument, we would still need to evolve an energy strategy that, over time, would involve a shift from fossil fuels to non-fossil fuels, non-renewable sources of energy to renewables, and conventional to non-conventional sources of energy. Such a strategy would, by definition, also be climate friendly.

There is no escape from the reality that as India develops, its consumption of commercial energy is bound to increase. Therefore, realistically speaking, even with continuing decline in the energy intensity of GDP growth, carbon emissions will rise in the years to come, before they flatten and decline as new and hopefully renewable sources of energy kick in. It is to our advantage to build a low-carbon Indian economy and to be even ambitious in this regard. But this is a national effort dictated by our own growth choices. When it comes to multilateral negotiations on dealing with climate change, the dynamics are different.

India's stand in international negotiations, as also that of most developing countries, is based on the simple principle - "The polluter pays". If we consider the period between 1850-2000, cumulative CO₂ emissions will show how the available carbon space is currently occupied. The U.S. leads with 30%, the EU-25 with 27.2%, China with 7.3% and India with only 2%. It is for this reason of historical responsibility that in the UNFCCC, negotiated in 1992, it was agreed by consensus that emission reductions would only be required of the developed countries. The ensuing Kyoto Protocol formalized this understanding by setting targets for emission reductions

by so-called Annex I countries, or developed countries during the first commitment period lasting up to 2012, with the promise of even deeper cuts in the subsequent commitment period post-2012. The explicit understanding has all along been that developing countries would not be required to undertake legally binding mitigation targets. Their mitigation efforts, according to UNFCCC, will have to be fully compensated through transfer of financial resources and technical know-how from developed countries.

Therefore whatever action we take domestically to pursue sustainable development, let it be clearly understood that there is no legal obligation on the part of India, under existing international instruments, to take on binding emissions reduction obligations, now or in the post 2012 period.

I say this, because considerable and sometimes deliberate confusion has been sown in the minds of our civil society and business and industry through the use of terms such as "post-Kyoto regime" or negotiation of a "new international framework for climate change" or a "post-2012 climate treaty." What we are currently engaged in are multilateral negotiations within the existing UNFCCC and its Kyoto Protocol. The principles underlying these agreements have been reaffirmed most recently at Bali in November 2007. What is currently being negotiated is (i) fresh emission targets that the developed countries must adopt - post 2012 in the second commitment period under the Kyoto Protocol; and (ii) an Action Plan that would enable the more effective implementation of the objectives of the UNFCCC, including through measurable reportable and verifiable action on the transfer of financial resources and technology from developed to developing countries.

There is a persistent attempt on the part of the several developed countries to avoid their legal obligations under the UNFCCC and the Kyoto Protocol, by advancing a wholly fresh set of arguments. We will need to be particularly alert in this respect. Let me deal with some of the major arguments one by one:

- (i) Countries like the U.S., Japan and some EU countries have begun using the argument that so long as so-called "major emitters" like China and India, remain outside the emissions reduction regime, their own efforts will make little difference to the global goal of reducing and stabilizing anthropogenic CO₂ emissions. China can speak for itself but India certainly does not consider itself to be a

major emitter though it is a major economy. Neither the total volume of our CO₂ emissions nor our per capita emissions today, would qualify us in that category. Nor is it justifiable to simply extrapolate current emissions trend to arrive at conclusions for 30 or 40 years hence. The major emitters today, as also those historically most responsible for cumulative emission levels, continue to be the developed countries.

- (ii) The U.S. President has recently been reported as saying that the U.S. cannot be expected to agree to emissions reductions unless India and China undertake similar obligations. He also argued that doing so will result in U.S. industries and jobs moving out to countries that do not have emission reduction commitments and would in any case not lead to global mitigation. We reject this argument.

First, it ignores what we call the "legacy" aspect i.e. the historical responsibility for cumulative emissions.

Second, it brings in extraneous considerations of industrial competitiveness and employment that is completely contrary to the principle of equity that underlies the historic Rio compact which is enshrined in the UNFCCC. To accept the U.S. argument is to accept what I call the NPT Approach to Climate Change - that is, I get to keep what I have because I got here first. You have to stay where you are because you are a latecomer. This is precisely what has been done in the nuclear domain.

- (iii) There is another important distinction we must maintain when discussing carbon emissions. This is a distinction between what I would call "lifestyle emissions" and "survival emissions". Reducing emissions that require an adjustment in affluent lifestyles and reduction of waste, for example, cannot be equated with reducing emissions which may impact on the already low levels of livelihood of people in developing countries. Capping or reducing emission levels in India may mean that 600 million Indians who do not have access to electricity today, must be permanently denied this very basic energy service. Should this be put on the same level as putting a speed limit on Germany's autobahns, which could result in major energy savings, or a gasoline tax in the U.S., which will have a minimal impact on the already high standards of living in those countries?

- (iv) In recent months, countries like Japan, supported by the U.S., have advocated a "sectoral approach" to reducing carbon emissions. The idea is to identify high energy intensity industries like power, steel, cement, transportation and building and construction and to set uniform global efficiency norms and lower carbon emission standards for each sector. It is argued that this bottoms-up approach would be more logical and practical than setting of top-down national targets for each country. Now, as developing countries, we do not have any problem with our developed country partners adopting a range of measures, including sectoral measures, to set and to reach their overall national targets. We would also welcome any collaboration with advanced countries to improve our own efficiency standards, exchange best practices and bring about technological upgradation in our own industries. This can be done bilaterally or multilaterally. Unfortunately, the sub-text is that internationally binding norms for specific sectors must also cover major economies or so-called "major emitters" like India. The justification given is that if major developing economies were to be excluded then there would be a competitive disadvantage to industry in the developed world. Their costs will go up as they upgrade and retool their existing units. The developing countries, not having to meet these norms, will have lower costs in addition to lower wages.
- (v) This argument, deceptively reasonable, again violates the very basis of the UNFCCC. The UNFCCC did not qualify the responsibilities of the developed and developing countries with extraneous considerations such as maintaining inter-se competitiveness. Nor is there any reference to maintaining a so-called level playing field. The UNFCCC was itself designed to address a grossly unlevel playing field, already stacked heavily against the developing countries. Now there is a barely disguised attempt to overturn this very basic equity principle through so-called sectoral approaches.
- (vi) There is a very real danger that in adopting sectoral standards among themselves, the developed countries would use the competitiveness argument to put up protectionist tariffs against products from developing countries. This must be resisted at all costs.

Let me now turn to issues relating to the transfer of financial and technological resources from developed to developing countries to enable the latter to pursue environmentally sustainable strategies of growth. This, again, is a

fundamental principle underlying the UNFCCC and has been reiterated in the recent Bali Action Plan. The transfer of such financial and technological resources are not conditioned by any mitigation actions to be taken by recipient countries. In actual fact, the record on this score has been dismal, and with an economic down-turn looming large on the horizon, the prospects are not very encouraging. India has argued for additionality of funds for climate change related activities in developing countries. For technology transfer, we have argued that since climate-friendly technologies are in the nature of public goods, addressing an urgent global challenge, the IPR regime in respect to such technologies must be adjusted to enable them to be adopted by developing countries at affordable prices. A global Climate Change Venture Capital Fund could be set up, which could purchase patents on such technologies and enable their transfer to developing countries. We have also suggested an international collaborative effort among major developed and developing countries to promote new climate friendly technologies. This could be called CLEAN-NET. Unfortunately, none of these proposals have received a serious response from the developed countries.

At a recent meeting, an argument was made that developing countries should institute a zero-tariff regime for a designated list of "green goods" and also create an investment-friendly regime to enable companies possessing green technologies to invest in such countries. Again, one has to be careful in dealing with such propositions. They can distort trading patterns, detract from the legal obligations which developed countries have in respect of transfer of finance and technology and introduce considerations of trade competitiveness which do not belong to the domain of climate change.

Let me summarize India's negotiating position on Climate Change:

- (i) The UNFCCC remains the multilateral, legally binding instrument available to the international community to deal with the challenge of Climate Change. Its principles and objectives continue to be fully valid and must govern all our future activities on this subject. The Bali Action Plan has removed any ambiguity on this count.
- (ii) The Kyoto Protocol to the UNFCCC will remain in force post-2012. What is under negotiation is the setting of emission reduction targets by developed country parties in the second commitment period which commences in 2012. The Kyoto Protocol does not expire in 2012,

nor are developing countries expected to take on reduction commitments in post-2012 period.

- (iii) The responsibility to support sustainable development strategies in developing countries, through the transfer of financial resources and technology from developed countries, is not linked to any conditionalities.
- (iv) While developed countries are free to adopt sectoral approaches as a means to achieve their national emission reduction targets, there cannot be an imposition of industry-wide norms on a global basis, nor recourse to arguments about maintaining trade competitiveness or a level playing field.

Does this mean that India is not prepared to make its own contribution to meeting the challenge of Climate Change, as responsible player in the international community?

While we insist that all parties to the UNFCCC and its Kyoto Protocol fulfill their legal obligations under these instruments, we have made a number of positive and forward looking proposals:

- (i) In the G8+G5 Summit at Heilengendamm, Germany, last year, Prime Minister, Dr. Manmohan Singh made an extremely important proposal. He gave a public assurance that while India's carbon emissions will inevitably rise in the short and medium term as we pursue accelerated growth, we would ensure that at no time would our per capita carbon emissions exceed the average of the developed countries' per capita emissions. The Prime Minister was thus responding to two related complaints frequently voiced by our developed country partners - first, that India is not prepared to accept any current or future limitation on its carbon emissions, and second, that its efforts are not commensurate with what it expects the industrialized countries to do. By giving an assurance that our per capita emissions would never exceed the average per capita emissions of the developed world, we have responded to the first complaint; we have accepted a limit on our emissions. We have, however, linked this limitation to the scale of effort that the developed countries are themselves prepared to put in. The more ambitious they are, the lower the limit that India would be prepared to accept. Thus, there is an inbuilt mutuality of incentive. Further, by insisting

on the per capita standard, we maintain the equity principle. In the long-term there would have to be convergence of per capita emissions globally.

- (ii) We have agreed to play an active role in the CDM market, which can and is playing an important role in enabling the developed countries to meet their emission reduction targets under the Kyoto Protocol, even while transferring, though as yet in a limited manner, climate-friendly technologies to developing countries. India has the largest portfolio of CDM projects to date, and this is a major opportunity for Indian industry. Our effort in multilateral negotiations is to ensure that the CDM mechanism continues beyond 2012 and in a more expanded form.

Irrespective of what happens in international negotiations on Climate Change, it is important that we evolve and pursue a strategy of environmentally sustainable development, for reasons of our own vital national interests. An India which is heavily dependent on fossil fuel imports to sustain its high level of growth, is an India which will be increasingly vulnerable. In the short to medium-term there may be few alternatives to fossil fuels and our strategy must, therefore, be to secure such supplies from a diversity of sources to ensure predictability as well as affordability. We can also increase supplies of energy by further improving energy efficiency standards, through technological up-gradation, improved management and adoption of best international practices. A Vice-President of Dow Chemicals recently said - "..... improving energy efficiency is the cheapest and most renewable fuel of all." We will need to accelerate the development of renewable and non-conventional sources of energy including nuclear energy, wind energy, bio-mass and solar energy.

We are in the process of formulating India's National Action Plan on Climate Change. It is likely to be released in June this year. In a very real sense, this Action Plan really constitutes a Strategy for Sustainable development. It will include major national level missions, such as a Solar Mission, a National Solid Waste Management Plan, a nation-wide effort to create a huge carbon sink of afforested land of an additional 6 million hectares, a Water Conservation mission and the adoption of international best practices and efficiency norms for a range of key industries. All these are seen as public-private partnerships, where government action must be supported and supplemented by private sector, by civil society and the country's citizenry at large. Climate Change is everyone's business and can only be

tackled by mobilizing all our available creative and organizational energies.

India's business and industry is, I am glad to say, ahead of the curve in recognizing the challenge and gearing itself to deal with it effectively. The CII publication on "Building a Low Carbon Economy" contains many useful recommendations. Several are very much in line with Government's own thinking on the subject. The idea of a domestic market which could catalyse higher efficiencies industry-wide is something worth exploring. The provisions of the Energy Conservation Act would certainly lend themselves to a possible market-based approach in achieving efficiency norms that are being formulated by the Bureau of Energy Efficiency in consultation with business and industry. We need to discuss this further.

I would like to conclude this presentation on a note of optimism. India can play a leadership role on the subject of Climate Change, because it has its own particularities. It is heir to a civilizational legacy which places high value on the preservation of the environment and the maintenance of ecological balance. We look upon Nature, instinctively, as a source of nurture, not as a force to be subdued. This is a very powerful asset. India also has a wider spectrum of choice precisely because we are not already locked into a specific pattern of development. We can chart our own course, if we so choose. In making our choices, we must always observe Gandhiji's wise dictum: The earth has enough to meet our needs, but will never have enough to satisfy our greed.



070. Press Release of the Prime Minister's Office on the Prime Minister's call for financial mechanism to promote transfer of environment friendly technologies for developing countries.

New Delhi, March 31, 2008.

The Prime Minister Dr. Manmohan Singh said here today that the international community should consider creating financial mechanisms that will promote environment friendly technologies, transfer of such technologies to developing countries and promote environmentally sustainable development to deal with the challenge of Global Warming and Climate Change. The Prime Minister expressed these views at a meeting to discuss a Strategy Paper on Climate Change prepared by Lord Nicholas Stern, I.G. Patel Professor at the London School of Economics. Dr. Stern endorsed the Prime Minister's proposals made at the G8 Summit at Heiligendamm, Germany, last year. He commended India's efforts to understand and address the challenge of Climate Change. The Government is presently awaiting the National Action Plan on Climate Change to be drawn up by the Prime Minister's Council on Climate Change.

The meeting was attended by the Union Finance Minister, the Union Minister for Science & Technology, the Deputy Chairman, Planning Commission, Mr. Nandan Nilekani, Dr. Nitin Desai, Dr. Kirit Parekh and officials of the Prime Minister's Office and Ministry of Environment & Forests.



071. Speech of Special Envoy of the Prime Minister Shyam Saran on "India's Perspective on Climate Change" at the Indian School of Business.

Hyderabad, May 30, 2008.

Mr. Rangnekar, Deputy Dean of the Indian School of Business, Members of the Faculty, dear students, ladies and gentlemen,

As Mr. Rangnekar said, I have only recently been made Chief Negotiator for Climate Change issues. This is, of course, an extremely complicated subject and I must confess to you that I am still in a learning mode. I hope I can learn something from you this evening, because though climate change is complicated, it is a subject that concerns all of us. It is not something that can be left merely to a small group of people in smokey rooms trying to negotiate international treaties. It has, without exaggeration, the potential of completely transforming the environment in which we live in.

I would like to thank to the Indian School of Business for giving me this opportunity to interact with you on what is a very important, cross cutting issue. The ISB has justifiably earned an enviable reputation in nurturing creative entrepreneurship and professional management in India. I sincerely believe that an awareness and understanding of major global issues confronting us today are really indispensable to sound business planning and marketing strategies. I was going to make a brief presentation on why Indian business should be concerned about climate change and what the risks and opportunities are, specially relating to India as we strive to tackle climate change. I had made a presentation earlier in Mumbai at the Confederation of Indian Industry, I hope that presentation will be circulated to you because that puts, in a nutshell, what kinds of negotiating strategies India is following and why. But I will stray from the script and try to give you a sense of what is the issue we are really facing.

To begin with there is science, and science says that due to the accumulation of green house gases, in particular, carbon-di-oxide, in the earth's atmosphere, the earth is warming up. The temperature all over the world is on a rising trend and the greater the rise in temperature the greater the impact on climatic factors. This has a huge impact. For example, we find that the Himalayan glaciers are beginning to recede. In fact, in some places they are beginning to recede at an accelerated pace. Most of our rivers are snow fed. If the Himalayan glaciers melt, then we are going to

end up with our perennial rivers becoming seasonal rivers. Try to imagine what impact that would have in terms of agricultural production and livelihood of the populations living in the Indo Gangetic plain.

There is also the danger, which is now being studied, of the big ice masses in the Arctic region, Antarctica, and Greenland, cracking up and also melting. If this phenomenon continues then we may see the rise of sea levels up to 5 to 6 metres. What will happen to the large number of island territories in the world? In India also we have island territories, like the Andaman & Nicobar Islands. We have low-lying coastal plains that are densely populated. This would mean a loss of a huge habitat in our own country. Therefore, we have to be concerned about climate change.

Climate change does not just mean freakish weather. It means much more than that. If we don't tackle this issue on an urgent basis, the future for our children and of our grandchildren is really going to be very difficult. So, science is more or less clear today that global warming is taking place and that there is an impact on climatic factors.

Having said that, the problem really is that climate change cannot be dealt with only on a national basis. By its very nature it is a cross cutting issue. It is a global phenomenon. Even if I make a contribution by cutting say, my carbon emissions, it may make no difference at all, if others also do not join in the same carbon cutting exercise. There is the concept of external economies which you all must be aware of. The external economies factor works from both a negative point of view and a positive point of view. That is, if I take action, which ameliorates climate change, the benefit of that action is not just for me. The entire globe shares the benefit. Conversely, if somebody is spewing CO₂ and other green house gases into the atmosphere, then the negative impact is not only for that country but for other countries as well. This is a classic example of an issue which is truly global in dimension and can only be tackled if there is cooperation amongst all the countries in the world. We may complain about who is responsible and who is not, but at the end of the day, unless there is a willingness to collaborate to deal with this phenomenon of climate change, we are not really going to get very far. That is the reality staring us in our face. When I go as a negotiator to multinational fora, I have to keep in mind that this is a global phenomenon and I have to carry everybody along with me as we try to tackle it, because without that we will not be able to do much. However, if collaboration on a global scale is required, then what do we do in terms of practical action?

This is where we as a developing country start with an uneven playing field. Why do I say that? As I mentioned to you, the reason why global warming is taking place is the accumulation of green house gases in the atmosphere. It is the accumulated impact of industrialization and production processes, which has been taking place at least since the industrial revolution. So, if you take a time span of say 1850 up to the year 2000, during that period, virtually the entire carbon space has been used up by the industrialized countries.

If you say global warming must not go beyond 2 degrees centigrade, which is all that the planet can really afford, that limits the carbon there can be in the atmosphere. If it goes beyond that, the temperatures will rise further. That puts a quantitative limitation on what I call carbon space. Because of the fact that we are latecomers to the process of industrialization and to the process of development, we are finding that much of that space, maybe 70 to 80% of that space, is already occupied by industrialized countries. Maybe 26% or 27% is occupied by the United States. If you count the OECD countries, maybe they occupy another 25-30%, so the industrialized countries are really occupying most of that space. At this point of time, if a certain global limitation is made, then I am left with a very small space. The real challenge for us is to insist that, as we embark on a path of economic development, even if we use sustainable policies, our carbon emissions will rise. There is no way that we can escape that. 600 million people in this country do not have access to commercial energy. If you are going to start providing commercial energy to larger and larger number of people in our country, there is no way that you can avoid an increase in carbon emissions. So, even if you adopt sustainable development, the carbon emissions will initially go up and up, then perhaps stabilize and then eventually, hopefully, it will come down. What does that mean? Unless some of the carbon space is ceded to us by those who have been responsible for the accumulation of green house gases in the atmosphere, there is a constraint put on us. Equity demands that we should enjoy the same right to development as those in developed countries.

In 1992 the UN Framework Convention on Climate Change (UNFCCC) was adopted. It is a consensus document, it is a treaty to which all the countries of the world have actually given their adherence to. It recognizes a very fundamental principle, and that is the principle of equity. It says that - since the developed, industrialized countries are primarily responsible for the accumulation of green house gases in the atmosphere, it is they

who must take action to reduce these green house gases. In the subsequent Kyoto Protocol of the UNFCCC, they agreed that with reference to their 1990 level of emissions, they would undertake specific reductions on a national basis, up to the year 2012. The reduction targets are limited to the developed industrialized countries alone. It is very important to know that no such responsibility, no such obligation was put on developing countries and for a very good reason. Because the principle of equity recognizes that we are not responsible for the kind of situation we are facing.

Does this mean that developing countries like India have no responsibility at all? Far from it. What the developing countries committed themselves to in 1992 was that the pattern of economic development that they would adopt would be a pattern of sustainable economic development. What does sustainable economic development mean? Sustainable economic development means that, number one, we have to adapt to climate change that has already taken place. We will need resources to be used for adaptation. You have large areas that have become arid, so unless you have drought resistant crops, unless you have arid zone agriculture, your food supply is going to be affected. Because there is a change in climatic pattern, there is freakish weather, there are disasters. Therefore, your economic development has to be disaster resistant. There are a number of adaptation measures you have to take if you want to go on a path of sustainable development. Also important is to go on a path of development which over a period of time, relies less and less on carbon based energy. So, the carbon profile of your economy, over a period of time, must decline.

It also recognizes, and this is a key element in the convention, that in order to enable developing countries to shift to a path of sustainable development, the developed countries have a responsibility and a legal obligation to provide additional finance as well as technology. If you want to enable the developing countries to also bring about a mitigation of CO₂ emissions, it can only happen if the necessary finance and technology are made available to them by the developed countries. This is the basic agreement, which was arrived at in the 1992 UN Framework Convention on Climate Change. As you can see what is really critical here is the recognition of the principle of equity. These are the parameters within which the negotiations are taking place.

But what are the challenges we are facing in these negotiations? The challenges we are facing are that the developed countries do not really wish to bring about a radical change in their production patterns, and much

more important, in their consumption patterns, because it is costly. If you want to adopt new technologies there is a cost to be paid. If you are going to retool your existing industry to make them more efficient and make them less carbon dependent, you have to use capital for that. So, there is a resistance to making those kind of investments. There is also a resistance to bringing about a change in the consumption patterns. This is where there is a whole debate about how to deal with lifestyle emissions, which is essentially a consequence of a high and affluent standard of living and with survival emissions, such as providing commercial energy to the people of India, which also will involve emissions. Are we going to put them both at the same level? Obviously, we can not.

There is a resistance on the part of the industrialized countries to consider seriously a change in their production and consumption patterns. They are saying that even if we actually bring about a reduction in carbon emissions it is not going to really help. Countries like India and China are growing so rapidly that the incremental increase in carbon emissions from these economies, will neutralize what we do, therefore the focus has to be on these emerging economies, not on us. There is an attempt to shift the debate away from the principles that underlie the UN Framework Convention on Climate Change. We don't buy that argument, of course, you will immediately see the fallacy of that argument, because you are looking at where I will be 20 years later, on business as usual basis, but you are not prepared to do what you need to do on where you already are. The OECD countries have 10 tonnes per capita, the Americans have 20 tonnes per capita, India has 1.1 tonne per capita carbon emissions, that is the difference between the countries. There can be really no argument that if there has to be an effort made to reduce carbon emissions we know where it should come from. There is a subtle attempt to say, yes, yes, we are prepared to do whatever we need to do but, you know, unless these major economies like India and China, also join, we are not really going to make an impact on the global problem - basically trying to hide behind that and not really bringing about the necessary changes in their own production and consumption patterns.

There is another argument. I mentioned to you that even if we have to shift to a path of sustainable development, this is dependent upon the transfer of financial resources, a transfer of technology from the developed countries to the developing countries. Since 1992, if you look at the record, there has been virtually no transfer of either finance or technology, certainly not enough to meet the scale of the problem that we are facing. We are once

again trying to deal with this in the negotiations that are currently taking place. But now, another aspect has come in and this is something that Indian business has to be particularly alert about. Our developed country partners say: We are talking about transfer of technology, unfortunately, most of this technology is in the hands of the private sector in our countries. If you really want such transfer to take place then what you really need to do is to have a congenial investment environment in your country so that it is worth the while of a company to come and invest in it. If capital is required in order to bring about the establishment of these climate friendly industries, the best way is to make it easy for investments to come into your country. Sounds very reasonable, but this is not really the approach which is there in the UNFCCC. UNFCCC does not talk about this.

Another argument is to say that if we have to undertake retooling of our industries, if we have to invest money in climate friendly technologies, the additional cost will mean that the competitiveness of our industry will be undermined because if you are not willing to make the same investments then you have an advantage. There will no longer be an even playing field. This is the sectoral approach, which countries like Japan and United States are trying to introduce. They are saying, let us forget about national targets, why don't we set new targets for energy intensive industries like iron and steel, transportation, cement, power production and say that these are the norms that have to be observed worldwide. Those who do not achieve these norms, those who do not retool their industry up to that level, who do not use technology up to that level, they would have to pay a carbon tariff.

Let's take the subject of competitiveness. Green is now becoming a new instrument for protectionism and this will of course impact greatly on countries like India. We have been saying that we have started with an uneven playing field to begin with and therefore to bring this argument into the climate change debate is completely unacceptable. These are major deviations from the principles that have been laid down in the original UN Framework Convention on Climate Change. Unless these are resisted and unless we keep to the original compact of the UNFCCC we will be in difficulties. So, these are the challenges one faces as a negotiator.

Let me now give you a sense of where we are so far as the national effort is concerned.

As I said, even though we are not ready to accept any kind of legal obligations to reduce our emissions because of the stage of development

we are in today, does that mean we have the right to spew as much CO₂ in the atmosphere as we wish? No, certainly not. Unless we are willing to bring about, for our own benefit, a progressively lower carbon profile of the Indian economy there will be adverse consequences for the welfare of our own people. You can already see the health consequences of this kind of situation. The second thing is, which is very important, that today you are in a situation where there is a very big market pressure on fossil fuels. The price of oil is going through the roof, natural gas is becoming more scarce. If we do not wish to have energy becoming a major constraint on our growth, we have to adopt a strategy that, over a period of time, allows us to move from our reliance on fossil fuels to non fossil fuels. We have to make a strategic shift from non-renewable sources of energy to renewable sources of energy. Unless we do that, energy is going to become a major constraint for us. Even from the point of view of maintaining a high level of economic growth and development, it is very important that we make that shift. It also implies that whatever savings we can make through raising energy efficiency levels will also add to our energy resources. One of the major priorities that we have is how do we improve efficiency, particularly in energy intensive industries. Whatever be the dynamics in the international negotiations there are a set of priorities, there are a set of compulsions that we will continue to have as far as our national policy goes.

What I would like to mention here is that we are currently in the midst of formulating India's national action plan on climate change. This is going to be a major policy document and will likely be released in a couple of weeks from now, some time in June. While it is called national action plan on climate change, essentially it is a plan for sustainable development.

This is not only an issue of climate change we are looking at it. It is to pursue sustainable development in an ecologically sound manner. We are talking about both adaptation to climate change which has already taken place or climate change which is likely to take place in the coming years, and secondly, mitigation. How do we reduce the carbon profile of the Indian economy over a period of time? What will this national action plan contain? In fact, there are a whole series of measures we have to take in terms of adaptation as well as for mitigation; we are going to focus particularly upon a few key issues.

As I said, unless we bring about that strategic shift from non-renewable sources to renewable sources, it is difficult to see how we can have

sustainable development. In the national action plan, we are going to focus upon some key areas, and one of the key areas is solar energy. There is a recognition that if there is something that is plentifully available in the country, that is sunshine, very intense sunshine, so we need to be able to tap into it. So far we have R&D in solar energy, we have tried to popularize solar energy by subsidizing solar applications. We are now looking at a pooling of both intellectual resources, technical and scientific resources and financial resources, so that within a time frame of say the next 10 to 15 years we can make solar energy a major component of our energy mix.

The action plan is also going to look at some of the very key challenges that we are facing today. There is going to be a major focus on the Himalayan ecology. We don't know enough about the phenomenon of glacier melting, how much of it is due to the normal cyclical patterns of climate change and how much of it is due to anthropogenic emissions. There will be a major effort to build up a very detailed knowledge base on the Himalayan ecology, on the coastal plains, on our island territories, with which we can intervene and prevent adverse consequences of climate change.

We will also be looking at the whole area of energy efficiency. This is an area which will be a major opportunity for business in the years to come. Perhaps you are aware of the Energy Conservation Act of 2001. This Energy Conservation Act of 2001 has identified nine energy intensive areas - Cement, paper and pulp, iron and steel, power production, and so on. The Energy Efficiency Conservation Act stipulates that these are the areas where the Bureau of Energy Efficiency in the Ministry of Power will be setting norms for benchmarking progress in improving energy efficiency.

We have found that, in many of the cases, improvement in energy efficiency is actually self-financing. For example, if you introduce advanced lighting systems in commercial buildings, if you bring about changes in the insulation pattern of buildings, you can save a lot of electricity. The amount of money you save as a result of reduction in power consumption more than pays for the investment you are making in these efficiency-enhancing methods. And this we find across the board in many industries. The problem really is, unlike many developed countries, we don't have a large number of energy service companies. Energy service is not only the energy audit of your industry or of your building but also a whole spectrum of solutions for improving energy efficiency and also provide a financial package for making these changes. In India, most banks are not familiar with this kind of work,

because they are looking for conventional methods of financing where you require collaterals. Here, there is no collateral available, you are paying through savings that occur. So, unless you find financial solutions which can provide money for this kind of technological upgradation, it is very difficult to scale up energy service companies. This is a major industry that can grow in India today. In fact, there is an Asian Development Bank study, which has made an estimate that even current business for energy services is to the order of Rs. 14,000 crores. That is quite a significant figure. I hope this is one of the areas where we will be able to focus our attention. We will try to see if we can scale up our efforts in this regard.

The other elements that we will be looking at in the plan is water stress, and water recycling. One of the consequences of intensive economic development is the scarcity of water. We are encouraging industries to become either water neutral or water positive as a worthwhile goal. Water stress also has major implications for agriculture. In agriculture we have wasteful forms of irrigation. We are looking at drip irrigation, furrow irrigation, so that you can conserve the limited supply of water resources that you have and have more productive agriculture. The reason I am explaining all this to you is that whatever be the position that we take in international negotiations, it doesn't mean that we are not prepared to do anything on our own as far as national effort is concerned. In fact a major, very ambitious plan is going to be adopted for sustainable economic development in this country.

Finally, I want to mention something which will be of interest to you. In this action plan we are making this not just a focus of government action. We have decided to welcome public private partnerships, this is a very important feature, not only public private partnerships but also community involvement. Climate change is a challenge we face not only as business, not only as government, but as ordinary citizens of this country. If we are able to mobilize the energies of our entire citizenry this is going to have a major impact on whether we are successful or not in terms of sustainable development. This will mean many outreach activities; we need to educate people, we need to make people aware, we need to have mechanisms in which we can involve industries, involve citizen groups in dealing with climate change.

Business and industry will have a major role to play in helping us tackle climate change. What we need is entrepreneurial solutions to many of the challenges that we are facing. To give you an example, a major priority for

us is to extend commercial energy services to the vast population of India which lives in rural areas. When we are talking about emissions, we forget about this mass of people, because their emissions are very low. Besides, their energy requirements gets pushed to the background because we are so focused on industrialization, we are so focused on urban based development; it sometimes falls off the radar screen.

One of the very important contributions that business can make, especially young people in business can make, is to develop models to make provision of these kinds of commercial energy services in as sustainable a manner as possible. Technologies are there, solutions are there, it is a question of how we bring all these together in a model which makes economic sense. I think for India and for India's younger generation, that is the big challenge. We can't have a two track India, we can't have an India which is galloping at a very fast pace in its urban areas, and have a vast sea of humanity still mired in poverty, this itself is not sustainable. As Mrs. Gandhi used to say, poverty is the worst polluter. Unless we deal with the requirements and challenges of rural India, and the vast mass of humanity that lives in the outlying areas, much of what we are talking about in terms of sustainable development will be quite meaningless. This is the challenge that our entrepreneurs will have to tackle. The government alone cannot deal with this. I leave that thought with you.

Thank you very much indeed for your attention.



072. Remarks of Prime Minister Dr. Manmohan Singh while releasing the National Action Plan on Climate Change.**New Delhi, June 30, 2008.**

It is my pleasure to welcome you all on the occasion of the formal launch of India's National Action Plan on Climate Change. With this launch, the Government has fulfilled its solemn commitment to announce the National Plan by the middle of this year. This reflects the importance we attach to mobilizing our national energies in meeting the challenge of climate change. Without a careful long-term strategy, climate change may undermine our development efforts, with adverse consequences, across the board, on our people's livelihood, the environment in which they live and work and their personal health and welfare. It is also a challenge which encompasses the interests of both present and future generations. We have the moral responsibility to bequeath to our children a world which is safe, clean and productive, a world which should continue to inspire the human imagination with the immensity of the blue ocean, the loftiness of snow-covered mountains, the green expanse of extensive forests and the silver streams of ancient rivers. This is a world which we hold in trust, a world which has created and nurtured life for countless generations. Today, climate change, generated by the cumulative accumulation of greenhouse gas emissions in the atmosphere, through human economic activity, threatens our planet. There is a real possibility of catastrophic disruption of the fragile life-sustaining ecological system that holds this world together. Science is now unequivocal on this assessment.

India has a civilizational legacy which treats Nature as a source of nurture and not as a dark force to be conquered and harnessed to human endeavour. There is a high value placed in our culture to the concept of living in harmony with Nature, recognizing the delicate threads of common destiny that hold our universe together. The time has come for us to draw deep from this tradition and launch India and its billion people on a path of ecologically sustainable development. Our people have a right to economic and social development and to discard the ignominy of widespread poverty. For this we need rapid economic growth. But I also believe that ecologically sustainable development need not be in contradiction to achieving our growth objectives. In fact, we must have a broader perspective on development. It must include the quality of life, not merely the quantitative accretion of goods and services. Our people want higher standards of living, but they also want clean water to drink, fresh air to breathe and a green

earth to walk on. The National Action Plan we announce today really incorporates India's vision of sustainable development and the steps we must take to implement it.

The Plan encompasses a very broad and extensive range of measures. That is how it should be since the challenge we face is both complex and cross-cutting in nature. Nevertheless, we have decided to focus our national energies on Eight National Missions which will be pursued as key components of our strategy for sustainable development. These include National Missions on Solar Energy, on Enhanced Energy Efficiency, on Sustainable Habitat, on Conserving Water, on Sustaining the Himalayan Ecosystem, on creating a "Green India", on Sustainable Agriculture and finally, on establishing a Strategic Knowledge Platform for Climate Change. Our vision is to make India's economic development energy-efficient. Over a period of time, we must pioneer a graduated shift from economic activity based on fossil fuels to one based on non-fossil fuels and from reliance on non-renewable and depleting sources of energy to renewable sources of energy. In this strategy, the sun occupies center stage, as it should, being literally the original source of all energy. We will pool our scientific, technical and managerial talents, with sufficient financial resources, to develop solar energy as a source of abundant energy to power our economy and to transform the lives of our people. Our success in this endeavour will change the face of India. It would also enable India to help change the destinies of people around the world. In pursuing this and other ambitious goals, I believe we have the greatest assets in the wisdom, creativity and enterprise of our people. The Plan intends to go beyond government to draw upon these assets.

In pursuing the National Action Plan, we are conscious that we live in an age of rapid change and uncertainty. Thus the Plan is not a fixity. It is meant to evolve and change in the light of changing circumstances, developments in science and technology and in the global regime that is currently being fashioned through multilateral negotiations.

Climate Change is a global challenge. It can only be successfully overcome through a global, collaborative and cooperative effort. India is prepared to play its role as a responsible member of the international community and make its own contribution. We are already doing so in the multilateral negotiations taking place under the UN Framework Convention on Climate Change. The outcome that we are looking for must be effective. It must be fair and equitable. Every citizen of this planet must have an equal share of

the planetary atmospheric space. Long term convergence of per capita emissions is, therefore, the only equitable basis for a global compact on climate change. In the meantime, I have already declared, as India's Prime Minister, that despite our developmental imperatives, our per capita GHG emissions will not exceed the per capita GHG emissions of the developed industrialized countries. This should be testimony enough, if one was needed, of the sincerity of purpose and sense of responsibility we bring to the global task on hand.

The National Action Plan owes its appearance to the wisdom, expertise and dedication of a large number of people. I must thank all the members of the Prime Minister's Council on Climate Change, and in particular Shri Kapil Sibal, Minister of Science & Technology, Dr. Chidambaram, Principal Scientific Advisor to the Government and Shri Shyam Saran, Special Envoy of the Prime Minister for Climate Change who oversaw the final drafting of the Plan. My own Ministry, the Ministry of Environment and Forests, played a seminal role in all our deliberations, under the leadership of Shri Meena, Minister of State. I must also record my appreciation of the contributions of the Ministries of Power, New and Renewable Energy and the Planning Commission. The Plan should be the subject of national debate. It will evolve and improve through a much wider interaction than has been possible so far. The Government, for its part, intends to move quickly to establish the various National Missions and come up with detailed plans for execution of specific projects. We would welcome international cooperation to supplement and support our national effort.

I wish to conclude by recalling Mahatma Gandhi's sagacious message not only to the people of India, but to the world at large: The earth has enough resources to meet the needs of people, but will never have enough to serve their greed. This is the spirit which must underlie any strategy for sustainable development.

Thank you.



073. Report on Prime Minister meeting the press on board his special flight to Sapporo, Japan for the G-8 Outreach Summit.

July 7, 2008.

Prime Minister Manmohan Singh on board his flight to Japan emphatically said that India would not accept any targets that may be set by international bodies reducing its carbon emissions. He expected climate change and curbing carbon emissions were going to be major issues¹ at the Outreach meeting in Japan. He said, "Our position has been made very clear...India cannot, by any stretch of the imagination, be regarded as a major polluter of greenhouse gases.... Our contribution to global emissions is less than 4 per cent. On per capita basis it is among the lowest - an average of 1.2 tonnes.For us the topmost priority is development." He however added that India had independently brought out a national plan to deal with climate change.

"I had said that India's per capita emissions of greenhouse gases will never exceed the average of the developed countries, and therefore if the developed countries make deeper cuts, that will be an incentive for us to move at a faster pace," he emphasised.



¹ Before Prime Minister's departure for Japan, the media speculated that he should expect immense pressure upon India and other developing countries at the conference for commitments to quantified reductions in greenhouse gas (GHG) emissions in the post-Kyoto period after 2012. Notwithstanding Prime Minister's statement at the last G-8 Summit at Heiligendamm in 2007 that the per capita emissions of India would at no time exceed that of developed countries, the developed countries, the U.S. in particular, had been insisting on a definitive shift from this qualitative premise to quantified reduction targets. India's National Action Plan on Climate Change (NAPCC) which was launched on June 30 too seeks only a qualitative shift towards a low carbon developmental path.

**074. Intervention by Prime Minister Dr. Manmohan Singh at
Major Economies Meeting on Climate Change at the G-8
Outreach meeting.**

Hokkado, July 9, 2008.

Please see Document No.167



**075. Declaration of Leaders of Major Economies on Energy
Security and Climate Change.**

Hokkado, July 9, 2008.

Please see Document No.168



076. Interview by Special Envoy of Prime Minister on Climate Change Shyam Saran to the Climate Group Newsletter.

New Delhi, July 10, 2008.

What do you think is needed for a successful outcome at Copenhagen? What key pieces need to come together for agreement ?

The key pieces are spelt out in the Bali Action Plan itself. We need to agree on a Long Term Vision and on practical steps to enhance the implementation of the 4 pillars of the Bali Action Plan. These are mitigation, adaptation, supported by finance and technology, which must be part of a comprehensive package. Furthermore, a successful outcome must be based on equity, as enshrined in the UNFCCC principle of "common but differentiated responsibilities and relative capabilities".

As India pursues sustainable development, its per capita GHG emissions will at no point exceed those of the developed countries.

India's per capita emissions fall well below the global average. What is the best way to create an international agreement that will enable India to decouple future economic growth from emissions growth? What role will India play in reaching such an agreement? What role will the international community play?

The Prime Minister of India has already declared that as India pursues sustainable development, its per capita GHG emissions will at no point exceed those of the developed countries. This is a major contribution by India to the global effort to deal with climate change. It also reflects our view that eventually there has to be a global convergence of per capita GHG emissions. This is the only equitable basis on which existing atmospheric space can be shared. India's position in this regard has drawn a positive response from countries like the UK, France and Germany. We are prepared to work with the international community to give this convergence principle a practical shape.

To be successful, international negotiations must arrive at a climate agreement that is both effective and equitable. How can countries achieve similar effectiveness and equity within their internal climate policies and strategies?

"India recycles over 70 per cent of its waste, while this figure is only 30 per cent in the US and less than 50 per cent in Germany". All countries must pursue ecologically sustainable policies at home, though their circumstances may be different. This means sustainable patterns of both production and consumption, including sustainable lifestyles. For example, India recycles over 70 per cent of its waste, while this figure is only 30 per cent in the US and less than 50 per cent in Germany. There must also be a recognition that there is a difference between what I would call lifestyle emissions and survival emissions and these cannot be equated. If we provide basic energy services to the rural poor in India, that will inevitably result in higher emissions. But this cannot be equated to higher emissions as a result of high speed limits, or no speed limits at all, on highways in Europe.

How will India reconcile the need for both adaptation and mitigation?

"We believe that development is the best form of adaptation." When we talk of sustainable development, it implies both adaptation to climate change that has already taken place and is expected to take place in the foreseeable future. It also includes mitigation through the adoption of a strategy that, over time, moves the country to a growth pattern progressively less reliant on fossil fuels. We believe that development is the best form of adaptation. It is only with higher incomes that it becomes possible to increase resilience to changes in climatic patterns and unexpected climatic events. In agriculture, this includes the development of drought resistant crops, arid zone agricultural practices and shorter growth cycles. Therefore, adaptation is being built into our overall development strategies. This will go hand in hand with mitigation-related measures, such as the promotion of renewable energy sources and increased energy efficiency.

As a net importer of primary energy, how will India balance the dual imperatives of climate security and energy security?

In a world of rising prices of oil and natural gas, it is becoming increasingly apparent that if India does not wish energy to become a constraint on its ability to deliver high levels of growth, (which is also a must for successful adaptation), then it must make a deliberate and graduated shift to renewable energy. In the meantime, it must conserve energy and increase efficiency in energy-intensive sectors. Thus, promoting energy security will, as a consequence, deliver Climate Change benefits as well. This is the strategy which underlies India's National Action Plan on Climate Change due to be

released shortly.

An international climate agreement could establish flows of funds to developing economies which would fast exceed ODA flows. What international institutions are needed to ensure these funds are effective, and that they reach the intended targets?

"Concessional lending under the World Bank, for example, cannot be a substitute for a financing mechanism under the UNFCCC itself." It is our view that these financing mechanisms are best placed within the multilateral UNFCCC regime, so that they are managed by the State Parties themselves. This will ensure that the use of the funds is not donor-driven, reflecting the priorities of the developed countries alone. The funds should be utilized in accordance with the priorities and requirements of the developing countries. Concessional lending under the World Bank, for example, cannot be a substitute for a financing mechanism under the UNFCCC itself.

What big opportunities exist for India in the move to a low carbon economy?

Indian business and industry is already ahead of the curve in recognizing and exploiting the opportunities inherent in the shift to a more climate-friendly growth strategy. India is one of the leaders in wind energy and there will be a renewed focus on solar energy applications in the Climate Change Plan. Improving energy efficiency in energy intensive sectors such as power, steel and cement, offers major opportunities to Energy Service Companies. An ADB Study has estimated the current market in India for ESCOs alone at about US \$3.5 billion.



077. Speech by Special Envoy of Prime Minister on Climate Change Shyam Saran on climate change: "Climate Change: Will India's Growth Story Confront a New Constraint?"

New Delhi, July 26, 2008.

Mr. Chairman, Dr. Kirit Parikh, distinguished guests, ladies and gentlemen,

I wish to thank the Public Diplomacy Division of the Ministry of External Affairs and the India International Centre for inviting me to speak on a subject that is becoming, increasingly, of critical importance to India's economic prospects. There are two ways in which climate change could impact on our economic development.

Firstly, there will be additional costs due to the unavoidable need to adapt to climate change that has already taken place, and will inevitably take place, as a result of the cumulative and continuing accumulation of greenhouse gases (GHG) in the atmosphere. The economy will need to be made more resilient to face unpredictable weather patterns. It will have to evolve more thermal resistant crops and botanical strains. There may be severe water stress both for agriculture and human consumption. There may be health consequences due to the spread of viral and bacterial strains in higher temperatures and more humid conditions. The poorer the country, the greater the risks and, therefore, greater the costs of adaptation. Even currently, it is estimated that India is already spending about 2.5% of its GDP on adaptation and this percentage is likely to go up significantly in the coming years.

Secondly, there will be costs to be incurred if concerns over climate change compel a significant and accelerated shift in the energy mix of the country, away from the current reliance on fossil fuels to non-fossil fuels. The patterns of economic activity, in agriculture, industry and sciences, will need to undergo a transition which will require investments in new technologies and equipment. The economic and social development of the country and the prospects of eradicating poverty within a generation, would be seriously and adversely impacted.

Let me also emphasize at this point that ability to adapt to climate change is also linked to the level of development. Richer and more advanced states are better equipped to cope with climate change than are poorer countries. Therefore, development is the best form of adaptation, even if development in a developing country results, in the foreseeable future, to an increase in its GHG emissions.

There is much talk in our civil society today of the urgency of India taking on commitments to reduce its GHG emissions. Some argue that it is developing countries like India which will be worst affected by climate change and hence should take the lead in significantly reducing its GHG emissions. Some of our friends, both in Europe and North America also argue that unless countries like India and China take on ambitious commitments to reduce their GHG emissions, their own efforts will not yield the results we all hope for in mitigating climate change. Let us examine these arguments in the light of science and on the basis of equity.

Climate Change is taking place not as a result of current GHG emissions but as a result of cumulative accumulation of greenhouse gases in the global atmospheric space, as a result of anthropogenic activity, mainly fossil-fuel based industrial activity over the past 200 years. True, current emissions are adding to this accumulation on an incremental basis. But looked at in a comprehensive perspective, the total stock of GHG in the atmosphere, in particular CO₂ emissions, is almost entirely the responsibility of developed, industrialized countries. Even if one were to take 1900 as the baseline and calculate cumulative emissions upto 2004, the U.S. share in global cumulative CO₂ emissions is 28.03%, of Russia 7.85%, of Germany 6.47%, of Japan 4.02%, of China 8.37 and of India, only 2.44%. If you use the per capita basis, which is the only truly equitable standard, then differences are even more stark. The U.S. leads with 1733.3 metric tonnes between 1900 and 2004, Canada is second with 1250.4, the UK with 1111.2, Germany with 985.4, Australia with 921.5 and Poland with 686.9 metric tonnes per capita. For China, the comparable figure is 87.3 and for India 39.2 metric tonnes. In fact, among 21 top countries by per capita cumulative emissions, India is at the bottom of the ladder. (These figures are based on the Carbon Dioxide Information Analysis Centre of the U.S. Department).

Against this backdrop, whatever be the stabilization targets for CO₂ emissions, that is considered essential for mitigating climate change, there will be a corresponding carbon space which will need to be equitably shared among different countries in the world. It is clear from the figures that I

have placed before you that equity demands that CO₂ emissions, which constitute the most significant part of GHG emissions, must be drastically reduced by the developed, industrialized countries, even while those of developing countries like India will inevitably rise, at least in the foreseeable future. If developing countries like India must mitigate their CO₂ emissions, then the costs involved must be fully compensated for, by the developed countries, and the required technology transfer must take place in the nature of public goods. This is based on the simple principle: The Polluter Pays.

In fact, what I am saying here today, has already been accepted by consensus in the UN Framework Convention on Climate Change, adopted in 1992 at Rio de Janeiro. The Convention recognized the historical responsibility of the developed countries for the phenomenon of climate change taking place. It is for this reason that only developed countries were expected to take on emission reduction targets and not developing countries.

An argument is sometimes advanced that in 1992, the rapid growth of emerging economies like China, India, Brazil and others, had not been foreseen. The situation, today, is different and, therefore, requires new measures. In fact, the UNFCCC clearly anticipated that, as developing countries pursue their goals of economic and social development, their emissions would inevitably rise.

As for current emissions, again India has no reason whatsoever to be on the defensive. I refer to the Climate Score Cards brought out by WWF and prepared by Ecofys, on the eve of the recently concluded Hokkaido G8 and G8 + G5 Summits. If you look at current emissions per capita in tonnes of CO₂ equivalent, the figures are revealing. Canada has 23 tons, Germany 12, Japan and the UK 11 each, Russia 15 and the United States 24 tons per capita. China, by contrast has 5.5 and India only 1.7 tons per capita. Even in the macro terms, India lags far behind the U.S., for example, accounting for only 4% of global emissions as against 20% for the U.S. And despite their commitments in the UNFCCC to reduce CO₂ emissions by 6.2% in 2012 compared to 1990, most developed countries have in fact recorded a significant rise instead. This is because fossil fuel consumption is rising everywhere. In the 1990-2005 period, US emissions have risen by 19%, Japan's by 22% and even the EU 15 by 7.8%. If you consider incremental CO₂ emissions on a per capita basis in select countries during 1990-2005, then the U.S. leads with 3.2 tonnes, China follows with 2.3 tonnes, Japan with 1.7, the EU 15 by 0.7 and India with only 0.5 tonnes.

Therefore, it is absurd to talk of India being a "free-loader" or being given a pass. The problem is elsewhere.

I have gone into some detail in this regard because we must not accept a global climate change regime which is inequitable and imposes unfair economic burden on us as a developing country. Climate Change will become a constraint on India's growth story if we do not work together with other developing countries to ensure a global regime that takes into account historical responsibility, recognizes the overriding imperative of economic and social development and the eradication of poverty and is based on the principle that each citizen of the globe has an equal entitlement to the global atmospheric space.

Despite history and equity being on our side, we have not avoided our responsibilities as enlightened global citizens. The Prime Minister has committed India to never exceeding, during our development process, the per capita emission of developed countries. This is a major contribution to the global effort to deal with climate change.

I have so far argued that our negotiating strategy must be directed towards an outcome that does not constrain India's growth prospects by limiting our energy choices through emissions reduction commitments. I have also demonstrated that adaptation costs to India, as a result of current and prospective climate change, will be increasingly significant. In multilateral negotiations, our effort is to ensure funding of adaptation costs through an Adaptation Fund. However, even if there were no climate change constraints on India, would our energy security still be assured? In the next part of my presentation, I will touch upon this aspect briefly.

According to Report of the Expert Committee on Integrated Energy Policy, India's energy requirements will rise dramatically from the current period to 2030-31. It assumes a population size of 1.4 billion against 1.1 billion currently. It is assumed that in order to meet our minimal economic and social developmental goals, in particular to eradicate poverty within a generation, our primary energy supply must grow 3 to 4 times current levels and electricity supply achieve 5 to 7 times current consumption. Power generation must rise from a current level of about 1,60,000 megawatts to about 8,00,000 megawatts in 2030-31. Meeting this level of energy requirement necessitates the pursuit of all available fuel options and forms of energy. After analyzing current production and consumption trends and likely import patterns, the Report envisages the following:

- The dependence on coal, which is currently 51% may decline to about 45% in 2030-31, but nearly 2/3rd of the coal may need to be imported.
- Oil forms about 36% of our current energy mix, but this may decline to about 24% in 2030-31, but the level of imports may rise from 70% at present to perhaps 90% in 2030-31.
- Natural gas currently meets about 8.8% of our energy needs and this is likely to go up to 23% in 2030-31 on the strength of both domestic and imported supplies.
- Hydropower constitutes a little over 2% of our total energy profile currently and is unlikely to change very much by the year 2030-31, despite there being over 150,000 MW of potential hydro-power potential in the country.
- Nuclear Energy contributes only 1.5% towards our total energy mix but is expected to go up to 6.3% in 2030-31, but only if nuclear commerce with the rest of the world can be resumed and if India is enabled to import both nuclear reactors and uranium fuel.
- On current indications, without a major effort on R&D, renewables may only constitute about 6% of our energy mix in 2030-31.

What does this analysis tell us? If the energy mix remains more or less the same over the next 25 years, the overwhelming proportion of our energy needs will be met by coal, oil and natural gas. If over 66% of our coal, 90% of our oil and nearly 60% of our natural gas requirements have to be imported, India's energy security is going to be severely undermined. If, as is now obvious, there will be a growing gap between demand and supply of oil, gas and coal over the next decades, we will be confronted with much higher costs of energy supply. This is already happening, most dramatically in the case of oil, but also significantly in the case of natural gas and coal. And, therefore, even if there were no climate change argument, considerations of energy security alone would suggest a medium to long-term strategy of moving away from reliance on fossil fuels to non-fossil fuels, from non-renewables to renewables and from conventional sources to non-conventional sources of energy. And this shift, would, as a beneficial consequence, bring about major climate change gains as well, both for India as well as for the world.

It is this realization of the inter-linkage between climate change and energy

security which underlies the strategy of sustainable development outlined in India's National Action Plan on Climate Change, which was released by the Prime Minister on June 30 this year. The National Action Plan gives priority to Eight National Missions. In terms of my presentation today, I would refer to two, which directly impact on energy security. The first is the pride of place given to Solar Energy among the missions, as an inexhaustible and renewable source of energy. We have to be ambitious in pursuing this National Mission because if we are able to come up with applications which are convenient and cost-effective, then there would be no energy constraint on our growth. There would also not be any climate change constraint either.

The second mission relates to Energy Efficiency. India has done rather well in virtually halving the energy intensity of its growth since the 1970s, from over 0.30 kgoe (Kg of oil equivalent) per US\$ of GDP (PPP) to 0.19 kgoe currently. This is equivalent to the OECD average. This can, however, be further improved by about 25%-30% bringing us closer to the 0.12 kgoe, which is currently the best in the world. In coal-based thermal power plants, efficiency can be increased from the current 30.5% to 39% or more. The implementation of the Energy Conservation Act of 2001 and the Building Code of 2005, would bring about significant improvements in energy efficiency in most high energy-intensive sectors. The Integrated Energy Policy has an interesting concept of a "Negawatt", comprising the saving of energy through conservation, which has higher value than a Megawatt of newly generated energy. This is because in terms of a unit of energy saved, the costs of generation and transmission are all avoided.

There is little doubt that with the civil nuclear energy initiative back on track after the recent vote in Parliament, we may look forward to a major expansion in nuclear power generation in the period upto 2030-31. Domestic availability of uranium can only fuel 10,000 MW of nuclear energy for about 40 years. But India has very substantial reserves of thorium which can sustain a much larger and more sustainable nuclear power production. However, for that to happen fertile thorium needs to be converted into fissile material. Dr. Homi J. Bhabha, the father of India's nuclear programme, envisaged a 3-stage process, consisting of the setting up of uranium-based Pressurized Heavy Water Reactors in the first stage, leading up to the establishment of Fast Breeder Reactors in the second stage, based on plutonium reprocessed from spent fuel of the first stage and finally, reactors based on Uranium 233-Thorium 232 cycle in the third stage. Here thorium would be used as blanket material in Fast Breeder Reactors to produce

Uranium 233 to fuel the third stage. While we have reached a degree of maturity in the first stage, the prototype 500 MW capacity FBR is currently under construction to launch the second stage. The pace of development of nuclear power is constrained by the rate at which plutonium can be bred and thorium converted to fissile material. The larger the scale of the first stage, the sooner can the third stage attain criticality, since adequate amounts of plutonium could be bred from the spent fuel of the uranium based reactors. In the optimistic scenario, contained in the Integrated Energy Policy document, nuclear energy could constitute about 63,000 MW in 2030-31 and over 275,000 MW in 2050. This would effectively make India energy-independent for the long-term.

Therefore, the civil nuclear energy initiative, far from being a distraction from the 3-stage indigenous nuclear energy programme, would actually contribute to its earlier realization and on a much larger scale than originally envisaged, based on domestic supplies of uranium.

What, therefore, are our conclusions?

Firstly, we must negotiate to establish a global climate change regime that does not restrict our energy options, nor imposes on us the costs of adjustment to a low-carbon economy. We are not in a position to meet these costs of adjustment unless these are fully covered by transfers of finance and technology from developed countries.

Secondly, even while we ensure that we keep our energy options open, we must recognize that India's energy security necessitates a graduated shift from fossil fuels to non-fossil fuels, such as nuclear, and from non-renewables to renewables, such as solar energy and bio-mass. The high and rising costs of oil, gas and coal and our increasing dependence on their imports, necessitates such a shift, and the sooner we achieve this, the better it is. Our ability to do this will also be greatly enhanced through international collaboration which we welcome. India's strategy for achieving energy security will also become its answer to the challenge of climate change, with benefits both for India itself and for the world.

Thank you.



078. Speech by Special Envoy of the Prime Minister on Climate Change Shyam Saran “From Bali to Copenhagen – Tackling Climate Change with Renewable Solutions”.

Ljubljana (Slovenia), September 1, 2008.

India welcomes the opportunity to share with this prestigious Forum, its vision for tackling Climate Change as a collaborative Global Mission.

1. Such a Global Mission requires us to recognize that what we face, as humanity, is an extraordinary challenge and this requires an extraordinary response. While there is talk of Climate Change being an extraordinary challenge, what we have seen so far in multilateral negotiations, is best described as “under-ordinary”.
2. An extraordinary response cannot be delivered by a traditional negotiating process, which is by its nature, adversarial, in which each negotiating partner or a group of negotiating partners, seeks to safeguard and advance its own perceived self-interest and the result is usually a least common denominator outcome. This may be appropriate for less challenging areas such as trade or even security-related issues. A least common denominator outcome to the Bali Process will not be appropriate to the elemental challenge that Climate Change poses to collective humanity.
3. What we need is a collaborative approach based on a common and shared vision, but one which can only succeed if it incorporates the principle of equity and fairness.
4. As India sees it, the Copenhagen Outcome must be based on the principle that each citizen of the globe has an equal entitlement to the global atmospheric space. This is similar to the principle recognized, for example, in the Outer Space Treaty, that Outer Space “shall be the province of all mankind”. Therefore, our objective should be to aim eventually for a per capita convergence of greenhouse gas emissions.

The Prime Minister of India has solemnly declared that even while India pursues its economic and social development goals, it will not permit its per capita GHG emissions to exceed, at any point of time, the average per capita emissions of developed countries.

5. A successful outcome, which is equitable, must take into account historical responsibility. It is not current levels of emissions alone which are responsible for climate change. Climate change is taking place as a consequence of accumulated GHGs in the atmosphere, as a result of several decades of carbon-based industrialization in the developed world. Therefore, as the UNFCCC itself acknowledges, it is the developed countries who occupy the limited carbon capacity of the earth's atmosphere, who must achieve urgent and significant reductions in their emissions.
6. Developing countries have the responsibility to engage in sustainable development but their emission reductions will be the result of sustainable development, not the other way around. This is an important distinction. To enable enhancement of sustainable development in developing countries, there has to be support in terms of technology transfer and financial resources.
7. What developed and developing countries together need to achieve is an accelerated and substantial shift from fossil fuels to non-fossil fuels and from non-renewable sources to renewable sources of energy. There must be a global plan to change the very nature of growth, from one based on carbon that has remained virtually unchanged since the dawn of the industrial revolution to one based on clean and renewable sources of energy. This radical and in a sense revolutionary shift is the extraordinary response required to an extraordinary challenge. We are prepared to be a part of this global effort, but I repeat, this must be on the basis of equitable burden-sharing.
8. India has announced its own National Action Plan on Climate Change on June 30, 2008. It is, in essence, our own strategy for sustainable development. It is based on the recognition that both in terms of energy security and tackling climate change, India must achieve a graduated shift from reliance on carbon-based fossil fuels to non-fossil fuels and from non-renewable to renewable sources of energy. Therefore, the pride of place has been given to a National Solar Mission to promote the use of the sun's energy, which is available plentifully in tropical India. There is also a focus on other renewables such as bio-mass and bio-fuels as also nuclear energy. We would welcome international collaboration to accelerate the implementation of this strategy.

9. The extraordinary nature of the global challenge of climate change also leads us to recommend other collaborative agreements on technology transfer, technology collaboration and financing instruments. If there are current patented technologies, whether from the developed or developing countries, whose widespread diffusion would make a significant impact on climate change, then let us acquire these patents through a global fund and make them available widely as public goods. We as a developing country, are prepared to contribute to such a fund in accordance with our economic capacity.
10. Similarly, we must put in an unprecedented effort in collaborative R&D to generate technological innovations that are cost-effective and convenient. This too, can be financed through a Global Venture Fund to which we are also prepared to contribute, and whose results similarly could widely be diffused as public goods.
11. There is no doubt that the financing required to achieve a substantial shift from a carbon-based economy to a renewables-based economy, will be of an unprecedented scale. Given the current economic gloom world-wide, this may seem unrealistic. I would, however, argue that deploying resources to tackle the global challenge of climate change, is itself a means of “energizing” the world economy. It will unleash a veritable surge of innovation, enterprise and development unmatched in history.
12. The capital required must be deployed nationally as well as on a multilateral basis to support sustainable development in developing countries. The location and disbursement of these funds are best achieved through the UNFCCC framework itself rather than in a traditional donor-driven approach, where the priorities of developing countries tend to be ignored. This will require a mind-set change both among developed and developing countries. Financing for climate change should not be seen as another form of ODA but rather payments for ‘entitlements’ of developing countries under an equitable global regime.
13. India is prepared to work actively and constructively for an ambitious, equitable and effective outcome from Copenhagen.



**079. Joint Work Programme of European Union - India
Cooperation on Energy, Clean Development and Climate
Change.**

Marseille, September 29, 2008.

Please see Document No.160.



**080. Address by External Affairs Minister Pranab Mukherjee
on 'India And Global Challenges: Climate Change And
Energy Security' at The Asia Society.**

New York, September 30, 2008.

Please see Document No.49.



**081. Statement by Member of Parliament and Member of the
Indian Delegation to the United Nations Rajeev Shukla
on Agenda Item 49; Sustainable Development at the
Second Committee of the UNGA.**

New York, October 28, 2008.

Please see Document No.738.



INDIA'S FOREIGN RELATIONS - 2008

SECTION - III

**CIVIL NUCLEAR ENERGY
COOPERATION**

082. Extract relevant to the India's Nuclear Cooperation Agreement with the United States, from the Media briefing by Foreign Secretary Shivshankar Menon on Prime Minister's visit to China.

New Delhi, January 11, 2008.

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Question: There have been some reports about us facing stumbling blocks as far as the negotiations with IAEA are concerned. Could you throw some light on that aspect? Would our Prime Minister be talking to the Chinese Premier about the next steps on the deal - support from Chennai at NSG?

Foreign Secretary: As far as the IAEA is concerned, we had three rounds of discussions. We finished one round last week and we hope to do another round in the middle of January in Vienna where we hope to wrap it up. The discussions are proceeding smoothly and they will continue, we hope, to a rapid and satisfactory conclusion. On the subject of civil nuclear cooperation between India and China, we have worked together in the past in this area. In fact, China at one stage had supplied some low enriched uranium fuel for Tarapur as well in the early 1990s. We have worked together and we would hope to work together with China, like we would with other friendly countries, when the way is clear. Now we have raised the subject before with China during previous visits, as you know. I think you were the one who actually asked the question when President Hu Jintao was here in November, 2006. We will certainly raise the subject again. We have been in touch with them in between as well and we have explained to them what we see as the potential and the importance of civil nuclear energy cooperation between us and the rest of the world¹.

1 Mr. Menon separately told journalists on the same day that India was hopeful of concluding an India-specific safeguards agreement with the International Atomic Energy Agency (IAEA) by the end of this month. "We hope to do another round [with the IAEA] in the middle of January in Vienna. We hope to wrap it up. The discussions are proceeding smoothly." "The discussions are proceeding rapidly. We hope to reach a satisfactory conclusion," he added. Asked whether India would seek China's support for the civil nuclear deal during Prime Minister Manmohan Singh's Beijing visit beginning on January 13, Mr. Menon said, "we have not actually come to that point. When it comes to the NSG, we will ask for unconditional exemption by its members." He pointed out that both countries had cooperated in the nuclear sector in the past with China supplying low enriched uranium for the Tarapur nuclear facility in the 90s. "We would like to work with China... we have raised the subject and have been in touch with them and explained the benefits of civil nuclear cooperation between India and rest of the world," he said.

Question: What can we get from China in this?

Foreign Secretary: I think that is something that the experts will have to sit and work out.

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Question: Just a follow-up on the NSG question. Has China at all made a statement or made it clear that they are going to support India-specific changes to NSG guidelines?

Foreign Secretary: I do not think that we have actually come to that point. We have not asked anybody, 'Please stand up now and say where you stand on this and will you support this change and that change'. We have not actually come to that point. When it comes to the NSG we will then go and ask all our friends to do so, to support an unconditional NSG exemption for civil nuclear energy cooperation with India by NSG members.

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Question: Are you confident that China will not stand in the way of India's nuclear ambitions?

Foreign Secretary: I will let the Chinese speak for themselves.



083. Extract relevant to Civil Nuclear Energy Cooperation from the interview of External Affairs Minister Pranab Mukherjee with Karan Thapar for the CNN-IBN/TV-18.

New Delhi, January 13, 2008.

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Interviewer: Foreign Minister, there is a widespread perception that after the Congress Party's substantial defeat in Gujarat and Himachal Pradesh and given the unchanging attitude of the Left parties, it is only a matter of time before the Government accepts that they cannot take the nuclear deal to completion. Would you accept that?

External Affairs Minister: You are fully aware of the fact that we are engaged in discussions with the Left parties and the UPA Chairperson appointed a small group to iron out the differences. Several rounds of discussions have taken place. We have not yet been able to completely iron out the differences. Of course, there was agreement to initiate discussions with IAEA for India-specific safeguards arrangement which are currently going on. As per the decision of the last meeting which we had on 16th of October, we are to show them the agreed text of the India specific safeguards arrangement which our negotiators will enter into with the IAEA authorities. After that, the Left parties and the UPA partners in the UPALeft Coordination Committee will decide what course of action they will take.

Interviewer: I understand that. The reason I sounded cautious, if not skeptical, is Prakash Karat has gone on record at the end of December to say that the Left parties do not want the Government to complete the agreement. Debabrata Biswas, the General Secretary of the Forward Bloc, in fact had said that the only reason the Left gave you permission to go to the IAEA was so that you could have an honourable exit.

External Affairs Minister: The fact of the matter is that various interpretations are coming and I am not going to comment on that. We are aware of the position stated by various Left parties from time to time. Despite that we are talking with each other. The current discussions in which our negotiators are engaged with them IAEA Technical Team are as per the decision taken in the meeting of the Left- UPA Coordination Committee.

Interviewer: Quite right. Outside that Committee, A.B. Bardhan says that the Parliament majority shown in the last session is against the deal and you are honour-bound to abandon it.

External Affairs Minister: The fact of the matter is various political parties have expressed their views inside Parliament and outside, and it is known. Yes, in speeches the Members had expressed their views but the issue was not framed before the Members. As per the parliamentary practice, there was no scope of ascertaining the opinion of the House on the discussion because the discussion took place under a rule in which this is not required and this is not relevant.

Interviewer: You are saying something very important. You are saying, therefore, that discussion in the House in December does not constitute a sense of the House against the deal.

External Affairs Minister: I am not saying that because we did not seek the sense of the House. When somebody asked if we were not going to take the sense of the House, I told him that as per the commitment of the Prime Minister I will come to the House when the entire process is complete. The process has not yet been completed and the Government did not seek the opinion of the House.

Interviewer: That is your position, not Karat's.

External Affairs Minister: Whoever might have said it, as per the parliamentary practice there is a definitive way to ascertain the view of the Parliament and that was not done in this case deliberately, with the consent of everyone.

Interviewer: Do you think your Left allies will accept that?

External Affairs Minister: What they will accept and what they will not shall have to be discussed by us and we are discussing.

Interviewer: This is the problem. Let me quote what A.B. Bardhan says. He says, "The sense of the House is that the majority of the Members are opposed to the deal". You are disagreeing with that. You have got a problem.

External Affairs Minister: I am not disagreeing that majority of the Members did not speak against the deal. The fact of the matter is that majority of the Members who participated in the discussion expressed their views against Government proceeding further. That point is all right. What I am disputing is your contention that it was the opinion of the Parliament which was sought in that debate. It was a discussion. Normally in parliamentary language in these discussions the issue is not talked out; the

House does not express its views.

Interviewer: Okay. You have very clearly put the Government's position. The Left may agree or not, that is their prerogative. Let me put something else to you. Has your ability or your willingness to take the deal to conclusion been affected by defeat in Gujarat and Himachal Pradesh elections? Have you lost the political leeway?

External Affairs Minister: No. When we began the negotiations various political parties expressed their views against this deal. The discussion which we had in the Parliament recently was not the first one. On every major development in this deal we came to Parliament. We suo motu initiated discussions and the Members expressed their views.

Interviewer: But Gujarat and Himachal may have changed the landscape. Do you still have the capacity, you have the leeway?

External Affairs Minister: That is a different thing. I do not have the capacity if the Government becomes a minority Government. I made it quite clear that we would not like to proceed with the deal if the Left parties withdraw support from the Government.

Interviewer: But can a Government damaged by Gujarat pursue it?

External Affairs Minister: Please try to understand this. Defeat or success in an election in a provincial Assembly in a federal structure like ours does not matter in this sense because there was no referendum on this issue in the Gujarat election. Gujarat election was fought completely on different issues.

Interviewer: So you are saying Gujarat is irrelevant.

External Affairs Minister: A success in Gujarat election would not have added to the Government's capacity nor has it reduced the Government's capacity now because not a single Member has been added or deducted from the existing strength of the various political parties in Parliament. It has nothing to do with this deal.

Interviewer: In which case let us then come to the talks you are having with the IAEA. Has the IAEA accepted India's Separation Plan, and in particular have they accepted that India wants the capacity to take corrective measures if there is any disruption in fuel supplies? Have they accepted that?

External Affairs Minister: The talks are still going on. I would not like to comment on what is appearing in the newspaper because I do not have that luxury. I shall have to go through the text word by word as and when it is finalized. When it will be available to us I will share it with the Left parties and the country will come to know it.

Interviewer: Let me, for the audience's sake, flag up two issues that are critical for India and ask you whether you believe progress is being made. The first critical issue is India wants reflected in the safeguards agreement its negotiated position with America that it can have lifetime supplies of fuel. The IAEA it seems is reluctant to do this because they do not want to set a precedent. Have you got over that?

External Affairs Minister: You are placing the cart before the horse, Karan. I am concerned on three matters, not on two.

Interviewer: Which are?

External Affairs Minister: I am concerned about (1) the assured fuel supply; (2) India should have the right to build up strategic reserves in case of unintended disruption in the supply of fuel, and (3) India's strategic programme should be pursued independently and it should not be affected in any way. I would expect that these concerns get adequately reflected in the India-specific safeguards arrangements. That is why we are talking of India-specific safeguards arrangement, which is different from other safeguards arrangements. Unless I have the text on all issues, I would not like to make any comment in between.

Interviewer: The only problem is that newspapers have revealed that the IAEA may be prepared to reflect your concerns in a preamble or in a separate statement but not in the operative part of the text.

External Affairs Minister: I have neither seen the preamble nor the articles of the agreement. So, it is not possible for me to comment and I would not like to make a comment in between unless I see the text.

Interviewer: Okay. Is satisfactory progress being made or are you facing resistance?

External Affairs Minister: This is a question which is to some extent hypothetical and is some sort of a value judgment. I have no scope of indulging in this type of speculative questions and answers because as

Government of the day I shall have to approve it or I shall have to reject it, as the Board will have to approve it or the Board will have to reject it.

Interviewer: Absolutely. Governments of the day always sound optimistic. They send out a message to the people that progress is being made. I have in front of me a Minister who refuses to talk about progress, who refuses to suggest that it is being made even incrementally. Therefore, I have to ask you this. Are you covering up for problems with the IAEA? Are you meeting resistance which is why you cannot be more positive?

External Affairs Minister: There is no question of covering up anything. I am just stating the fact. The fact is that we are having negotiations and I am happy with the way the negotiations are going on. As to whether it will address all our concerns or not, unless I get the agreed text it is not possible for me to make any comment.

Interviewer: But it sounds, from the way you are answering, that there is a possibility it may not address all your concerns. Otherwise, you would not raise that possibility.

External Affairs Minister: No, I am not saying that. This is your own interpretation.

Interviewer: Okay. Assuming you get a satisfactory outcome from the IAEA, are you confident that you can get a clean and unconditional clearance from the NSG?

External Affairs Minister: How can I say that unless it goes to NSG? In NSG there are 45 countries and all these 45 countries have their different views. Therefore, we will try. That is why repeatedly I am saying on the floor of the House and outside that there are three stages. To just say, 'you accept it or you reject it' even before we reach near the goalpost is absolutely irrelevant.

Interviewer: The reason I brought up the NSG is because now it is becoming clear, and I am sure that your officials have told you this, that countries like Austria and Netherlands could possibly insist upon an NSG right of return in the event that India carries out further nuclear tests. That would be a major obstacle. Does it worry you?

External Affairs Minister: In these issues I am not to be guided merely by what information or advice I get from outside. Sometime back Austrian Foreign Minister visited India. I had a discussion with her and she made

quite clear their position in respect of nuclear proliferation. They say that they are against any sort of nuclear proliferation. So, naturally these views may get reflected in the meeting of the NSG. But the fact of the matter is, how could I comment on what stand, what individual country will take when the agreed text is not even before the Board?

Interviewer: All right, I understand that. Then let me put it like this. Do you have a date in mind by when you would like the deal to go back to the US Congress so that it gets passed whilst President Bush is still in office?

External Affairs Minister: We will try but it does not depend on me because what is required first of all is that one stage we have passed and that is the 123 agreement. Text has been agreed and initialed. Second is India-specific safeguards arrangement. It will have to be approved by the Board as per the USA's requirement. Then the third stage is NSG agreement. All these three documents will have to be placed on the table of the Congress and they will remain there for 90 days or so after which the US Congress will take it up. Therefore, these procedures have to be followed.

Interviewer: So, you cannot be sure Bush will still be in office.

External Affairs Minister: I do not know. That is why I am saying that it is difficult for me to point out as to at what point of time it will be approved by the US Congress.

Interviewer: In which case let me put it this way. If operationalisation slips beyond the American elections - which could easily happen - and if the new President is a Democrat - which is perhaps very likely - does it worry you that the new Administration may want to seek changes in the 123 to India's disadvantage?

External Affairs Minister: So many 'ifs' you are talking of.

Interviewer: But very likely 'ifs', not hypothetical.

External Affairs Minister: It is likely and it is equally unlikely. The fact of the matter is, if you look at the pattern of the voting in Congress both in the House of Representatives and the Senate, this particular Bill received overwhelming majority and bipartisan support. Therefore, I am not going to make any comment on whether a Republican President will support it fully or a Democratic President will oppose it. We will have to see as and when things happen. Let us not presume. That is your prerogative. That is not my prerogative.

Interviewer: Let us not presume but it also sounds as if you are saying, 'I am keeping my fingers crossed. I am hoping for the best.'

External Affairs Minister: Thank you.

Interviewer: And that is what you are saying, aren't you? You are keeping your fingers crossed.

External Affairs Minister: I always keep my fingers crossed because unless I achieve every objective, unless I cross every stage, how can I say that it is going to be implemented, it is going to be approved. We do not have that luxury.

Interviewer: Mr. Mukherjee, if India were to put the deal on hold because of domestic political compulsions, what do you believe will be the reaction of the Bush Administration?

External Affairs Minister: We are in discussion with each other. They understand our political difficulties and the ground realities there as we understand the political situation prevailing there.

Interviewer: You are saying they will accept?

External Affairs Minister: Everybody is to await the outcome of these negotiations, and particularly after the IAEA stage we shall have to go to the NSG stage.

Interviewer: And what would be the impact of India pulling out, on our ambition to become a permanent member of the United Nations Security Council and our desire to be recognized as a major international player?

External Affairs Minister: As far as the role of India in the international field is concerned, India is playing an important role in the international arena from the very beginning of its Independence. Therefore, I do not know what you mean by that. If you talk of the permanent membership of the Security Council, there are so many stages which have to be overcome and ...

Interviewer: You are saying this will have no impact on it?

External Affairs Minister: You are talking of just catching a train which is yet to arrive at the platform. As far as the expansion of ...

Interviewer: I am talking of a train waiting at the platform which you miss because you do not have the guts to get on. That is what I am talking about.

External Affairs Minister: No, that is not the point. As far as the Security Council is concerned, the discussion in the open-ended Working Group appointed by the UN General Assembly President is still continuing. There are various formations. Various ideas are there.

Interviewer: But will anyone recognize India as a legitimate member?

External Affairs Minister: The claim for permanent membership of the Security Council is nowhere visible. There is no question of arriving at the platform.

Interviewer: I put it to you that if India backs out of the nuclear deal it will have lost credibility and face internationally, and it will not be considered by people as a legitimate claimant ...

External Affairs Minister: That is your assumption. I do not share your assumption.

Interviewer: A lot of your retired Foreign Secretaries say this.

External Affairs Minister: That has nothing to do with it. The question is that if you fail to implement or operationalise a major international deal, it has some adverse impact. But it has nothing to do with the permanent membership of the Security Council as there is no guarantee that even if this agreement is fructified we will get our seat as a permanent member in the Security Council.

Interviewer: If you get a satisfactory outcome from the IAEA but the Left do not permit you to go to the next stage, will you defy the Left to secure the deal or will you sacrifice the deal to appease the Left?

External Affairs Minister: This is an absolutely hypothetical question.

Interviewer: Of course, it is. But it happens very quickly.

External Affairs Minister: It is a totally hypothetical question. Before I went to IAEA the position was. "No, you do not proceed further". From that position we have improved somewhat and we have gone to the IAEA.

Interviewer: So, you think you can push the Left incrementally.

External Affairs Minister: It is not a question of pushing in or pushing out. It is a question of accepting the ground reality as and when it unfolds itself. Let us wait, first let us have the agreed text. Let us discuss with the Left

leaders in the Committee and wait for the outcome of it.

Interviewer: And let us keep our fingers even more tightly crossed.

At that point when you are smiling, pleasure talking to you Minister.

External Affairs Minister: Thank you.



084. Report on Prime Minister's interaction with the media party on board the special flight from Beijing to New Delhi on the question of Chinese support for India - US Nuclear Cooperation Agreement in the Nuclear Suppliers' Group.

January 16, 2008.

On New Delhi's request to Beijing for support for its case in the Nuclear Suppliers' Group (NSG) for an India-specific waiver for the implementation of the Indo-U.S. civil nuclear cooperation, Prime Minister Manmohan Singh told journalists: "I cannot say I have got a firm, definite answer but my own feeling is that the relationship of trust and confidence is now establishing, and we are succeeding in that. When the issue comes before relevant agencies, I do not think China will be an obstacle. I can't say I have an assurance today."

(This is based on the report appearing in The Hindu on January 17, 2008)



085. Address of Special Envoy of Prime Minister Shyam Saran on “India and the Nuclear Domain” at the India International Centre.

New Delhi, February 18, 2008.

Ever since India and the United States declared their intention to resume bilateral cooperation in civilian uses of nuclear energy on July 18, 2005, there has been a national debate on India's place in the nuclear domain, both civilian and strategic. This debate is welcome. It enables public opinion to be educated on what has hitherto remained a relatively esoteric field. In this connection, may I commend the IIC for sustaining this initiative in the public domain. Attention has been focused on the significance of nuclear energy to our achieving energy security. There has also been a scrutiny of our strategic weapons programme and how that relates to our national security. These are important issues and need sober and objective reflection based on reliable information.

In the course of this debate, we have also drifted away from what has been, for decades, independent India's conviction that it must lead the way towards a non-violent, equitable and peaceful world, a world free from the shadow of mass annihilation.

My objective today will be, as someone associated with the negotiations on the Indo-US civil nuclear agreement, to endeavour to explain the original motivation behind the initiative and its implications for our strategic programme. I will also touch upon the issue of nuclear disarmament and explain why, in the current international context, it is a goal that India should advocate with renewed vigour.

Let me share with you the mandate which Prime Minister gave to us as negotiators when we took up this initiative with the United States. Since 1974, India had been the target of an increasingly selective, rigorous and continually expanding regime of technology-denial, not only in the nuclear field but encompassing other dual use technologies as well. It was our aim to seek the dismantlement of these inequitable regimes, which would become progressively more detrimental and significantly impact upon India's maturing economy, as its key sectors, required constant technological upgradation.

In pursuing this objective, we were acutely aware of the following:

- (i) The multilateral technology-denial regimes whose targeting of India we sought to end such as the Nuclear Suppliers' Group (NSG) and the Missile Technology Control Regime (MTCR) would require the United States to take the initiative as the principal initiator and leader of these regimes, and also because it remains the world's pre-eminent source of new and innovative technologies.
- (ii) Since our PNE in 1974, technology denial was first limited to nuclear-related technologies and then progressively expanded to cover a growing range of dual-use technologies. For this historical reason, it was clear to us that unless we tackled the nuclear issue, we would not be able to obtain access to other useful technologies. It is only by turning the nuclear key that we would be able to open the door to enter global trade in dual use and sophisticated technologies.

There was another important consideration behind the initiative we took in July 2005. We were becoming increasingly aware that we would face a progressively more depleted market for conventional energy resources. Concerns over climate change would act as a further constraint on us. We had to adopt a strategy of diversifying our energy mix, with a graduated shift from fossil fuels to non-fossil fuels, from non-renewable to renewable sources of energy and from conventional to non-conventional sources of energy. Nuclear energy occupies a key place in this strategy and for good reasons. Despite the technology denial regimes which we had to contend with, our scientists had succeeded in putting in place a comprehensive, sophisticated and innovative nuclear industry, with a highly trained manpower able to sustain a major expansion in nuclear power. Our constraints in this regard were availability of domestic uranium and a technological capability still limited to smaller capacity reactors of about 700 MW, when the world was moving to 1600 MW reactors. If we were to envisage a major expansion in nuclear power in the medium term, to say 60,000 MW plus by the year 2030, then import of higher capacity reactors and uranium fuel, would be necessary.

This in no way detracts from the continued pursuit of Dr. Bhabha's visionary 3-stage nuclear energy development programme, which may yield significant results in the longer term. But in the short and medium-term, a significant expansion of nuclear power is only possible if the constraints we face on import of uranium and of large-capacity reactors, are removed.

Furthermore, it is not really correct to put indigenous development and international collaboration as antithetical to one another. In fact

they are integrally linked. Each cycle of international collaboration prepares the ground for higher level of indigenous development. A higher level of technological sophistication then enables a much more discriminatory and productive new cycle of technological collaboration and eventually partnerships. Let us not forget that Dr. Bhabha himself vigorously promoted international cooperation in nuclear energy which enabled India to lay the foundation of our current nuclear programme. He was, in his time, one of the most highly respected scientists among the international nuclear community.

Let me repeat, the mandate to the negotiators was:

- (i) to seek the dismantlement of the multilateral technology denial regimes targeting India;
- (ii) to seek an accelerated development of our nuclear power generation capability to enable a significant contribution to India's energy security in an environmentally sustainable manner.

The negotiators were also given a firm guideline: in seeking to achieve the above objectives, we should not accept any limitation whatsoever on our strategic weapons programme, which must remain inviolate and fully autonomous. In practical terms, this implied that

- (i) our strategic weapons programme would be outside the purview of any international safeguards regime or any form of external scrutiny;
- (ii) our ability to further develop and produce such weapons would not be constrained in any manner; and
- (iii) we would retain our legal right to conduct a nuclear test should that, at any time in the future, be deemed necessary in our over-riding national interest.

The negotiating team was further instructed to ensure that India's indigenous R&D programme i.e. the 3-stage long-term nuclear development strategy envisioned by Bhabha, would also proceed uninhibited and not be subject to external scrutiny. It was felt that this being a programme which had major potential for commercial exploitation of thorium-based nuclear energy in the future, we ought to safeguard its integrity for the present.

The July 18 Joint Statement incorporated a series of reciprocal commitments. On India's side, there was reaffirmation of some existing

commitments, such as continuing a moratorium on nuclear testing and participating in multilateral negotiations on a Fissile Material Cut Off Treaty. There was acknowledgement of steps already taken by India as part of its responsibilities under UNSC resolution 1540 and under the already concluded Next Steps in Strategic Partnership. These relate to strengthening controls on the export of sensitive technologies including reprocessing and enrichment technologies. These controls provided assurance to our partners that whatever we received under international cooperation would not be diverted to third countries. The new element was our commitment to separate our civilian from military nuclear facilities and offer the former voluntarily for IAEA safeguards. This was necessary in order for us to give our international partners the assurance that whatever we would receive as technology or equipment for our civilian facilities would not be diverted to benefit our strategic programme. This was, to our mind, a legitimate expectation on part of the international community. Nevertheless, we reserved to ourselves the right to determine which facilities would be designated as civilian; further the separation process would be carried out in graduated steps upto 2014 so as to avoid any dislocation in our nuclear industry.

What India obtained, reciprocally, in return, was a U.S. commitment to adjust its own laws so as to permit full civil nuclear energy cooperation with India, which is bilateral; and also a commitment to work with friends and allies to bring about a change in international, multilateral regimes, such as the NSG, to enable the international community to also engage India in full civil nuclear energy cooperation, which is multilateral. With the U.S. delivering on these commitments, India would become fully integrated into the global nuclear energy market after a gap of over 40 years. And this, it would be able to achieve without accepting any limitation or constraint on its strategic weapons programme. In this regard, the negotiators fulfilled the mandate given to them by the Prime Minister.

The July 18 Joint Statement was then translated into more elaborate and specific arrangements in a Separation Plan, presented to Parliament in March 2006 and in the text of a bilateral cooperation agreement, or the so-called 123 Agreement, between India and the U.S., concluded in July 2007.

In working out these arrangements, the mandate given to the negotiators was to stay within the parameters of the July 18 Joint Statement and to ensure that there would be no repeat of the Tarapur experience. In practical terms this meant ensuring that there would never again be a threat of

reactor operations being disrupted due to a suspension of fuel supplies. We would also need to ensure that India has the right to reprocess foreign origin spent fuel. In both these respects, the U.S. aided Tarapur nuclear facility had suffered and this hung over the negotiations as a negative legacy. There had been U.S. unilateral suspension of fuel supplies, just as there had been a refusal to allow India to reprocess spent fuel, which kept accumulating as hazardous waste, which the U.S. was also not willing to take back.

This is the background to the multi-layered fuel supply assurances which were spelt out in the Separation Plan, and incorporated in toto in the 123 Agreement. This is also the reason why India was prepared to engage in difficult and sometimes frustrating negotiations to ensure its upfront entitlement to reprocess foreign origin spent fuel. Eventually, the U.S. side agreed to India's demand.

The negotiators have been criticized by some for having agreed to permanent IAEA safeguards on its civilian facilities. Our position right from the outset had been that we have no problem with permanent safeguards provided there are permanent supplies of fuel. The multi-layered fuel supply assurances are unique in international nuclear negotiations and include India's right to take "corrective measures", should any disruption still occur despite these assurances. India's entitlement to build strategic reserves of fuel for its civilian reactors, to last the lifetime of such reactors, is also unique. Frankly, I do not think that we could have secured any better safeguards for our interests.

Criticism has been leveled at various provisions of the Hyde Act and it is argued that irrespective of what the 123 Agreement may say, we would be subject to the several onerous provisions of the Act.

Let me clarify that the operative heart of the Hyde Act, incorporates three permanent and unconditional waivers from relevant provisions of the U.S. Atomic Energy Act of 1954. In layman terms, the Hyde Act allows the U.S. Administration to engage in civil nuclear cooperation with India, waiving the following requirements:

- (i) that the partner country should not have exploded a nuclear explosive device in the past; this waiver is necessary because India exploded a series of nuclear explosive devices in May 1998;

- (ii) that the partner country must have all its nuclear facilities and activities under full-scope safeguards; this waiver is necessary because India has a strategic programme which would not be subject to international safeguards; nor would its indigenous R&D programme; and
- (iii) that the partner country is not currently engaged in the development and production of nuclear explosive devices; this waiver is required precisely because there is no freeze or capping of India's strategic weapons programme. It is an acknowledgement that we will continue to develop and produce additional strategic weapons.

Irrespective of what else the Hyde Act may contain, these 3 permanent and unconditional waivers are extremely significant because they acknowledge that India has an ongoing strategic programme. No restraint on this programme is envisaged as a condition for engaging India in civil nuclear energy cooperation. This is a significant gain for India and should not be lost sight of. Just juxtapose this with the UNSC Resolution 1172 of June 6, 1998, which called upon India to stop, roll-back and eliminate its strategic programme and join the NPT as a non-nuclear weapon state.

There are, of course, several extraneous and prescriptive provisions in the Hyde Act which we do not agree with and in negotiating the 123 Agreement we have been more than careful to exclude such provisions. If the U.S. Congress considers the 123 Agreement, as currently drafted, as being in contravention with their own understanding of the Hyde Act, the agreement would be voted down. That would be the end of the matter. If, however, the U.S. Congress does approve the 123 Agreement, then this would confirm that the provisions of the Agreement are what would govern the commitments of the two sides.

While there has been intense focus on the Indo-US bilateral agreement, much of the commentary on the subject has lost sight of the multilateral regime whose adjustment in favour of India is what we are aiming at. Our objective is not merely to seek the U.S. as a partner. Our objective is to enable India to have a wide choice of partners in pursuing nuclear commerce, and high technology trade. But we cannot attain this objective without the U.S. taking the lead on our behalf. Yes, Russia and France are countries which are friendly to India and extremely keen to engage in nuclear commerce with us. However, there should be no doubt that neither they nor others will make an exception for India unilaterally unless the Nuclear Suppliers' Group adjusts its guidelines in the same manner as the U.S. is

prepared to do. Whatever be the reservations that have been expressed about our relations with the U.S., no other friendly country, member of the NSG has the necessary standing to lead the process of opening up the existing multilateral regime to accommodate India. The U.S. is in a unique position precisely because it initiated these restrictive regimes in the first place and also because it remains the pre-eminent source of new sensitive technologies.

The process we are engaged in will face several challenges ahead even if the controversies at home were somehow resolved. We still await the finalisation of the India-specific safeguards agreement with the IAEA. Thereafter, the NSG will meet to consider exempting India from its current guidelines. These guidelines, like pre-Hyde Act U.S. legislation, require that its members engage in civil nuclear energy cooperation only with countries that have all their nuclear facilities and activities under full scope safeguards. It is our expectation that there would be a fairly simple and clean exemption from these guidelines, without any conditionalities or even expectations regarding India's conduct in future. Finally, the U.S. Congress has to vote to approve the 123 Agreement. Only when these separate landmarks have been achieved, can we really have the practical possibility of resuming civil nuclear energy cooperation with the international community.

I am certain that you will agree that this initiative of the Prime Minister represents a significant and unprecedented effort to expand India's choices, create a more conducive and supportive international environment to advance India's developmental goals and mark the emergence of India as a major global player, in a rapidly transforming international landscape.

What enabled India to even attempt such a major and pathbreaking initiative? Would it not have been wiser and more prudent to engage in an incremental pursuit of more limited gains which would, cumulatively, and hopefully add up to something significant eventually? Let me try and address these very relevant questions.

In pursuing this initiative in 2005, India took advantage of a significant change in international, including U.S. and Western perceptions of India. This change can be traced to the following developments:

- (i) Fifteen years of accelerated and sustained economic growth, coupled with the steady globalisation of the Indian economy, marked the emergence of India as an economic power-house, even as its

democratic structures gave it a reputation for political stability. The prospects for continued and steady growth of India's economy made it an indispensable partner for countries across the globe.

- (ii) A globalising world found itself confronted with a number of trans-national, cross-cutting issues such as international terrorism, drug trafficking, global pandemics and the twin challenges of energy and climate change. In seeking solutions to such global challenges, the active involvement of India as a large, populous and continental sized economy, has become indispensable. This is another reason why India's global profile has increased.
- (iii) India had emerged as a country with significant defence capabilities and has an enviable record of activism in UN peacekeeping. In December 2005, its swift response to the Tsunami disaster and its ability to extend significant assistance to affected countries also demonstrated its capabilities to contribute to maritime security and help deal with natural disasters and;
- (iv) Despite a 4-decade effort to put India in a technological corral and constrain its nuclear and space capabilities, Western countries led by the U.S., had failed to achieve their objective. Technology denial may have slowed down India's development in some respects, but on the other hand, India was now a country with a wide-range of sophisticated and sensitive technologies, isolating which made no sense, particularly at a time when engaging India promised much more by way of political and economic gains, not the least by partnering its outstanding scientists in the collaborative development of cutting edge technologies such as the International Thermo Nuclear Energy Reactor (ITER) project. India was able to get a clear message across to the world - you cannot continue to treat India as a target, even as you seek to engage it as a partner.

India was able to move with a sense of confidence to leverage the above favourable developments not merely to seek an upgradation in its relations with key regional and global players but to mobilize them collectively to reflect India's emergence in multilateral regimes. These had so far excluded India such as the UN Security Council or worse, targeted it as an adversary like the Nuclear Suppliers' Group.

In pursuing this objective, India was able to also take advantage of the fact that post-Cold War, as a result of the increasing globalisation of the world

economy and the emergence of transnational, cross-cutting issues, the international landscape was characterized by the presence of a cluster of major powers, who were compelled to collaborate as much as to compete with one another. The potential for military competition and conflict between them was constrained by the increasing interdependence of their economies. India could, therefore, upgrade its relations with all major powers, without this becoming a competitive zero-sum game which was the hall-mark of the bipolar Cold war. One may characterize this as a strategy of global de-hyphenation. It was our assessment that this favourable international constellation could change and therefore, we needed to take advantage of this window of opportunity so as to fix our diplomatic gains for the long-term. There are already some changes such as renewed tensions between the U.S. and Russia, and there may be further changes down the road. The international environment for India may not be as propitious as it has been during the past few years.

It is legitimate to expect that Government would not do anything to compromise the autonomy of its strategic programme. However, the strategic programme that we are talking about is one based on our own nuclear doctrine. This incorporates the concept of a deterrent which is credible at a minimum level of nuclear and delivery assets. There is also a non-first use pledge, which implies that those assets must survive a first strike and retain retaliatory capability. The need for a triad of forces, including a submarine based deterrent, derives from this. This also imposes requirements for secure and survivable command, control and communication systems. While we strive to retain strategic autonomy for the future, it is equally important that we ensure as expeditiously as possible, that all the elements of our credible minimum deterrent are in place. We should also examine what is the likely role of nuclear weapons in terms of ensuring India's security. The traditional concept of nuclear deterrence is with reference to States and that is how we have defined our deterrent as well. However, even in this respect, our nuclear doctrine affirms India's conviction that its security would be enhanced, not diminished, if we were able to achieve a world free of nuclear weapons. It is this conviction which underlines our continued advocacy of nuclear disarmament. While asserting our right to a nuclear deterrent, we should not forget this other dimension of our security posture.

In fact, recent developments have made nuclear disarmament, compelling and urgent and India is well-placed to lead a global effort in pursuit of this objective. The nature of the dangers which nuclear weapons pose has

dramatically intensified with the growing risk that such weapons may be acquired by terrorists or Jihadi groups who could threaten to use, or worse, even utilize such weapons to carry out attacks against targets which may be located anywhere in the world. No country, including India, is safe from such attack. The mounting concern over the likelihood that, in a situation of chaos, Pakistan's nuclear assets may fall into the hands of Jihadi elements, fired by the ideology of extremism and mindless violence, underscores how real this danger has become. While States may be deterred by nuclear weapons, terrorist or Jihadi groups cannot. How do you threaten nuclear retaliation against such non-State actors?

The danger posed by proliferation of nuclear weapons to non-State actors is of a different and more threatening dimension than that from proliferation to additional States. A different approach is required, based on a new global consensus, but which in fact would be more effective in dealing with proliferation in all its aspects.

India has all along argued that as long as the world is divided between those who possess nuclear weapons and those who do not, there will always be a strong incentive for countries outside the club to seek to enter it. Recent experience indicates that the NPT and technology denial regimes may delay the emergence of new nuclear weapon states. They are unlikely to prevent it. As long as there exists such motivation among states, there will inevitably be a clandestine market for nuclear technology and material, as demonstrated by A.Q. Khan's nuclear super-market. If such a clandestine market continues to flourish, as it does even today, the danger of nuclear explosives or fissile material and technical know-how enabling the manufacture of nuclear weapons, falling into the hands of non-state actors, such as Jihadi groups, will continue to haunt our world. India has to be deeply concerned about the danger it faces, as do other states, from this new and growing threat.

The elimination of a clandestine, world-wide market in nuclear know-how, material and possibly, even nuclear explosives, can only be achieved by returning to what India had proposed as a grand-bargain, when it sponsored negotiations on a Non-Proliferation Treaty in 1965. India had proposed that non-nuclear weapon states should commit themselves to never developing or acquiring nuclear weapons, in return for a legal and time-bound commitment by nuclear weapon states to eliminate their arsenals. Today, as a nuclear weapon state, India is in a unique position, to take the lead in resurrecting the original grand bargain, because the danger of nuclear terrorism today threatens to engulf all states, including nuclear weapon states.

On January 4, 2007, Messrs George Schultz, William J. Perry, Henry A. Kissinger and Sam Nunn, put nuclear disarmament back on the international agenda, in an article they jointly wrote in *The Wall Street Journal*. They have now followed up their original initiative with a second article in the same newspaper, which appeared on January 15, 2008. What has led these Cold War veterans, to espouse the cause of nuclear disarmament? Why have they now seen it fit to quote approvingly from Rajiv Gandhi's Action Plan for Nuclear Disarmament of 1988, when at that time most Western governments dismissed it as fantasy?

The disturbing new element in dealing with nuclear weapons is precisely the danger that they could fall into the hands of non-state actors, against whom no deterrence could work. However, for Messrs Shultz and his compatriots, nuclear disarmament is still a distant goal, while in the meantime, they suggest graduated steps to reduce nuclear arsenals and reliance on them, more rigorous controls over the spread of sensitive technologies and a further strengthening of the current non-proliferation regime. They continue to rely on an asymmetrical approach, in which states with nuclear weapons and with advanced nuclear technology, would be treated differently than those who did not possess them. India is today in a position to take the initiative of Shultz and Co. forward, towards framing a new global consensus, which brings the goal of nuclear disarmament from a distant destination, "the top of a very tall mountain", as they call it, to being accepted as an urgent and compelling mission. India understands the danger from nuclear weapons and has suffered from the clandestine proliferation of nuclear weapons in its neighbourhood. It has also been a victim of terrorism for several decades. It is perhaps the best placed to fashion a global consensus on achieving nuclear disarmament as an urgent objective, not only because of the mass-destruction character of these weapons, but also because their link with international terrorism, poses a global threat. A multilaterally negotiated treaty which prohibits the development, production and use of nuclear weapons, on the model of the Chemical Weapons Convention, is within our grasp. Elaborate verification and intrusive monitoring methods that would be required to ensure compliance, would only be accepted if they are universally applicable.

India was justified in exercising its nuclear weapons option at a time when nuclear disarmament seemed all but abandoned by the existing nuclear weapon states. Its security was also being threatened by clandestine

proliferation in its own neighbourhood, without any remedial action being taken at the international level. In a world, populated by states producing and deploying nuclear weapons, India's strategic autonomy must be safeguarded. However, we must not forget that despite being a nuclear weapon state, India remains convinced that its security would be enhanced, not diminished, if a world free of nuclear weapons were to be achieved. Today, the country's security is further threatened by the risk of proliferation to non-state actors and terrorist groups. So also is the security of all other states, nuclear weapon and non-nuclear weapon states alike. It is only through the urgent and complete elimination of nuclear weapons that it may be possible to minimize, if not entirely dispel the threat of nuclear terrorism by non-state actors. Therefore, even as we work to strengthen our credible minimum deterrent, we ought to take a fresh initiative to realize Rajiv Gandhi's vision of a non-violent world, free from the scourge of nuclear weapons.



086. Extract relevant to Nuclear Energy Cooperation with the United States from the Statement of External Affairs Minister Pranab Mukherjee in the Lok Sabha on Foreign Policy Related Issues.

New Delhi, March 3, 2008.

Hon. Members would also be aware that we are currently engaged in negotiations with the International Atomic Energy Agency to arrive at an agreed text of an India-specific Safeguards Agreement. The conclusion of such an agreement will enable the Nuclear Suppliers' Group to amend its guidelines for civil nuclear commerce in favour of India. This will open the door to civil nuclear cooperation with various countries, including Russia, United States of America, France, UK, etc., with many of whom the necessary enabling bilateral agreements for such trade have been discussed and are in various stages of finalisation. This development will signify, finally, an end to the unfair technology denial regimes and sanctions that India has been faced with for over three decades. We will continue to seek broad political consensus within the country to take forward our engagement on this issue with other countries.

In this context, Members' attention may have been drawn to some statements by United States officials regarding the applicability of the Hyde Act to Indo-US civil nuclear cooperation. Let me take this opportunity to reiterate that the Hyde Act is an enabling provision that is between the executive and the legislative organs of the United States Government. India's rights and obligations regarding civil nuclear cooperation with the United States arise only from the bilateral 123 Agreement that we have agreed upon with the United States¹.

1. Reacting to the above statement of EAM the Polit Bureau on the same day issued a statement and said "the statement draws attention to "some statements by US officials" regarding the applicability of the Hyde Act to the Civilian Nuclear Cooperation and asserts that the Hyde Act is applicable only to the US side and India's rights are protected in the bilateral 123 agreement. The US official concerned is none other than the US Secretary of State, Condoleezza Rice, who told the House of Representatives Foreign Affairs Panel on February 14 that: "We will support nothing with India in the NSG that is in contradiction to the Hyde Act. It will have to be completely consistent with the obligations of the Hyde Act". This has been the consistent position of the United States administration regarding the applicability of the Hyde Act. It has become the practice for the Indian government to reiterate that the Hyde Act has no relevance for India and it is not applicable to us. No one else believes this to be so. Neither the Hyde Act nor the 123 agreement which has been drafted within the framework of the Hyde Act provisions meet the assurances given by

On March 19, the External Affairs Minister replied to a Short Duration Discussion in the Rajya Sabha on his above Statement and said:

Sir, in respect of the Civil and Nuclear Deal, I did not deliberately spell it out because I have nothing to spell out now. During the last debate I had said that there were three processes. One process was that there should be India-Specific Safeguards Agreement with the IAEA. That negotiation has been going on but it has not been inked and initialled. After that, it will go to the Board; after the Board approves it, it will go to the Nuclear Suppliers Group; then, the Nuclear Suppliers Group will have to amend its guidelines; after the guidelines are amended in the NSG, all these documents will have to go to the US Congress for its ratification. Thereafter, the question of its operationalisation will arise. So, what is happening in between? Certain talks are going on. It has not yet been concluded. There has been an advancement. But as and when the IAEA Board approves the India Specific Safeguards Agreement, I assure the hon. Members of Parliament that we will come back. But before that, what should I report to you? Every time we discuss this issue whenever there has been any major development.

Shri Sitaram Yechury: You can tell them if they want to know the information that you are telling us, then let them join the UPA. ..(Interruptions)..

Shri Pranab Mukherjee: I mentioned it why we did not agree to the Joint Parliamentary Committee. You may like it or you may not like it, but I strictly adhere to and my party strictly adhered to the constitutional position. There never before we have subjected the international agreement as such. Any legislation arising out of international agreement will have to be approved by the Parliament; any legislation to implement the international agreement, if it is a Central legislation, will have to be approved by Parliament, but not the agreement as such. Therefore, we consider that it is not the appropriate forum. But whenever there will be any major development in respect of this agreement, we will come and share the information with you. I think, since July 2005, five times we have discussed the Civilian Nuclear Agreement with the Members of Parliament. In respect of the UPA-Left

the Prime Minister in his August 2006 statement to Parliament. It is ironical that the statement to parliament says that the government will continue to "seek" a broad political consensus within the country. The government should first respect the majority opinion expressed by parliament when the 123 agreement was discussed in the Winter session of 2007. The government should acknowledge that its stand on the nuclear deal does not have the support of parliament. There is no political consensus and hence it should not proceed further with the agreement."

Coordination Committee, I told it quite clearly that this is an internal arrangement because they are supporting us and I am to carry conviction with them.

Therefore, I am sharing certain information with them and if you are interested, next time when Parliament will meet, I will be too glad to share that information with you. Since this is just a short Session of three weeks or so, there will be no major development. But I can assure my good friend, Mr. Ahluwaliaji, and others that whenever out of three stages if any stage is complete, I will come and share that information with the House. As the Prime Minister committed, when the entire process is going to be over, if it is over and if we go to that stage, then in that case, surely, we will come and seek the opinion of the Parliament. That is Prime Minister's commitment here. Standing here, he made this commitment. But let that stage come. Now what the Leader of the Opposition says, I do not subscribe to that view that either you mend it or you end it because we are in a stage where neither we can end it nor we can mend it. We are in the process of dialogue with our supporters. Thank you.



For full text of the two documents please see Document Nos.19 And 23.

087. Address of Vice President M. Hamid Ansari at the Inauguration of the 18th World Congress of International Physicians for the Prevention of Nuclear War (IPPNW).

New Delhi, March 9, 2008.

I am happy to be here at the inauguration of the 18th World Congress of International Physicians for the Prevention of Nuclear War. The pioneering work of the organisation and its efforts for peace, health and development need no mention here; it has been awarded the Noble Peace Prize. Conferences of this nature help in better understanding of the causes of armed conflict, especially from a public health perspective, and build grassroots awareness of the immense health and environment consequences of nuclear war. The involvement of students and youth as part of these conferences brings in the much-needed dimension of spreading awareness among the future decision makers.

Ladies and Gentlemen

This distinguished audience needs no reminding that the first resolution of the UN General Assembly of 24th January, 1946 was adopted unanimously and sought the elimination of atomic weapons and all other major weapons adaptable to mass destruction from national armaments and the control of atomic energy to ensure its use only for peaceful purposes. The horrors of the use of nuclear weapons have convinced all responsible nations that elimination of nuclear weapons is necessary. The International Court of Justice had in its advisory opinion of 8 July 1996 concluded that "there exists an obligation to pursue in good faith and bring to a conclusion negotiations leading to nuclear disarmament in all its aspects under strict and effective international control". The nuclear disarmament discourse has been enriched by the contributions of the Non-Alignment Movement, various members States including India and even the community of Non-Governmental Organisations.

While there is agreement on the principle, the practical means and approaches necessary for realising this vision have been the subject of much debate and divergence of opinion. It was India that first proposed an end to nuclear testing in 1954. The principles for a Nuclear Non-Proliferation Treaty (NPT) were first proposed by India in 1965. India eventually refused to sign the NPT when it became clear that, instead of addressing the central objective of universal and comprehensive non-proliferation, the treaty only

legitimized the continuing possession and multiplication of nuclear stockpiles by those few states possessing them.

I am reminded of what the Late Prime Minister Shri Rajiv Gandhi said in a speech before the United Nations. He argued: "We cannot accept the logic that a few nations have the right to pursue their security by threatening the survival of mankind...nor is it acceptable that those who possess nuclear weapons are freed of all controls while those without nuclear weapons are policed against their production. History is full of such prejudices paraded as iron laws: That men are superior to women; that white races are superior to the coloured; that colonialism is a civilizing mission; (and) that those who possess nuclear weapons are responsible powers and those who do not are not."

Ladies and Gentlemen

India aspires for a world that embodies this vision of Late Shri Rajiv Gandhi, of a non-violent world, free from the scourge of nuclear weapons. We have always held that progress towards nuclear disarmament will require mutual confidence in the international community to conclude universal, non-discriminatory and verifiable prohibitions on nuclear weapons leading to their complete elimination. We believe that the following elements constitute actionable and concrete steps towards achieving nuclear disarmament and have placed them for debate before the international community:

1. Reaffirmation of the unequivocal commitment of all nuclear-weapon States to the goal of complete elimination of nuclear weapons;
2. Negotiation of a convention on the complete prohibition of the use or threat of use of nuclear weapons.
3. Negotiation of a nuclear weapons convention prohibiting the development, production, stockpiling and use of nuclear weapons and on their destruction, leading to the global, non-discriminatory and verifiable elimination of nuclear weapons with a specified time frame.

Ladies and Gentlemen

An op-ed in The Wall Street Journal of 15th January, 2008 by George Shultz, William Perry, Henry Kissinger and Sam Nunn has again focused on nuclear disarmament noting that the spread of nuclear weapons know-how and material has brought us to "a nuclear tipping point". They

emphasised the need for a global dialogue that includes non-nuclear and nuclear nations to discuss, among other issues, "turning the goal of a world without nuclear weapons into a practical enterprise among nations, by applying the necessary political will to build an international consensus on priorities". Yet, it is worth noting, that six decades after Hiroshima and Nagasaki, the focus of international efforts is still on "applying the necessary political will to build an international consensus on priorities". It is a measure of the distance we need to travel to realise the vision of universal nuclear disarmament.

Ladies and Gentlemen

The theme of the Congress, 'Peace, Health and Development', is timely.

I wish the Congress all success.



088. Media Report on the meeting of External Affairs Minister Pranab Mukherjee with the U. S. President George W. Bush.

Washington, March 25, 2008.

External Affairs Minister Pranab Mukherjee told journalists in Washington that India would not move forward on the civilian nuclear deal with the U.S. until a political consensus was achieved within the country. The government was making efforts to evolve a "meeting ground" with the Left parties, supporting the ruling coalition from outside and opposed to the deal. "If we are able to evolve a consensus then it will be possible to hasten the process [of taking the deal forward]," External Affairs Minister told reporters.

Mr. Mukherjee, who met President George W. Bush at the White House for 35 minutes and Secretary of State Condoleezza Rice on March 24¹, said the UPA government was "interested" in pursuing the deal and it was aware of the time frame suggested by members of the U.S. Congress but certain issues were yet to be resolved. Conveying to Mr. Mukherjee Washington's desire to take the deal forward, Ms. Rice had said it was a "landmark agreement which is good for both sides....we will continue to work on that agreement." "Let us see. Events have their own momentum," Mr. Mukherjee said to a question when he expected the political process in India to be hastened. "The UPA government is trying to work out a meeting ground between it and a section of its supporters [to evolve consensus]," said Mr. Mukherjee.

He said: "There is opposition from the Left and the BJP to the nuclear deal and therefore we have to take into account that ... if it is subsequently not honoured by the next government it would lead to an embarrassing situation for the country."

1 Prior to the meeting, the White House Spokesman said the President was "excited" about meeting Mr. Mukherjee and discussing the range of bilateral issues, including the civilian nuclear deal. "There are lots of different things to talk about. We have a broad and deep relationship with India on a variety of issues, including the civilian nuclear agreement... And I'm sure they'll talk about other things as well," the official said. Mr. Mukherjee separately had a one-on-one dinner meeting with Ms. Rice. Ms. Rice said at a media interaction that their meeting was basically confined to regional issues of interest to the two sides and that a "lot more" was slated to be discussed, including the civilian nuclear agreement. "We will continue to work on that agreement," Ms. Rice said later. "The Indians are now in a process of working with the IAEA and we will follow that progress and we will have further discussions on that matter," she said.

He said although India had finalised the language of the safeguards text with the IAEA it was difficult to indicate at this juncture a time frame by when the nuke deal could be wrapped up.

"Our government is interested in ratifying the [nuclear] agreement since we are energy-deficient. There is an overall consensus [in India] that nuclear technology is important," he said.



089. Interview of External Affairs Minister Pranab Mukherjee with the Weekly Outlook on India - U. S. Nuclear Cooperation Agreement.

New Delhi, March, 2008.

(External affairs minister Pranab Mukherjee has the unenviable job of forging a consensus on the Indo-US nuclear deal, especially vis-a-vis the Left. Extremely careful not to upset the coalition's fragile balance of interests, he spoke to Seema Sirohi on the difficult path ahead. Excerpts:)

What is the next step on the nuclear deal?

We'll have to discuss the India-specific safeguards arrangements with the Left. I can't tell what I'll discuss with them.

Is the draft almost final?

A draft is a draft. When it is final, it would be final. Government approval would be needed.

My approval is not the government's approval.

Any more meetings with the IAEA?

It will depend on how things develop.

Would you include something the Left leaders suggest?

That I can't tell you.

So when you go to Washington...

That's absolutely bilateral. It has nothing to do with the IAEA. Of course, it may come up in the discussion. India's relations with the US are not dependent on one issue-civil nuclear cooperation.

The fact that the deal is taking longer than envisaged...

It can't be helped. We will have to get the Left's support because they are supporting the government. And if the government does not exist, how can there be an agreement? So we shall have to carry them with us, if possible.

And if that is not possible?

Then I don't know what will happen. Then the Congress leadership, the UPA leadership will have to take a final view.

Do you think talk of an early election is premature?

Nobody is talking of elections now except journalists.

The PM sought the BJP's support for the nuclear deal. Are you hopeful?

I have neither hope nor disappointment. We are trying to evolve a consensus and first the consensus will be with the supporting parties because that is of primary importance for which the Left-UPA mechanism was created. Then we shall try to evolve a larger consensus. If it is possible, fine, if it is not, then what can we do?

But the Left is not in a mood to compromise.

That is your conjecture. I'm talking to them on certain specific issues. I have clarified to them our perceptions of the 123 agreement. I have explained our perception of the Hyde Act. It is not that they have agreed with all our views. But we are stating our positions and they are stating theirs.

What could be a face-saver for the Left?

No, no. I'm not concerned with face-saving. We are engaged in discussion. If it materialises, it materialises. If it doesn't, it doesn't.

If it doesn't materialise?

No, no. No question of 'if'. I have not come to that conclusion. I can't tell you what the party will do if it doesn't materialise.

Is it possible for a minority government to sign an agreement?

I checked up with them that are you ready? They said no, how it is possible? How could it be because the next incumbent government may not agree to it? That's the compulsion for us. A minority government cannot, need not and should not sign a major agreement like this.

Are you optimistic on the NSG process?

That's a value judgement. I go by facts. If it happens, it happens.

You're giving very existential answers.

What do you expect me to do? I am in the government.

Both the PM and the Congress party president said in October that the survival of the government is more important than the deal.

That position is still there. What the Congress president says is the final word of the party and what the prime minister says is the final word of the government.

But there seems to be a flurry of activity now related to the deal...

They never said that we have stopped the activity.

Fair enough. But the timeline is getting tighter.

But we never started with a fixed timeline. We did not say this is the time by which I shall complete. I'm just telling you that we're trying.

Is it possible for you to get support from other parties?

We have got the stated positions on the floor of Parliament. A large number of parties have opposed it, including the Left. Still we are in conversation with them to see if some way is possible. My optimism or my pessimism is irrelevant here.



090. Inaugural Address by Prime Minister Dr. Manmohan Singh at the International Conference: "Towards a World Free of Nuclear Weapons".

New Delhi, June 9, 2008.

Welcome to New Delhi. We take great pride in hosting this International Conference on a subject that touches upon the very survival of humankind.

Twenty years ago, on this day, our former Prime Minister, Shri Rajiv Gandhi addressed the Third Special Session on Disarmament of the UN General Assembly.

Speaking on the theme of "A World Free of Nuclear Weapons" he introduced an Action Plan calling on the international community to negotiate a binding agreement on general and complete disarmament. At the heart of the Action Plan was a commitment to eliminate all nuclear weapons in three stages by 2010.

Rajiv Gandhi believed that disarmament, in particular nuclear disarmament, was essential to usher in a safe and non-violent world. He had a deep insight into the nature of evolution of technology, its potential for advancing human welfare as also for unleashing destruction. In this context he was acutely aware of the power of the atom. He wished that it should never again be used for destructive purposes.

The Rajiv Gandhi Action Plan was a comprehensive exposition of India's approach towards global disarmament and continuity in our thinking. It symbolized the continuity in our thinking since 1954, when India pioneered the call for a complete ban on nuclear testing. The essential features of the Action Plan continue to remain valid even today.

A review of developments since 1988 presents a mixed picture on how far the world has moved to realise the vision of Rajiv Gandhi. On the one hand, the end of the Cold War has created an opportunity for the world to move away from the dangerous doctrines that were based on the precept of Mutually Assured Destruction. Greater engagement and realization of the inter-dependent nature of global security among major powers has created new space for action on disarmament. In 1993, the Conference on Disarmament was able to finalise the Chemical Weapons Convention, a multilateral, non-discriminatory and internationally verifiable treaty aimed at eliminating an entire category of weapons of mass destruction by a fixed date, namely 2012.

On the other hand, the painful reality is that the goal of global disarmament, based on the principles of universality, non-discrimination and effective compliance, still remains a distant one.

Even more disturbing, however, is the emergence of new threats and challenges to global security. I refer to the growing risk that nuclear weapons may be acquired by terrorists or those driven by extreme ideologies; the increasing danger of non-state actors, accessing nuclear materials and devices; the development of new weapon systems based on emerging technologies which pose challenges to space security and provide new roles for nuclear weapons; and the weakening of multilateralism even as bilateral arms control processes falter in shifting strategic landscapes.

The threat of climate change and global warming itself raises a range of security concerns, especially for us in the developing world.

India, which has witnessed rapid economic growth in the last few years, and is poised for even higher growth rates in the future, needs a peaceful international environment so that we can focus our resources on improving the lives of our people. We seek a world in which power flows through the empowerment of people, and from the strength and resilience of our economy, our society, our institutions and our values.

Our energy needs will continue to rise in the foreseeable future. We do not have the luxury of limiting our options of energy sources. We therefore wish to create an international environment in which nuclear technology is used not for destructive purposes but for helping us meet our national development goals and our energy security.

India is fully aware of its responsibilities as a nuclear weapon state. We have a declared doctrine of no first-use that is based on credible minimum deterrence. We have in place strict controls on export of nuclear and fissile related materials and technology. India has no intention to engage in an arms race with anyone. Above all, India is fully committed to nuclear disarmament that is global, universal and non-discriminatory in nature. The pursuit of this goal will enhance not only our security but the security of all other countries.

These objectives cannot be achieved through partial methods and approaches. The only effective form of nuclear disarmament and elimination of nuclear weapons is global disarmament. Nuclear weapons know no boundaries. Even today the nuclear arsenals in possession of the major

powers are enough to destroy the world many times over. In this scenario it is not possible to "regionalize" nuclear disarmament.

It is in keeping with this approach that India has recently submitted a Working Paper on Nuclear Disarmament to the UN General Assembly, containing initiatives on nuclear disarmament. We hope to stimulate a debate and promote consensus on the way forward. These proposals have also been submitted before the Conference on Disarmament in Geneva. They are a set of practical measures for working towards the goal of a nuclear weapons free world. We do not wish to exclude other measures that may contribute to achieving this goal nor do we hold that there is a rigid hierarchy among these steps and a specific sequencing for their implementation. The measures we suggest include:

- Reaffirmation of the unequivocal commitment of all nuclear weapon States to the goal of complete elimination of nuclear weapons;
- Reduction of the salience of nuclear weapons in security doctrines;
- Adoption of measures by nuclear weapon States to reduce nuclear danger, including the risks of accidental use of nuclear weapons;
- Negotiation of a global agreement among nuclear weapon States on 'no-first-use' of nuclear weapons;
- Negotiation of a universal and legally-binding agreement on non-use of nuclear weapons against non-nuclear weapon States;
- Negotiation of a Convention on the complete prohibition of the use or threat of use of nuclear weapons; and
- Negotiation of a Nuclear Weapons Convention prohibiting the development, production, stockpiling and use of nuclear weapons and on their destruction, leading to the global, non-discriminatory and verifiable elimination of nuclear weapons with a specified timeframe.

These proposals retain the spirit and substance of the Rajiv Gandhi Action Plan. We hope that other states will agree to a dialogue on these proposals, and will join us in committing to nuclear disarmament. That is the critical first step - a commitment, preferably a binding legal commitment through an international instrument, to eliminate nuclear weapons within a time bound framework. In parallel with this general commitment to nuclear

disarmament, we need strengthened non-proliferation commitments such as on denying nuclear material, technology and equipment to terrorists. Pending global nuclear disarmament, all states must ensure that they do not allow proliferation of sensitive technologies into dangerous hands.

India is ready to add its own weight and voice to the global debate on nuclear disarmament with a view to crafting such a consensus on disarmament and non-proliferation. We need a collective approach anchored in a universal partnership that is supported by non-governmental communities and public opinion.

I wish your deliberations all success.



091. Valedictory Address by the Vice President M. Hamid Ansari at the International Conference: "Towards a World Free of Nuclear Weapons."

New Delhi, June 10, 2008.

To deliver a valedictory address is to begin with twin apprehensions: that whatever is to be said has been said, or that what is going to be said may be outrageously at variance with what has been said!

In either case, the speaker would be deprived of what Dr. Samuel Johnson termed 'frigid tranquillity'.

For being in this interesting position, I have to thank an old and dear friend!!

I

Any discussion necessitates clarity about concepts. In terms of the theory of statecraft, war has always been considered an instrument of policy. Pursuit of war necessitates weapons, defined as tools to gain advantage over an adversary. Improvement in the quality of weapons, and invention of new ones, is a logical outcome of the human trait to seek excellence, for success in subduing a political and military adversary by inflicting unacceptable damage.

The impulse to invent weapons of mass destruction, including nuclear weapons, was part of this process. Each new weapon system also propelled assessment of its implications in tactical and strategic terms. Both processes were accelerated in the second half of the 20th century.

Every invention, apart from its novelty, has to prove its utility. Mass destruction in the Spanish civil war was vividly depicted by Picasso's Guernica; less than a decade later, it was typified by London and Dresden. In the case of the nuclear weapon, the utility was brutally demonstrated at Hiroshima and Nagasaki. The scale of destruction there propelled consideration of the implications of the new weapon.

An early recognition came in the shape of the Baruch Plan of June 1946. It was rejected by the Soviet Union for reasons that were evident. In 1948, General Omar Bradley told an American audience that "the only way to win an atomic war is to make certain it never starts".

None appreciated the implications better than the scientists. In July 1955

the signatories of the Russell-Einstein Manifesto spoke "not as members of this or that nation, continent, or creed, but as human beings, members of the species Man, whose continued existence is in doubt".

Ladies and Gentlemen

The venue of this conference is important; so is its timing. India has been an ardent advocate of prohibition on the production and use of nuclear weapons. Jawaharlal Nehru in 1954 spoke of the fear that "would grow and grip nations and peoples and each would try frantically to get this new weapon or some adequate protection from it." Prime Ministers of India proposed prohibition in 1978 and again in 1982. In 1988 Rajiv Gandhi sought "not a marginal adjustment in the machinery of nuclear confrontation, nor a partial or temporary scaling down of the arms race", but "a world which is rid of nuclear weapons". His Action Plan for a World Free of Nuclear Weapons was comprehensive in its scope, passionate in its appeal, and clinical in its reasoning and analysis.

The idea was considered utopian.

Despite this, and in the initial euphoria at the end of the Cold War, the global momentum for a less unpleasant world led to the conclusion of the universal and non-discriminatory Chemical Weapons Convention, with its intricate and intrusive verification mechanism. Significantly, however, the argument for outlawing it was not extended to nuclear weapons.

In regard to matters nuclear, the world has witnessed changes over the past decade and a half. This audience is knowledgeable about it. India herself has emerged as a nuclear weapons state.

On one side it is argued that the imperative of realism leaves no option but to accept the reality. On the other, those distressed over the fraying of world order and apprehensive of the "normative cost of silence" advocate a more assertive approach. "This is a time", writes Professor Richard Falk in his recent book *The Costs of War*, "when realism and idealism are increasingly fused in their call for a future world order based on law and justice, but this cannot be made to happen without the engagement of the peoples of the earth acting as detribalized citizens without borders."

Three questions arise:

- Is the logic of 'realism' unassailable?
- Does it hold good for the world of tomorrow?

- Has the argument for disarmament, and particularly for nuclear disarmament, ceased to be relevant for the survival of the human species?

The case for the possession of nuclear weapons needs to be assessed in strategic, legal, political, financial, developmental and environmental terms. This would unavoidably widen the ambit of discourse.

In the first place and according to the Federation of American Scientists, the global stockpile of nuclear warheads today remains at more than 20,000. Of these, more than 10,000 warheads are considered operational, of which a couple of thousand are on high alert, ready for use on short notice. The approach is premised on the doctrine of deterrence; the latter, however, remains inherently unstable, prone to human error or folly; the probability of the annihilation of the human race through the use of these weapons thus remains high, and must be considered unacceptable.

Secondly, nuclear armament ends up being, in its implications, anti-poor and anti-development. Stephen Schwartz, in his 1998 book 'Atomic Audit' on the comprehensive cost of the US nuclear weapons programme, has estimated that the US spent around \$6 trillion in total. The arms race led the former Soviet Union to the point of exhaustion and disintegration. The resource drain of other nuclear-weapon states would be equally high in proportionate terms. This level of spending by nuclear weapon states cannot but deny national resources for developmental or other purposes for public welfare.

Thirdly, the development, production, stockpiling and use of nuclear weapons results in immense, irreversible and unforeseen damage to the environment. As far back as 1987, the Report of the World Commission on Environment and Development, (known as the Brundtland Report), affirmed that "among the dangers facing the environment, the possibility of nuclear war is undoubtedly the gravest". It noted that the "whole notion of security as traditionally understood in terms of political and military threats to national sovereignty must be expanded to include the growing impacts of environmental stress"; it concluded that "there are no military solutions to 'environmental insecurity'."

Fourthly, there have been fundamental changes in the nature of conflict and of the structure of international relations. Conflict in the post-Cold War era has acquired new characteristics: it is not classical inter-state conflict; it is fuelled by identity based factors and issues of economic and social

justice; and there is a drastic increase in the role of non-state actors. Weapons of mass destruction that were fashioned for inter-state conflict and their associated strategic deterrence doctrines premised on state behaviour have little relevance for the new reality.

II

Ladies and Gentlemen

The case for possession and use of nuclear weapons stands dented and lends credence to the need to re-think its fundamentals. Any endeavour on this basis must necessarily be rooted in legality and morality and be capable of demonstrating the advantages emanating from it.

How is this elusive goal to be attained? In exploring options, we need to remember that the community of nations has put in place agreements to outlaw chemical and biological weapons.

The question of legality poses problems. On a reference from the UN General Assembly on "threat or use of nuclear weapons", the International Court of Justice gave an Advisory Opinion in July 1996. It decided that in customary or conventional international law there is neither an authorisation nor a prohibition of the threat or use of nuclear weapons. While it opined that such a threat or use would be contrary to the rules of international law applicable to armed conflicts, it noted that the current state of international law does not permit the Court to conclude definitively whether such threat or use would be lawful or unlawful in an extreme circumstance of self-defence, in which the very survival of a state would be at stake.

The distinguished audience here is cognizant of the UN General Assembly resolutions passed each year by a large majority reaffirming that "any use of nuclear weapons would be a violation of the Charter of the United Nations and a crime against humanity" as declared in its resolution 1653 (XVI) of 24 November 1961.

This reveals the desire of a very large section of the international community to move forward along the road to complete nuclear disarmament.

On the other hand, we have the annual re-affirmation of the Chapter VII Security Council Resolution 1540 of 2004 stating that proliferation of nuclear weapons "constitutes a threat to international peace and security".

Put together, we get two sets of assertions:

1. use of nuclear weapons is a crime against humanity;
2. proliferation of nuclear weapons is a threat against international peace and security.

Between the two ends of this spectrum, falls the question of production, possession and threat to use of nuclear weapons. It is an irony of Realpolitik that these have so far not been perceived to constitute a threat to international peace and security.

The ICJ addressed but did not resolve a critical question: Would a higher priority be accorded to the survival of the state if the survival of humanity itself were at stake?

A Dissenting Opinion summed up the legal dilemma: "The case as a whole presents an unparalleled tension between State practice and legal principle". "When it comes to the supreme interests of State", it noted, 'the Court discards the legal progress of the Twentieth Century, puts aside the provisions of the United Nations Charter of which it is the principal judicial organ, and proclaims, in terms redolent of Realpolitik, its ambivalence about the most important provisions of modern international law".

This impasse was reflected most recently in the Report of the UN Disarmament Commission on April 25, 2008 at the end of its Three Year Cycle of Deliberations. Releasing the Report, the Chairman of the Commission said that even set against the relatively low expectations, the results were meagre. "There was a stark contrast between the state of the world and the cooperation of the United Nations Member States in the Commission. Therefore, the credibility question is inescapable, and in time, each and every one of us should be able to answer it".

The only way to resolve the impasse is to do it on a different plane. The modern state system is premised on the model emanating from the Peace of Westphalia. The reality of the sovereign state today, however, is very different from its theory. In 1991 Javier Perez de Cuellar had called upon the international community to help develop a "new concept, one which marries law and morality".

Such an effort of bringing together law and morality would help initiate the process of resolving the dilemma highlighted by the ICJ in its Advisory Opinion. The process would then take us back to the Russell-Einstein

Manifesto's focus on the human being: "Remember your humanity, and forget the rest. If you can do so, the way lies open to a new Paradise; if you can not, there lies before you the risk of universal death."

To transform vision into reality, a plan and a timetable on the pattern of the Rajiv Gandhi Action Plan would be essential. We have seen that, hitherto, nuclear disarmament has become almost synonymous with nuclear non-proliferation. A change would be possible only through such an Action Plan.

For much too long, ladies and gentlemen, the question of disarmament has remained in the exclusive domain of states and their experts. Is it not time now to open a window or two to let in the fresh breeze of global public opinion? We are aware of the beneficial results produced by such an approach in other areas that transcend state sovereignty.

Given the immobility of the current disarmament process, a new methodology may be worth a try.

Thank you.



092. Remarks by Finance Minister P. Chidambaram at the International Energy Ministers' Meeting.

Jeddah, June 22, 2008.

Your Excellencies, Ministers from Oil-Producing and Consuming Countries, Distinguished Delegates, Ladies and Gentlemen.

2. We are gathered here under extraordinary circumstances and I speak to you today with a heavy heart and a sense of foreboding. Let me begin by thanking H.E. Mr. Ali I. al-Niami, Minister of Petroleum and Mineral Resources, Kingdom of Saudi Arabia, for providing us a platform at this critical juncture in the Global Energy Dialogue.
3. I represent a country that has over 1.1 billion people; that began a long and arduous journey of development; and that has, in recent years, rediscovered its inner strengths and acquired the capacity to end poverty. I speak for a country that, along with 189 nations, adopted the Millennium Declaration and set 2015 as the year for achieving the Millennium Development Goals.
4. I speak with great anguish because the goals that we have set for ourselves are in grave peril.
5. Oil prices threaten to wipe out the economic gains made by developing countries in recent years. The irrational escalation in oil prices is the cause of diversion of scarce resources from education, health and other social sector schemes. Three weeks ago, India passed on barely 9 per cent of the required price increase to consumers: the result is that inflation measured by wholesale prices has crossed 11 per cent. We are sorry to note that even oil producing countries such as Indonesia, Russia, Saudi Arabia and Venezuela face double-digit inflation rates ranging from 10.5 per cent to 29.3 per cent.
6. How did this situation come about? And how may we overcome what appear to be formidable challenges?
7. Let me focus on some key areas and imperatives from the perspective of developing economies like India.
 - a. Questions have been raised about the fundamentals of the oil industry. There is a need for the oil industry to re-assert its

leadership in price formation and not remain passive spectator of speculation and paper trading in oil. The global hydrocarbon community must address this situation through appropriate supply-side responses and calm the oil markets.

- b. Today, the vulnerability of the supply chain to temporary supply disruptions stands exposed. Global oil consumption grew by 1.1% or 1,000,000 barrels per day in 2007 whereas the global oil production fell by 130,000 barrels per day. Spare capacity, across the supply chain, has dwindled considerably. This has added to risks and uncertainty. Hence, the need to fast-track development of oil resources.
- c. As per the estimates of the International Energy Agency (IEA), our future oil and gas needs call for massive investments of the order of US\$ 10 trillion by the year 2030. Such fund mobilization can be achieved. Fresh investments are not materializing perhaps because of anticipated fall in demand. This is plainly wrong. The cyclical behaviour of oil markets is amply established and we know that oil production provides attractive returns in the long run. High oil prices have improved the balance sheets of oil-producing nations and companies. It would be reasonable, therefore, to expect oil producers to fund capacity expansion.
- d. Respectfully, we reject the suggestion that rising demand is the cause of spiraling oil prices. Surely, demand and supply dynamics can not explain what has happened over the last 12 months. How is it that oil prices were US\$70 a barrel in August 2007 and how is it that they have doubled when there has been no dramatic change in demand? The causes for the current pandemonium in oil prices lie elsewhere: in unregulated over-the-counter markets and futures trading in oil.
- e. There is ample evidence that large financial institutions, pension funds, hedge funds etc. have channelized billions of dollars - nay, trillions of dollars - into commodity investments and commodity derivatives. It is common knowledge that these financial transactions are unregulated and highly opaque. The demand for oil generated by these funds is purely speculative

demand. In our view, the time has come for producers - especially OPEC - and consumers to wrest control over oil trading from the hands of the speculators.

- f. The only way forward is for the both producers and consumers to find common ground. We have a proposal that will instill mutual confidence. We propose that we adopt a Price Band Mechanism. Consuming countries must guarantee that oil prices will not fall below an agreed level and producing countries must guarantee that oil prices will not rise above a guaranteed level. In the band between these two levels, let prices be determined by market forces. This is the only way to shelter the world from volatility and unpredictability in oil prices.

Excellencies,

8. We firmly believe that the current level of international oil prices is in the interest of neither the oil-producing countries nor the consuming countries. If the global economy slows down or slips into a recession due to high oil prices, that will eventually hurt all of us. Therefore, in our enlightened self-interest, we must take concerted action to address the present situation.
9. We welcome this energy dialogue and promise to remain engaged always.
10. I appeal to you in the name of development; I appeal to you on behalf of all developing countries to seize the moment. Let us put our heads together and find the way forward to normalize the oil markets and to move towards a future in which energy is available, accessible and affordable for all on a sustained basis.

Thank you.



**093. Joint Statement issued at the end of India-Australia
Foreign Ministers' Framework Dialogue.**

Canberra, June 23, 2008.

Please see Document No.338.



094. Press Release of the Prime Minister's Office on the meeting of the National Security Advisor M. K. Narayanan with the leaders of the Samajwadi Party on the Civil Nuclear Cooperation Agreement with the United States.

New Delhi, July 2, 2008.

The National Security Adviser, Mr. M.K. Narayanan, had a meeting with leaders of the Samajwadi Party, Shri Ram Gopal Yadav and Shri Amar Singh, earlier to-day, during which the latter had sought certain clarifications with regard to the Civil Nuclear Cooperation Agreement between India and the United States¹.

Among the main issues raised by Shri Amar Singh were:

- (i) Whether by entering into this deal, the sovereignty of decision-making in regard to India's foreign policy would be compromised. It was clarified to Shri Amar Singh that the Civil Nuclear Cooperation Agreement did not and would not affect the autonomy of decision-making in regard to foreign affairs in any manner. India had always followed an independent foreign policy. Under no circumstances, would this position undergo a change, the least of all in the context of the Civil Nuclear Cooperation Agreement. India has always

¹ The meeting between NSA and the Samajwadi leaders took place to clear the misperceptions that the latter had about the Agreement to enable it to extend its support to the Agreement and the UPA Government. The Chairman of the Samajwadi Party Mulayam Singh told the media that it "will not do anything that will harm the national interest or strengthen communal forces". The Samajwadi Party and the United Progressive Alliance (UPA) came closer as the Left Parties supporting the UPA Government drifted away from the alliance on the question of support to the Government on the Nuclear deal. A couple of days earlier Prime Minister Manmohan Singh keen to proceed with the India Specific Safeguards Agreement with the IAEA had offered to place before Parliament the entire civilian nuclear deal and to abide by the House, provided his government was allowed to complete the process of negotiations with the International Atomic Energy Agency (IAEA) and the Nuclear Suppliers' Group (NSG). "I have said it before. I will repeat it again that you allow us to complete the process. Once the process is over, I will bring it before Parliament and abide by the House," he said on the side-lines of a function at his residence on June 30. "I am not asking for something that the government should not be doing. I am only saying you allow me to complete the negotiations. I agree to come to Parliament before I proceed to operationalise [the deal]. What can be more reasonable than this," the Prime Minister asked. Insisting that "all that I want is the authority to proceed with the process of negotiations through all stages like the IAEA and NSG that will not tie down the hands of the country," Dr. Singh noted that the BJP and the Left parties would have an opportunity to discuss the deal in Parliament. "If Parliament feels you have done some wrong, so be it," he said.

regarded its strategic autonomy in these matters as sacrosanct. Related to this was the question raised by Shri Amar Singh whether the nuclear deal would impinge on our relations with Iran. It was clarified that our relations with Iran were time-honoured and civilisational in nature and no outside influence or pressure could force India to deviate from this path. India and Iran have recently taken several initiatives, including one relating to the Iran-Pakistan-India gas pipeline. The pipeline epitomizes the nature and importance of the relationship, something that was strongly re-inforced during the visit of President Ahmadinejad to Delhi in April. There have been other meetings between our Ministers and officials and their Iranian counterparts. The National Security Adviser has just returned after a very productive meeting with Iranian leadership, and also had a meeting with President Ahmedinejad, at which apart from economic issues like the IPI pipeline, certain other and related matters were discussed. India is not under any pressure, nor can it be pressurized to follow a course of action that is not dictated by our enlightened self-interest.

- (ii) Another important issue that was raised by the SP leaders was whether the nuclear deal would undermine our nuclear sovereignty, specially with regard to our strategic nuclear programme. It was clarified, and the Prime Minister has reiterated this on many previous occasions, that the deal would not in any way impinge on our strategic programme. This is an agreement for Civil Nuclear Cooperation. The purpose of the Agreement is to enable full civil nuclear energy cooperation between Parties and concerns nuclear reactors and all aspects of the associated nuclear fuel cycle. It caters for the development of a strategic reservoir of nuclear fuel to guard against disruption of supplies over the lifetime of India's reactors, and for advanced R&D in Nuclear Sciences. The 123 Agreement with the United States contains a specific mention that the Agreement would not affect un-safeguarded nuclear activities, i.e. activities involving our strategic programme which are not under safeguards. It also underscores that the Agreement would be implemented in a manner that does not hinder or otherwise interfere with any activities involving the use of nuclear material, information or technology and military nuclear facilities produced, acquired or developed by them independent of the Agreement for their own purposes.

- (iii) A question was also raised about the Hyde Act passed by the US Congress and its impact on the 123 Agreement arrived at between India and the United States. A careful reading of the provisions of the 123 Agreement would make it clear that substantive rights and obligations under the Agreement are not affected by the national laws of the parties. It is the 123 Agreement and its provisions that indicate the obligations of both sides. The 123 Agreement clearly over-rides the Hyde Act and this position would be clear to anyone who goes through the provisions.
- (iv) Other clarifications were sought on the right to re-process and the right to test and the provisions under which the United States would determine its cooperation with India. Great care was taken while finalizing the 123 Agreement to arrive at provisions which are satisfactory from India's point of view. The Agreement, hence, specifically grants consent to re-process or otherwise alter in form or content nuclear material transferred pursuant to the Agreement. India has agreed to establish a new national re-processing facility dedicated for re-processing nuclear material under IAEA Safeguards. There is nothing in the Agreement which places an embargo on India's right to carry out a nuclear test if it thinks this is necessary in India's supreme national interest. To meet the contingency (raised by the Hyde Act) that the United States might terminate its cooperation with India if it carried out a nuclear test, a very elaborate consultation process has been included in the 123 Agreement. The consultations would go into the relevant circumstances; take into account the specific requirements leading to a test; whether there had been a change in the security environment which required this; and/or whether this was a response to similar actions by other States which could impact on India's national security. Furthermore, it is stated in the Agreement that the two parties recognized that exercising the right of return would have profound implications for their relations and that both parties should take into account the potential negative consequences of such termination of on-going contracts and projects.
- (v) A reference was again made to the Agreement between India and the International Atomic Energy Agency for the application of Safeguards to Civilian Nuclear facilities. The salient features of the Draft Agreement (which are yet to be finalized), reflect the key understandings relating to fuel supply assurances, strategic fuel reserves and corrective measures. Provisions have been included

that make it clear that India is offering its civilian nuclear facilities voluntarily for safeguards and keeping in view these assurances. Most importantly, the Agreement provides for the filing of a declaration, based on its sovereign decision, and only when India determines that all conditions conducive to the objectives of the Civil Nuclear Cooperation Agreement and concomitant arrangements have been fulfilled. This ensures that India would retain the right till the very end before putting any of its reactors under safeguards.

- (vi) A major principle underlined in the Agreement with the IAEA is that the IAEA shall implement safeguards in a manner that do not hinder or otherwise interfere with any activity involving the use by India of nuclear material or technology developed by India independent of this Agreement for its own purposes.



095. Extract relevant to Civil Nuclear Cooperation with the United States from the Special Media Briefing by Foreign Secretary Shivshankar Menon on Prime Minister's visit to Japan to attend G-8 Summit.

New Delhi, July 4, 2008.

Official Spokesperson (Shri Navtej Sarna): Welcome to this briefing by the Foreign Secretary on Prime Minister's visit to the G-8 Summit in Japan. After Foreign Secretary has spoken we will do the questions in our usual fashion.

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Foreign Secretary (Shri Shivshankar Menon):

Question: When is the meeting scheduled with the US President?

Foreign Secretary: On the 9th.

Question: On the nuclear deal front, are we going to ...(Inaudible)... Secondly, all these countries which are going to G-8 happen to be also members of the NSG. Are we going to be asking for their support? How do you see it in terms of NSG ...(Inaudible)...

Foreign Secretary: We have been in touch with all the countries. We have spoken to the NSG as well. At previous meetings of the NSG we have been in contact with them and that would continue. As soon as we have a decision on going to the IAEA Board of Governors, I will let you know.

Question: American Congressman Gary Ackerman said yesterday that though they would not have ...(Inaudible)... session and all that of the US Congress, after pushing so much if it does not go to the US Congress, how do you take that?

Foreign Secretary: Frankly, I have always avoided all your questions, you all know this, about what is the timeframe, which day will this happen, which day will that happen. I do not want to get into that. We want to go ahead with it. We will do our best to go ahead with it as soon as we can.

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Question: Will the Prime Minister of India talk to President George W. Bush on the possibilities of getting support from the NSG at the G-8 Summit?

Foreign Secretary: I think that is a discussion that we have had before. I think the US is committed under the July 18, 2005 Joint Statement to get us an exemption from the NSG and they have committed themselves to helping us to achieve that.

Question: *Sir, is the Prime Minister, during his visit to Japan, likely to meet the officials of the IAEA?*

Foreign Secretary: *There is unlikely to be any body from the IAEA in Japan during this summit. As far as I remember DG, IAEA did not come even the last year at Helligendamm.*

Question: I want you to confirm if all bilateral meetings will be organized in Toyako or in Sapporo.

Foreign Secretary: Some of the bilaterals are on the 8th in Sapporo.

Question: Which ones are they?

Foreign Secretary: I think with those who are staying in Sapporo, like with Mexico, with China, with Republic of Korea, the Indonesia. I think these are the ones that are likely to be on the 8th. The UN Secretary-General's probably is also on the 8th. We are actually still slotting all these moving pieces.

Question: Will the Prime Minister be meeting leaders of the NSG also?

Foreign Secretary: I think many of the leaders who are there are members of the Nuclear Supplier Group. I have not done the tally but I think most of them are members of the Nuclear Suppliers Group.

Thank you.

(Text in italics in translated from Hindi text)



096. Extract relevant to Civil Nuclear Cooperation from Media Briefing by Foreign Secretary on board Prime Minister's Special Flight on the meeting between Prime Minister and U.S President while returning From G8 + O5 Summit at Hokkado, Japan.

July 9, 2008.

Foreign Secretary (Shri Shivshankar Menon): I presume you have all seen, heard what PM and President Bush said just after the meeting. It was a good meeting. They reviewed the bilateral relationship. Both sides expressed satisfaction at the transformation in the relationship over the last few years, and at the various areas in which we are cooperating from space to agriculture to education where we have just, as you know, signed the agreement for the new Nehru Fulbright Fellowships.

They reviewed the entire range of the relationship, the economic relationship which is growing rapidly; and they also discussed civil nuclear cooperation. Prime Minister informed President Bush that we were going ahead with the initiative. President Bush informed Prime Minister that the subject had been discussed among the G8 as well yesterday. I think that finds reflection in the Chairman's Summary which issued at the end of the day today when the Japanese Prime Minister spoke to the press. I do not know if you have seen the text¹. (para IV under the heading Political Issues) Maybe it is simpler if we circulate it. In the Chairman's Summary there is a separate heading which says "civil nuclear cooperation with India" and says "we look forward to working with India, the IAEA, the NSG and other partners to advance ..." etc. In fact that is a subject which came up in all the bilateral meetings that Prime Minister had, maybe with one exception, where we informed them of Government of India's intention to proceed with the initiative and got positive responses from most, if not all, of the leaders we raised it with.

1 Extract from Chair's Summary Hokkaido Toyako, 9 July 2008
We met at Hokkaido Toyako to address key challenges we face today. We adopted the G8 Hokkaido Toyako Summit Leaders Declaration and three independent statements on Global Food Security, Counter-Terrorism and Zimbabwe.
Civil Nuclear Cooperation with India: We look forward to working with India, the International Atomic Energy Agency, the Nuclear Suppliers Group and other partners to advance India's non-proliferation commitments and progress so as to facilitate a more robust approach to civil nuclear cooperation with India to help it meet its growing energy needs in a manner that enhances and reinforces the global non-proliferation regime.

There was some discussion in Prime Minister's meeting with President Bush also about the Doha Round and the need for a rule-based system. Prime Minister said again that from our point of view the key issue is really subsistence farmers in India and making sure that their interests are protected in whatever the shape of the understanding; and there was understanding expressed for that. There will be a Ministerial meeting during the WTO to negotiate this further on the 21st of this month. So, they said they will see what was possible at that meeting.

President Bush expressed condolences for the bombing of the Embassy in Kabul; asked about it. There was renewed determination expressed on both sides to fight terrorism and not to allow this sort of an incident to divert us from the task of reconstructing Afghanistan and working with the Afghan people to give them livelihood strategies which are practical and which work.

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Question: ... Mr. Bush any details, where, when, how, what? And on the other side, as far as Mr. Bush is concerned, were there any assurances about NSG? Apart from speaking with G8 leaders, has he been speaking with other NSG leaders? What does he have to say really about the NSG bit and anything else?

Foreign Secretary: I think that stage of who will do what, I think, was in July 2005, if you look at the July 18 statement, it says quite clearly that the US will help us in the NSG. So, they did not go into that kind of thing. At that level both sides are committed to it; both sides are taking it forward; they will work to it.

Question: As far as Australia is concerned, they had some reservations about supplying nuclear fuel to us. During the discussions, was there any development in that regard?

National Security Advisor (Shri M.K. Narayanan): No, there is no reference to uranium. We have not reached the stage of uranium. We have to get clearances from the NSG before that. The Australian side, as the Foreign Secretary said, were extremely positive about the thing but uranium did not come into the picture. Just to clarify what was said about President Bush, I think President Bush has made no secret of the fact that he is fully committed to the deal and he will do what they have to do in the matter.

Question: ...You were mentioning about the summing up by the Chairman of the G8 among other things. But you said that G8 has agreed to work for the civil nuclear deal with NSG and ...(Inaudible)... My question is, we know that among the G8 members seven were on board, only Japan was not on board. Have they come on board?

Foreign Secretary: I will give you the same answer I gave you yesterday. As a result of all these conversations I do not anticipate that any of the countries we spoke to will be a problem.

National Security Advisor: No country gave us a negative response.

Foreign Secretary: Nobody gave us a negative response.

Question: What about China?

National Security Advisor: Ditto.

Foreign Secretary: "As a result of these conversations I do not think ...", I will give you the same line again.

National Security Advisor: It covers all the countries we have spoken to. I think we have said it all. No country gave us a negative response.

Foreign Secretary: I think that is clear.

Question: That does not mean that all countries gave a positive response.

Foreign Secretary: Listen, we cannot go around telling you word-by-word what happens in confidential diplomatic conversations. We have told you the situation and I think you can take that and live with it.

Question: As you said, Sir, Prime Minister Fukuda in his Presidential Address at the end said that the G8 countries will be cooperating with India on this issue. What does this specifically mean?

Foreign Secretary: I think you have to ask him. The G8 has said, and the Chairman of the G8 has said, that they are ready to cooperate in civilian nuclear energy with India ...

Question: It is not clear.

Foreign Secretary: It is clear. If you read it, you will see the text. We will give you the copies of the text.

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Question: Inclusion of civilian nuclear initiative in the G8 statement, you called that the biggest takeaway for India from this G8 meeting. Would that

be a shared perception of all those countries other than G8 members who are in the NSG?

Foreign Secretary: I can only speak for the countries that we spoke to and those who have spoken out in public. All the G8 members obviously are on board. They have expressed themselves in the statement which you will see. I cannot speak for them. They have spoken themselves. All the other countries that we have spoken to, we have got positive responses.

Question: You call that the biggest takeaway for India from this meeting?

Foreign Secretary: I am not getting into that because we did several things in this meeting. We discussed bilateral relations which each of these countries; we talked about climate change; we talked about the state of the world economy; we also did this; we also did food security. I am not going to say this is more important than the other. Each of these things is crucial for us and for the world. I do not think we need to say that one thing is more important than the other. The fact is that, yes, they have expressed themselves quite clearly.



097. Joint Media Briefing by National Security Advisor M.K. Narayanan, Foreign Secretary Shivshankar Menon, Secretary (DAE) & Chairman, Atomic Energy Commission Anil Kakodkar and Director (SPG), DAE Dr. R.B. Grover on the conclusion of the India Safeguard Agreement with the IAEA.

New Delhi, July 12, 2008.

National Security Advisor (Shri M.K. Narayanan): Ladies and gentlemen of the press, I think we shall dispense with all the formalities because I know you would like to hear what Dr. Kakodkar and Dr. Grover have to say. However, I wish to say that the idea of having this kind of a panel is primarily to clarify and explain any of the doubts that still exist in the minds of most of you about the Safeguards Agreement and where we stand on this issue.

As far as possible we are trying to keep the politics out of it. The technicalities and the technical aspects are reasonably esoteric. I know Siddharth wrote a very good piece today in *The Hindu*. But I presume there are some people ignorant like me who would like to be sort of informed as to what really the Safeguards Agreement stands for, what it means, and what it has meant for us in terms of the effort that we have put in.

If there are any side issues which arise as a result of the discussion, Foreign Secretary and I would then intervene. But I would request that please use your time usefully, if I might say so, because I think it is not often that you get the Chief Negotiator for the Safeguards Agreement Dr. Grover, or for that matter Dr. Kakodkar to be with us all on the same panel. Let us avoid grandstanding; let us avoid very clever questions; and just try to seek information. We will be as candid as possible; we promise to be as honest because I think there is a lot of that we need to get from the press in trying to explain to the country why the Safeguards Agreement is important from the point of view of the civil nuclear initiative that is being attempted.

With this I would leave the floor open for questions. You can direct the questions primarily to Dr. Kakodkar and Dr. Grover in terms of, as I said, the principal item that we are discussing today, viz., the Safeguards Agreement with the IAEA.

Question: *How is this Safeguard Agreement better and different from other such agreements and how will India benefit from it?*

Chief Negotiator (Dr. R.B. Grover): This particular agreement is for the civilian nuclear facilities in India. This has a Preamble and the main text can be broadly divided in three parts, i.e., General Considerations, Safeguards Procedures, and Miscellaneous Aspects where we cover various issues related to implementation, finance, visa-related issues and so on. As you might have seen from the Safeguards Agreement, right in the Preamble we have embedded several important concepts. We start with issues like sovereign and inalienable right of India to carry out nuclear research and development activities for the welfare of its people. We talked about expanding international cooperation on a stable, reliable and predictable basis. We also have mentioned about the relevance of Indo-US understandings which are mentioned in quite a detail there. Of course, it is about civil nuclear cooperation with all other member states of the Agency.

If we see Safeguards Procedures, they are based on the way safeguards are carried out. They follow the relevant guidance documents which have been adopted by the Board of Governors for this purpose. It is embodied in a document called Infirc-66. The General Considerations in the beginning stem from specific Indian requirements. You might have noticed that General Considerations are in the initial part where we have Basic Undertakings, General Principles, Items Subject to this Agreement, Declaration and Notification, Provision of Information to the Agency. These are specific to India and that is what makes it an India Specific Agreement. Normally, if we have 66 types of Safeguards Agreement, they are specific to a facility. We have similar agreements with regard to the reactors under construction at Kudankulam. We have Safeguards Agreement for reactors at Tarapur - TAPS-I and TAPS-II. But, though Safeguards Procedures are based on Infirc-66, this is an umbrella agreement and it will be applicable to all the civilian nuclear facilities in India, those civilian nuclear facilities which we declare as per Article 13 and subsequently notify as per Article 14. All these provisions make it India specific.

Then we go to the third part where miscellaneous issues are indicated. They include agency inspectors, how to give them visa, physical protection, system of accounting and control, finance, non-compliance and cooperation, interpretation and application of agreements, and settlement of disputes, and with the definitions. This is the general structure.

I can go on but I think it would be better if you ask questions. If I start doing this, there will not be any time for you to ask questions.

Question (Parul Malhotra, CNN-IBN): Sir, this question is open to any of you who might choose to answer. I just want to understand the reference to uninterrupted fuel supply and the right to take corrective measures etc., which find reference in the Preamble. Does the Preamble have legal sanctity in case the need arises? Why was it necessary to have this reference in the text? Why was it necessary for India to have this mentioned in the text?

Secondly, what is it about this agreement that makes it India-specific?

Foreign Secretary: On the issue of legal sanctity of the preamble and whether there is a distinction, there is the 1969 Vienna Convention on the Law of Treaties which deals with exactly these questions. Article 31 of that says that the Text includes the preamble and annexes. So, when you come to General Principles, general rules of interpretation of the treaty, these are actually part of the treaty. In this particular case it is made even more clear because you will see at the end of the preamble it says, "Now, therefore, taking into account the above, India and the Agency have agreed ...". So, frankly, this distinction that some people have drawn really does not matter and has no legal effect; there is no legal distinction. Also, in the text itself parts of the preamble are described as essential basis for India's agreement to accepting safeguards on certain facilities.

National Security Advisor: I think the link between the preamble and the text has been very clearly brought out, if you read the entire text. I do not think it was necessary, but we made it doubly sure that nobody could draw any kind of erroneous conclusions about this. So, I think the connection between the preamble and the text, even if that may not be necessary, has been very clearly made. I think that is one of the strongest points in the agreement because the entire text flows from, as the Foreign Secretary just now said, "taking into account the following", because it stands on that one basic pillar.

Dr. Grover: To answer the second part of your question, IAEA has certain templates with regard to going in for safeguards. Infirc-66 type template is the one which is meant for those states which have not signed NPT. That is the category to which India belongs. There have been some reports in the press where they have said that this is an agreement for non-nuclear weapon states. That is not the case. Infirc-66 template is for non-NPT

states. No qualification with regard to having nuclear weapons or not having nuclear weapons. We have followed with regard to safeguards procedure, this particular template. But what all the agreements, which have been executed so far as per this template, do is write certain clauses and make reference to 66 and are applicable only to a particular facility. Here what we have done is we have tried to include whatever our requirements were in the Preamble, in the General Considerations, continuing till about Article 22. All those considerations specific to India are embedded. And it is applicable to all the facilities which we declare as civilian and notify to the Agency. So, this is a unique feature which has been attempted for the first time. This is a standalone document. It does not make reference to Infirc-66 anywhere. That makes it India-specific. It is for the first time that this particular procedure has been followed because our requirements were of that kind and they have been reflected fully here.

Chairman, Atomic Energy Commission: I think the point to recognize really is, as Dr. Grover said, this is an umbrella agreement applicable to the civilian nuclear facilities that India declares to be civilian and also to recognize the fact that it applies to only to civilian facilities. There is a non-hindrance provision which in fact explicitly says that it has nothing to do with the rest of the Indian programme. So, in that sense it is quite India-specific.

Question (Manish Chand, IANS): Sir, assurances about uninterrupted fuel supplies which are incorporated in the document appear more like a statement of intent. It does not clarify how the Government is planning to ensure that Tarapur fiasco is not repeated. Could you tell us how the Government is planning to actually put together this entire arrangement so that India's safeguarded nuclear reactors will have uninterrupted fuel supply?

Chief Negotiator: Let us first say that IAEA is not the agency which supplies fuel. IAEA is the agency through this particular Safeguards Agreement one has to create those conditions which help us to proceed further for importing fuel and using it in our reactors. Fuel supply assurances have to be embedded when we go in for imported reactors at that stage. Suppose the way we have gone in for Russia, we are setting up two reactors in technical collaboration with Russia at Kudankulam. In that particular agreement, fuel supplies for the lifetime operation of the reactors are embedded. What we have done in this agreement is we have made provision that we can have that kind of strategic fuel reserve and use it

when we want for the lifetime operation of the reactors. IAEA cannot give us fuel. It sort of creates a bank and we have to fill that account as and when we want to fill it by getting fuel from other sources. If you particularly see here, I will give a specific reference. This is again an India-specific feature here. You go to 11F where we have said any facility and said for storing nuclear material. So, safeguards have to be applied to that particular fuel which we import and that provision we have built in here. In the preambular paragraph we had listed all the conditions. So, we have created a total framework and now we will have to go in for agreements with fuel suppliers which will help us in the lifetime operation of the fuel.

Chairman, Atomic Energy Commission: Any supply agreement has to be between the supplier and us. So, we will have to build in, as we have been doing always, strong commitments on the part of the supplier to continue, whether it is fuel or spares or whatever. Now, with regard to the foreign supply, it has been our policy right from day one that whatever comes from outside we have been putting under IAEA safeguards. In this Safeguards Agreement we have very strongly connected such cooperation agreements with other countries and the supply commitments with the supplier countries with our going in for safeguards with IAEA. For example, there is a statement, "an essential basis of India's concurrence to accept agency safeguards under an India-specific safeguards ..." and then it talks about the fuel supply agreements. So there is this linking which has been done, which says that we are going in for the IAEA safeguards because we are also talking about the supply agreements where the continuity is built in. And then we can develop it legally from that point onwards.

Question (Pallava Bagla, NDTV): I have two questions. Could you specify very clearly whether India will be in a position to withdraw reactors or facilities which we put under safeguards as part of this umbrella agreement? Secondly, taking forward a question which was there, can you elaborate a little more on the corrective measures?

Chief Negotiator: Let us hope that the whole process will move in a way that whatever commitments we enter with other countries and other countries enter with us, will be honoured, and there will not be any requirement where there is a fuel supply disruption and we have to go in for withdrawal of reactors from safeguards. But supposing that kind of a situation arises, we have made a mention right in the preambular paragraph as to why we are going in for this safeguards agreement. We have also indicated right in the main text, Article 4, where we say "the application of

safeguards under this agreement is intended to facilitate implementation of relevant bilateral and multilateral arrangements". And these arrangements will be fuel supply arrangements. Then we say, under 13, that we will go in for determination by India that all conditions conducive to accomplishment of the objectives of this agreement are in place. So, it is explicitly stated as to how we will proceed further with the implementation of this agreement. The fuel supply, we have to determine, yes. Those assurances are in place. Once they are in place and subsequently there is some deviation, then, if you see, we are providing as a first step for a kind of reporting to the IAEA, which is under 52C, where is a disruption of operation of facilities in the Annex on account of material violation. Now, we have entered into a fuel supply agreement; there is a material violation that we made provision first for reporting in 52C and then after we report, this kind of provision should help us in such a situation.... (inaudible).....will help us to take whatever steps(inaudible)... conditions will not arise.

Chairman, Atomic Energy Commission: First we are talking about the sustained fuel supply. Then we are talking about the stockpile which is sufficient for the lifetime operation of the reactors. Then we are talking about, if in spite of all that there are difficulties, of course, implementing corrective measures. In this agreement, as you heard, if there is a disruption in supply we would report to the Agency and we have all these linkages built in. So, we can also start our process. The point to notice is the discontinuity in the operation of the reactor cannot happen suddenly because we are talking about several layers. So, we will have enough time to kind of force correction on the part suppliers themselves. Because we will have the stockpile, we can carry on. So, there is no question of disruption of the reactors. So, as we have been always saying, we are talking about the permanent safeguards on the basis of permanent supplies. The question of corrective measures, which has been built in, essentially arises if this understanding is breached. That is the point.

Question (Pallava Bagla, NDTV): Sir, my question was very simple. Can we withdraw or not? You gave me all round and round, but did not tell me whether we can withdraw. Simply tell me whether we can withdraw.

Chairman, Atomic Energy Commission: The response has to be always calibrated. I am not talking about a response to your question. The corrective measures or corrective actions that India would take, it would depend on what is the disturbance, what is the threat to continued operation of the reactor. It is a thing which India can decide at respective point of time. I describe corrective measures as unspecified sovereign actions.

Question: Does it include legal measures?

Chairman, Atomic Energy Commission: It includes everything. There is no restriction.

Question (Smita Sharma, IBN7): *Two questions, one is to Dr. Kakodkar. Sir, there are two points that are being raised as objections by the scientific community. One is, since we are talking about the fuel supply, it does not speak of in perpetuity. So, what about reactors that we might build in future? Does that also come into the picture? And the nuclear status not being accorded to India. Mr. Narayanan, if you could please answer, going back to 123, because there is still an ongoing debate about 123 being bound by Hyde Act. To a layman or in categorical terms if you could say, if India nuclear test fires tomorrow, what happens to the deal?*

Chairman, Atomic Energy Commission: I thought in terms of fuel supply I have clarified already in sufficient detail.

Question: How do you see the future reactors?

Chairman, Atomic Energy Commission: The question is, any reactor that India declares as civilian, it will be first of all an Indian sovereign decision. One of the test for declaring, or making such a declaration, is that the reactor should be eligible for supplies, or the reactor should be eligible for the full civil nuclear cooperation. So, that linkage will always be there whether it is for the present reactor or a future reactor. This is a part of the understanding that if something is declared as civilian, it has to be eligible for the external civil nuclear cooperation. So, that defines everything. With regard to your second question, first of all let us be clear, we are a nuclear weapon state. We know that, and the world knows that. These definitions of nuclear weapon state and non-nuclear weapon state are definitions embedded in NPT. We are not a party to NPT. So, I do not think we should worry too much about those definitions. The fact is, we are talking about opening up of civil nuclear cooperation fully recognizing that this cooperation domain is restricted to the civilian facilities that India so declares and also recognizing that there is a part of the programme which is outside this. So, the strategic programme is completely insulated. Now, we have a nuclear weapons programme and that programme is insulated from this. So, what more is necessary? Certainly we do not have to really be so attracted towards NPT definitions because we are not a part of NPT.

National Security Advisor: The experts have been speaking. I do not know, I do not understand why there is still such a big question mark about

fuel supply assurances. Subject to correction by Dr. Kakodkar and Dr. Grover, hopefully this India Specific Safeguards Agreement with the IAEA will facilitate the processes by which we can get foreign fuel. If I understand it right, every reactor that will come will need a specific contract for the supply of foreign fuel. If I understood right, for the next forty years if you have a contract the contract remains and you have a stockpile. So, if somebody wants to disrupt that, at that point I do not know what he is going to achieve. If for some arcane reason it becomes necessary to do that, we have corrective measures. So, I think the issue of fuel supply assurances, unless I have missed out something on this, does not seem to be the issue here. I think Dr. Kakodkar said very pithily, if there is no perpetual supply there is no perpetuity of the safeguards. But taking the thing off this kind of what I would call the semantics, I think if we have an IAEA safeguards agreement, and if a foreign supplier comes with a reactor, then we have a fuel supply agreement with him, and we have the right to go in for a stockpile. There may be a cost to it, I do not deny, but I do not think the cost would be as high as 150 dollars a barrel or 200 dollars a barrel and the kind. So, I think that is not basically an issue to the extent that it seems to be being made out. I think that is what we wanted to clarify to this audience.

I will come to your second question. The same question is being asked over and over again and so I thought I will try and put it in as much of a layman's language as I can, provided I am right in what I have said.

Chairman, Atomic Energy Commission: You are absolutely right.

National Security Advisor: Now, the issue is, in the 123 agreement there is no reference to the Hyde Act. There is a reference to cessation of cooperation. It may be under any number of circumstances. What we have done in the 123 agreement, I think it is Article 14 if I remember right, is that the circumstances under which a cessation of cooperation has been sort of induced(inaudible)...the security scenario in the neighbourhood, etc., would be taken into consideration. So, it is in that context that the thing has been done. The Hyde Act is a US Act. The Separation Plan that we had was primarily an Indian document. The 123 is an India-US document, and hopefully the IAEA will be an international document. I think we have gone step by step in moving up the ladder in this matter.

Question (Royden D'Souza, Headlines Today): Dr. Kakodkar, two questions to you. In 2006 when I interviewed you I asked you about the transfer of technology that India could do to other third world countries,

especially Southeast Asia. What provisions are there for transfer of technology under this Safeguards Agreement with the IAEA? This also pertains to reactors that we might build in this interim period because we have a specialty in smaller reactors that we could export to other countries.

Second question is with regards to reactors that we build with our own homegrown technology - the FBTR, Kamini, BFBR, Hot Cell Facilities, other research, and fuel fabrication facilities. What assurances do we have that this technology will not be tapped into by the IAEA or any other country because the IAEA inspectors would like to have access to these also?

Chairman, Atomic Energy Commission: The export of any nuclear items or dual use items from NSG members are governed by NSG guidelines. As you know, India has been maintaining a very tight export control right from day one. So we had no difficulty in harmonizing our export control guidelines with the NSG guidelines. So, we have a strong export control in place. Within that framework we are free to export the nuclear items to countries who may wish to buy. As far as this safeguards agreement is concerned, this is a safeguards agreement for safeguarding facilities in India that we may ask IAEA to safeguard. So, whatever we will export to country 'x', we will insist on that country to subject that to IAEA safeguards. But that will be governed by safeguards agreement between that country and the IAEA. I hope I am clear about this.

With regard to your question about protecting the IPR as it were, as I mentioned the decision of what we declare as civilian and what as not is our own sovereign choice and this is very well stated, established and embedded in all documents. At this moment there is no question of putting FBTR or Fast Breeder Reactors under safeguards. So, that question does not arise. Even so, the Draft Safeguards Agreement does provide for protection of our commercial interest. It is already embedded there. Safeguards inspection, one must understand, is restricted to ensuring that there is no diversion of nuclear material. It is a detailed procedure. You have to define and envelop key measuring points and things like that. So, there is no obligation in terms of sharing the technology. It can be done. When we work out the detail we have to write the details in such a manner that IAEA is satisfied about non-diversion, and we are satisfied about protection of our own IPR also. The point is we have long experience about implementing IAEA safeguards. We have been doing it since Tarapur days, and there has been never any difficulty of this kind. So, I think that issue does not arise.

Question: This question could be answered by either Mr. Menon or Mr. Narayanan. I want to know how things will unravel in the next few months till the President of the United States signs the document. Out of the 45 NSG members, how many of them have given an assurance to us that they will support us, and how many are likely to create some problem or the other? Are they in single digit or more than that? Of course, Mr. Menon has said something about China not likely to create any problems when it comes up for a hearing at the NSG. So, what are the things we are planning to do to persuade people who are not exactly very enthusiastic about this to neutralize their opposition and see that we have no problems to get through the NSG?

Foreign Secretary: I hope the things do not unravel! I do not expect them to unravel. I do not think that is the word I would use for the future. But what we expect next is really that we go to the IAEA Board whenever it decides to meet. If they approve the Safeguards Agreement, then the NSG considers a clean, unconditional exemption for India from the guidelines. There is a fair amount of commonality to the composition. I think 19 members of the IAEA Board are also members of the NSG. We have spoken to the NSG informally; we have met the members also in the past. In previous NSG meetings we have been briefing them about where we are. Our impression as a result of these conversations with the various members and as a result also of various outreach activities that we have undertaken - one cannot predict the future; I mean I cannot say what will happen on that day; we are not astrologers here - is that we would hope that there would not be any hindrance in this process going through smoothly. It will certainly be our endeavour by contacting various countries and working with them. One good sign recently was, you saw the G8 Chairman's Statement at the end of the meeting where he endorsed robust civil nuclear cooperation with India. We have to keep working at this obviously as the process proceeds, and we will have to see once it becomes clear we will talk to all our friends around the world.

Question: Sir, I would like to ask this question to Mr. Narayanan. Could you give us the sequence of events on which date precisely did India move the draft agreement at the IAEA to the Board and then subsequent actions?

National Security Advisor: Why is this question being asked of me? But anyway, I think the Board was moved on the 8th, if I remember right, of this month soon after the Left Front said that they did not wish to have the meeting which had been scheduled on the 10th of this month. The idea

earlier had been that the External Affairs Ministry who is the Chief Interlocutor on behalf of the UPA could meet up with the Left Coordination Committee meeting. That would have been the final meeting according to the schedule that had been drawn up at which the findings of both sides would be discussed and after that they were supposed to come back to the Government. For reasons which are now well known, the Left decided not to wait for the 10th, and on the 7th night or 8th morning announced that they were going to withdraw support from the Government and they were planning to go to the President on the 9th. Therefore, the necessity of waiting for another meeting with the Left in case they had some other constructive suggestions to add to the draft which was on the anvil did not exist. So, a decision was taken after consultation that we will move the IAEA Board on the 8th so that enough time was available to the Board to have the papers circulated and whatever discussions they needed for the Board of Governors meeting which we hope would be towards the end of this month. I do not know, that is up to the Board. So, that is the sequence.

Question: They were to withdraw support on 8th but they went to the President only on the 9th. You requested the IAEA ...

National Security Advisor: Our commitment was not about withdrawal of support or giving support. Our commitment was that we would wait till the last meeting was held before we went to the Board in case the Left had something to say. Since they said they had nothing further to say and their next step was that they were going to withdraw support, little purpose was seen in keeping this issue hanging. The issue of support, lack of support, withdrawal of support, was not the issue.

Question: But, Sir, you had already initialled the document on the 7th and by that time the Left parties had said nothing.

National Security Advisor: Who said we had initialled anything on the 7th?

Question: Dr. Kakodkar went on record saying that the Draft was initialled on the 7th.

Foreign Secretary: Just to make it clear, a negotiator initials a document in token of that being the document that he has finalized. That is what it means. Initialling a document only means that a document is initialled by both the negotiators as to prove that this is the document we have agreed. That is it. That is all it constitutes. When you negotiate a document, you

finalise a document, you want to be sure that you both have the same text, that you know what you have agreed. So, when a negotiator initials a document that is all it does. It is in token of that being the document that has been agreed.

Question: But the Government would not initial until there was concurrence.

Question: Why did you initial on the 7th when you had already frozen the text a while ago? Have not you frozen it a while ago? Was it frozen on the 7th and, therefore, initialled on the 7th?

National Security Advisor: Let us get the facts straight. A formal letter to the Board signed by the Indian member on the Board of Governors was sent on the 8th evening, after the Left had already announced. That is where the matter is. That is the formal declaration saying that we are going to the Board of Governors.

Question: The question is to the NSA. A lot has been said about the need for India to keep its options open for future nuclear tests. But there is a point of view that nowadays over-ground tests or underground tests or undersea tests are no longer required, and in fact these tests can be done in the laboratory. What is your take on that?

National Security Advisor: My take on that is that I ask Dr. Kakodkar to answer this question because if it is in a laboratory, quite clearly he is the man or Dr. Grover as the case may be.

Chairman, Atomic Energy Commission: As you are all aware, it is the stated policy of the Government that the R&D in strategic area would continue, and that includes everything that is done in the laboratory. All of you are also aware that the Government has voluntarily declared a moratorium on nuclear tests. So, that is the position as of now.

Question: If a laboratory test is conducted, will it be considered violative of the voluntary moratorium?

Chairman, Atomic Energy Commission: No, moratorium deals with explosive nuclear tests.

Question: This is a very simple question. There is some confusion. Only a few days ago the Science and Technology Minister said that once the Safeguards Agreement is approved in the IAEA Board of Governors

meeting, it will go to NSG and then it will go to US Congress; and only when it is approved there, the Safeguards Agreement will be signed by the Government of India. Is that true?

National Security Advisor: The sequence that has been drawn up is that after the IAEA Board of Governors endorses or approves the agreement rather, and NSG then gives us a clean exemption. Then the United States had said that they would like the agreement to go to the US Congress for an up-down vote. We are at liberty to sign this maybe even three years later, as Dr. Grover explained in great detail. We are at liberty to file a declaration at a moment when we think it is necessary and when we believe that all the conditions that we think appropriate have been completed. So, the question is as to when and where we will. But quite clearly we categorically require an affirmative report in the IAEA. We also require a clean exemption from the NSG. Those two are cardinal aspects. The US Congress would help the US to then enter into a nuclear trade with us and help us in our nuclear scene. Having helped us, we are all equally keen that the US should be part of the wider nuclear trade. When we will go in for a declaration, when we will finalise it, will depend on Dr. Kakodkar and company being sure that all the necessary conditions that we think are appropriate and have been fully fulfilled.

Question: This question is directed to any of the members present here. In case of a dispute between the two parties, who is the arbitrator? Where does it get solved? I think it mentions that the matter would be resolved between the two parties concerned. The question specifically is, is there any international tribunal to which the matter can be referred or is it a matter of negotiation between the two parties?

The second question is more of an opinion based one. At what rate can we get power? At what unit rate can power generation be done after this civil nuclear cooperation is signed?

Chief Negotiator: If you see, in the Safeguards Agreement there is a section on long-term plans where we have clearly listed that this issue will be first discussed with the Board authorities, and the procedure is indicated here. And then we also say, I think it is in Article 10, "Nothing in this agreement affects other rights and obligations of India under international law". So, these two together will help us to ensure that in case there is any dispute we are able to resolve that dispute.

National Security Advisor: If I might introduce a certain amount of levity into the proceedings, we have not yet signed a prenuptial agreement on this question.

Chairman, Atomic Energy Commission: As you correctly observed, at what rate can we set up new nuclear power plants. It really depends on how things evolve. That is one part. But if you look at it from the other end, as to at what rate the Indian infrastructure would allow nuclear power stations to be set up. I am sure all of you are aware that today we are building six power stations simultaneously. There was a time when we were building nine power stations simultaneously, and all of them completing construction in time. So, it looks to me that taking up construction of ten, twelve units simultaneously is well within the Indian industrial infrastructure capability. If there is a need, it can be even higher. So, I do not think there is any serious limitation in terms of the rate at which the Indian system can absorb, particularly in the context of strong, dire necessity of addition of electricity generating capacity in the country.

Now, to come back to the other side that what rate we will get it. You know these negotiations are complex issues. Several issues have to be handled; several things have to be tied up; and that does take time. It is not as if this is done and we will be able to finalise these negotiations just like that. They have to be gone through in each one of the cases. So, that will add some initial delay. But more than that it is very difficult to predict. But you get some idea of the upper bound and the lower bound.

Question: A very quick question to Dr. Kakodkar. Sir, if you have initialled the text on the 7th of July, does that mean that the negotiations were carrying on till the 7th? Why did you initial it on the 7th? The other question is on the story in The Hindu a few days ago which said that the IAEA had no problem if the text was shared with other parties. And one of the things that the Left has been saying is that why did not you share the text? So, if you could just answer my questions, Sir.

Chairman, Atomic Energy Commission: Let us recognize that just like any other negotiation this negotiation also has been a long drawn affair. There have been several discussions taking place till the last moment. When everything was known to be satisfactory, once the two negotiators come to an understanding that yes everything has been done you initial it. I only gave a factual information that it was initialed on the 7th.

With regard to your second question, I think this has been already said.

Foreign Secretary: There is a simple answer to it. Until a text is finalized you cannot share it. No negotiating text is made public. It is not fair to your negotiating partner until it is finalized; nor is it fair to the process itself. You are still negotiating the text. So, it is just not done until it is finalized. We told you when it was finalized.

Question: It was finalized on the 7th, Sir. You went public with the document on the 10th.

Foreign Secretary: We have answered that.

Question: But it has been said that it is a confidential document between Government of India and IAEA Board and cannot be shared with anybody. Why then was it made public?

Foreign Secretary: It is not confidential with the IAEA Board until it is put to the Board. It has not been put to the Board before the end of the 8th. So, I think there is complete confusion in your mind. It is a negotiating text. A negotiating text cannot be made public until it is finalized. Once it is finalized, the negotiators' initial in token of that being the text they have agreed, full stop. On the 8th evening, we asked them to go to the Board, as the NSA made it clear. So, please do not confuse a very simple process.

Question: What kind of role can we expect the Indian private companies to play in nuclear power generation, Sir?

Question: If I may I add to that, just the other day you went to the Cabinet asking for a lot of land for existing power stations. So, clearly are you looking forward to sort of broadening that? Do you have in mind the fact that we want to have a lot of plants?

Chairman, Atomic Energy Commission: The Atomic Energy Act as it exists now permits the nuclear power generation business to be done by a Government company; and the definition of a Government company is one in which there is 51 per cent shareholding of the Central Government. That position stays. We, of course, want to expand the nuclear power generation capacity. So, it is an ongoing process where we keep identifying more and more sites and also look at the possibility of adding new power units at the existing sites. As a part of this process, because

land acquisition and all takes time, we are creating possibilities. It is a kind of a delegation where NPCIL can once the Government approves the site - first the site has to be approved by the Government - go ahead and acquire the land. We are, of course, interested in adding more capacity. So, we are looking at, as I said earlier, adding more units at the existing sites as well as looking at new sites. That is an ongoing activity. If you identify a site today, by the time you start construction there may be two, three or sometimes even four years' gap. So, you have to prepare for that much in advance.

Question: Sir, the US Congress breaks for the August recess very soon. We have to go through the Safeguards Agreement at the IAEA; and then you have to go to the NSG. Are you confident of making it at the US before the Bush regime becomes a lame duck government? Will we be able to see the India-US civilian nuclear deal finally?

Foreign Secretary: We do *Nishkam karma* (*selfless duty*).

(text in italics is translated from Hindi text)



098. Interaction of Prime Minister Dr. Manmohan Singh with Senior Journalists on the question of Safeguards Agreement with the IAEA.

New Delhi, July 15, 2008.

The Prime Minister interacted with a few senior journalists at his residence here today. The conversation covered the current political and economic situation and the issues pertaining to civil nuclear energy and the proposed Safeguards Agreement with the International Atomic Energy Agency.

The Prime Minister outlined the steps taken by the government to sustain the growth momentum and curb inflation, in the face of external pressures on account of rising crude oil prices. He also referred to the various initiatives taken by the government to make the growth process socially inclusive, including the measures taken to insulate the poor to the extent possible from inflation. He outlined the initiatives being taken to boost agricultural production and farmers' welfare.

Referring to opportunities for international cooperation in civil nuclear energy, in addressing the challenge of energy security and high technology development, the Prime Minister said the IAEA safeguards agreement will enable India to cooperate in civil nuclear energy development with all the 45 member countries of the Nuclear Suppliers Group, including USA, Russia, France and China. He said that concluding the agreements would end the era of nuclear apartheid against India. He said the agreement will in no way impinge on our strategic programme, which is entirely outside the purview of the IAEA safeguards agreement.

Stating that India would never allow any extraneous interference in the conduct of our independent foreign policy, the Prime Minister said that India would continue to seek good relations with all our Asian neighbours.

The Prime Minister expressed confidence that the people of India understood the significance of the initiatives being taken by the UPA Government and endorse them.



099. Excerpts from the interview of Chairman of the Atomic Energy Commission Dr. Anil Kakodkar with *the Hindu*.

Mumbai, July 18, 2008.

Question: The DAE is putting reactors under safeguards in perpetuity as a reciprocal measure or a quid pro quo for uninterrupted fuel supplies to those reactors. How is the uninterrupted fuel supply incorporated in the India-Specific Safeguards Agreement (ISSA) that you have concluded with the IAEA secretariat?

Dr. Kakodkar: Basically, you should understand that this safeguards agreement that we have developed with the IAEA has a background. The background is the civil nuclear cooperation that we have negotiated with the U.S., Russia, and France. Particularly that part of the understanding with the U.S., where we have agreed that we will identify some of our facilities as civilian facilities and that they will be placed under safeguards with an India-specific safeguards agreement with the IAEA. This also spells out that the facilities which are not identified as civilian will have no external hindrance of any sort.

So we are talking about the ISSA, which is an umbrella-document restricted to facilities that India identifies as civilian. Our identifying any facility as civilian is conditional on that facility benefiting from full civil nuclear cooperation. This will mean that the reactors we identify as civilian and place under safeguards under the ISSA will receive full, assured fuel supply from outside. We also have incorporated provisions for building up a stockpile [of fuel] to last for the full operating life of the reactors and our own ability to take corrective measures. So our agreeing to permanent safeguards is on the basis of permanent supplies [of fuel].

Question: Why are the corrective measures unspecified in the ISSA? Why have you not explicitly spelt them out? What corrective steps will India take if the fuel supply is cut off?

Dr. Kakodkar: The corrective measures are what I describe as unspecified sovereign actions. We can decide [them] at the appropriate point of time.

Question: The corrective measures that we can take and the strategic fuel reserve that we can build up find mention only in the preamble to the ISSA. There is a fear that this will lack teeth because they are not mentioned in the operative part of the ISSA. Why did you not include them in the operative part?

Dr. Kakodkar: That is not correct. I think that if we go by international law, it specifies that any agreement has to be seen as a whole. More specifically, the ISSA preamble is tightly linked with the operative portion.

Question: If India were to conduct a nuclear test, it will attract the Hyde Act of the U.S. and the fuel supply for the reactors will be cut off. So what are the corrective measures that you will take?

Dr. Kakodkar: As far as we are concerned, we are governed by the bilateral civil nuclear cooperation that we have negotiated.

Question: With Russia, the U.S. and France?

Dr. Kakodkar: I am talking about the U.S. I am talking about the 123 nuclear agreement that we have negotiated with the U.S. There is no mention of [nuclear explosive] tests in that text.

Question: The ISSA does not grant us full, civil nuclear cooperation, which means that we will not get the technologies for reprocessing the spent fuel and uranium enrichment. How are you going to face this problem? Under the agreement with the U.S. for the first two Tarapur reactors, we had the right to reprocess the spent fuel from those two imported reactors. But we could never enforce that right with the U.S.

Dr. Kakodkar: The safeguards agreement is an agreement between India and the IAEA, which was established at India's request and it will apply to facilities that India will identify as civilian and ask the IAEA to safeguard. The ISSA covers reactors as well as fuel cycle facilities, including reprocessing.

Question: You have said that the indigenous reactors that we put under safeguards are entitled to receive fuel supplies from abroad and that they would be under permanent safeguards. If that fuel supply is cut off and we use our own fuel, will those reactors continue to be under safeguards in perpetuity?

Dr. Kakodkar: No, no. First of all, we would have built up a stockpile. There is no chance of stoppage of reactors because the stockpile will be available.

During that time [if the fuel supply stops], we can take necessary action.

Question: You told me earlier that the India-Specific Safeguards Agreement should recognise India as a nuclear weapon State. Does it recognise India as a nuclear weapon State?

Dr. Kakodkar: First of all, the title of the ISSA is that it is an agreement for India's "civilian nuclear facilities." Further, the text of the agreement provides for non-hindrance to facilities and activities which are not covered by the safeguards agreement. This clearly means that while the safeguards agreement is only for civilian facilities, India is free to pursue its own domestic development, including the development of its strategic areas.

Question: The Hyde Act makes the specific requirement of "safeguards to be in perpetuity...in accordance with the IAEA document of GOV/1621 of August 20, 1973." The ISSA also invokes GOV/1621, which makes it clear that the reactors we put under safeguards will be under safeguards in perpetuity even if we use domestic fuel for them.

Dr. Kakodkar: GOV/1621 is about supplied materials and supplied facilities. As part of the cooperation agreement with other countries, we will ensure that the fuel is stockpiled to meet the lifetime requirement of our reactors.

Question: If the IAEA Board of Governors clears the ISSA, what do you expect from the Nuclear Suppliers Group? You said earlier that you wanted clean, unconditional exemptions from the NSG.

Dr. Kakodkar: We expect clean, unconditional exemptions for nuclear commerce with India.

Question: The Department of Atomic Energy has agreed to put even research facilities and heavy water plants under safeguards. How are they different from the nuclear power reactors coming under safeguards?

Dr. Kakodkar: As I told you, whatever we identify as civilian must also benefit from unrestricted, international cooperation. The research that we carry out in our autonomous research and development institutions should benefit from an environment of unrestricted scientific collaboration. When we declare something as civilian, the condition for that is that it should benefit from international civil nuclear cooperation. Our autonomous R and D institutions should benefit from unrestricted international scientific collaboration. We should also recognise that the activities of these institutions are irrelevant from the point of view of safeguards.

Question: You are the father of thorium reactor technology in India. You said in Bangalore recently that if India could import 40,000 MWe of nuclear power between 2012 and 2020, we can wipe out the gap between the demand and the supply of power by 2050 - by building more fast breeder reactors using the spent fuel arising from these imported reactors. But you

also said that thorium does not have properties that allow for faster growth of power generation. Media commentators have alleged that this amounts to India abandoning its third stage of building thorium-fuelled reactors.

Dr. Kakodkar: Right from the beginning all the way up to now, there is absolutely no contradiction between my statements on thorium utilisation strategies.

These are based on detailed analyses and they remain valid. [Dr. R.] Ramachandran's article in *Frontline* (August 1, 2008) is either from a result of lack of understanding or misinterpretation. The three-stage nuclear power development programme based on domestic efforts remains a priority activity and would be implemented unhindered.

To optimise the benefits of thorium utilisation, the timing of the introduction of thorium has to be judiciously planned. In any case, it has to follow significant build-up of nuclear power generation capacity through deployment of fast breeder reactors. The point to realise is the fact that India's electricity requirements are growing faster. The gap between electricity demand and supply that can be managed on indigenous resources is widening and it would exceed 400,000 MWe by 2050.

The question that one needs to address is how soon we can bridge this gap through the growth potential that is possible with fast reactors. Clearly, this necessitates emphasis on deployment of fast breeder reactors with the shortest possible doubling time. The timing of the introduction of thorium needs to be adjusted such that the demand-supply gap is bridged at the earliest and at the same time, we derive full benefit of the vast energy potential of our thorium resources for centuries to come.

The import of 40,000 MWe of power as an additionality [to the domestic nuclear power programme] bridges not only this gap by 2050 but it would avoid the necessity of import of much larger fossil energy resources and at the same time enable earlier deployment of thorium, meeting the objectives stated above.

The point is even after we pursue the domestic three-stage nuclear power programme, which we will pursue on a priority basis in any case, there will be a gap of 400,000 MWe. If we introduce thorium earlier, this gap will become larger and the three-stage programme will become smaller. On the other hand, if we can get this 40,000 MWe from outside [by importing

reactors], we can bridge this gap, and at the same time, we can advance the deployment of thorium.

Question: Is the DAE delaying the start of the construction of the indigenous 700 MWe Pressurised Heavy Water Reactors (PHWRs) and the criticality of the three new PHWRs of 220 MWe each at Rajasthan and Kaiga for want of uranium?

Dr. Kakodkar: It is true that presently there is a mismatch in the demand and supply of indigenous natural uranium. But things are about to start improving now. The capacity factor of the reactors is about to start improving. This is because the production [of yellow cake from uranium] from the mill at Turamdih in Jharkhand will start coming in now. We are working on the uranium mining and milling project at Tummlapalle in Andhra Pradesh. I am hopeful about the Meghalaya uranium project. There are also other sites. Our efforts for increasing the domestic production of uranium are continuing.



100. Joint Press Statement issued on the India - U. S. Civil Nuclear Energy Cooperation initiative.**Washington, July 20, 2008.**

Under Secretary of State for Political Affairs R. Nicholas Burns and Foreign Secretary Shivshankar Menon held four days of meetings in Washington July 17-20, 2007, on the U.S.-India Civil Nuclear Cooperation Initiative, including talks on the bilateral agreement for peaceful nuclear cooperation, also known as the 123 agreement.

In addition, National Security Advisor M.K. Narayanan and Foreign Secretary Menon met with Vice President Cheney, Secretary Rice, Secretary Gates, and with the U.S. National Security Advisor Stephen J. Hadley.

The discussions were constructive and positive, and both Under Secretary Burns and Foreign Secretary Menon are pleased with the substantial progress made on the outstanding issues in the 123 agreement. We will now refer the issue to our governments for final review.

Both the United States and India look forward to the completion of these remaining steps and to the conclusion of this historic Initiative.



101. Extract relevant to proposed discussion with the IAEA on civil nuclear energy from the Media Briefing by Foreign Secretary Shivshankar Menon on his discussions with Pakistan Foreign Secretary.

New Delhi, July 21, 2008.

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Question: ...(Inaudible)...

Foreign Secretary: I will tell you. I called on the DG of the IAEA; I called on the Chairman of the Board of Governors; I met with Permanent Representatives or the representatives of the members of the Board of Governors and the NSG member states. In each of these cases I answered questions; also spoke to them about the importance of the civil nuclear initiative and the resumption of civil nuclear cooperation between India and the other countries in the world both to meet our energy needs but also as a clean source of energy. If we want sustainable development as a contribution of the environment it makes sense for us to do so. There were some questions about the safeguards agreement and we answered I think most of those because the negotiators of that agreement were with me - Dr. Grover from the DAE, Venkatesh Verma from our Mission in Geneva. We answered their questions. Came away with the impression that, as I have said to you before, that the support for the initiative is increasing. There are clearly some countries who will still have doubts, worries, misgivings. We will talk to them and work that out with them.

Question: On the first of August if the Board of Governors clears the Safeguards Agreement, what is the timeframe for the subsequent developments? When are you going to ask the Germans to call a meeting of the NSG? Do we get into the act? How does it unfold?

Foreign Secretary: Frankly, I do not know. We are not members of the NSG and it is not for us to either ask for a meeting or call it. This is something they will do. Under the July 18, 2005 Joint Statement with the US, the US will approach the NSG and do this. In the meantime we are in touch with the members of the NSG. Part of the briefing was for the NSG members, and we answered their question, and we pointed out to them how a resumption of civil nuclear cooperation with India is in our interest and in theirs. The precise timetable, when they will call the meeting, how they will consider it, that we did not get into quite frankly. We will leave that to those who do these things.

Question: The members already have a draft agreement circulated among the NSG members. Do we know if they have already circulated it?

Foreign Secretary: I think what is doing the rounds is the draft exemption. But there are several drafts, I think, in play because this is the first time ever there will be such an exemption. So, different people have different ideas. Now they have to now sit and work it out and see. We have made it clear that from our point of view what we expect is a clean and unconditional exemption which permits nuclear trade with India under IAEA safeguards but otherwise permits nuclear trade with India. This is important that it be clean and unconditional because by its very nature nuclear trade is something that demands decisions, investments for forty, sixty years. Those kinds of decisions, investments, and commitments require a clean, unconditional view of the future.

Question: ...(Inaudible)...coming here?

Foreign Secretary: We are looking at possible dates in August but we have not yet fixed it.

Question: Sir, would you please brief us about the EAM's telephonic conversation with US Secretary of State?

Foreign Secretary: I do not think I have anything for you on that yet.

Question: When you walked out of the IAEA meeting, you looked very pleased. What was the cause for your pleasure?

Foreign Secretary: First you tell me I look different and she says I look pleased. You guys tell me what do I look like?

Question: You are speaking differently.

Foreign Secretary: I am speaking differently?

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Question: Are you going to brief the EU as well on the Safeguards Agreement or is it the IAEA Secretariat?

Foreign Secretary: On the 25th the IAEA Secretariat is briefing all member states of the IAEA. Maybe they do something separately for the EU.

Question: But you are not going back to Vienna.

Foreign Secretary: I am not going back to Vienna. But they are doing a

briefing for all member states on the 25th on the technical aspects of the Safeguards Agreement.

Question: ...(Inaudible)... ninety day period for which the Bill has to lie on the floor. Have they told you anything about it? Are they willing to waive it? Is there a way around?

Foreign Secretary: Frankly, what happens in American internal procedures is for the US to handle. So, we do not want to get into this about when does the clock start; how many days; which clock; where, etc. Frankly, that is their business and I think we will leave it to them.

Question: What is your sense? Will it get past this Congress?

Foreign Secretary: I have never got into timelines. For the last two years you have asked me this question in different forms and I have consistently avoided timelines because every timeline you have heard or mentioned has shifted. So, I do not want to get into this of yes, it will happen on this day or that day. We will make our best effort and we will do it as quickly as we can. I think it is best to leave it at that.

Question: Mr. Menon, Mr. Boucher has today said that even if the Indian Government becomes a minority government, the US will go ahead with the deal. How do you respond to that?

Foreign Secretary: I think it is hypothetical.

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**DEBATE IN THE LOK SABHA
ON THE MOTION OF CONFIDENCE IN THE
COUNCIL OF MINISTERS**

JULY 21-22, 2008

**EXTRACTS RELEVANT TO CIVIL NUCLEAR
ENERGY COOPERATION**

102. Speech of Prime Minister Dr. Manmohan Singh while introducing the Motion of Confidence in the Council of Ministers in the Lok Sabha:

New Delhi, July 21, 2008.

The Prime Minister (Dr. Manmohan Singh): Mr. Speaker, Sir, with your permission, I beg to move :

"That this House expresses its confidence in the Council of Ministers."

Mr. Speaker, Sir, today, our Government completes four years and two months in office. For the past couple of decades we have become used to Governments being forced to seek a Vote of Confidence within months of being in office. If we are here after a tenure of over four years, the credit for this should go to all the Leaders of the United Progressive Alliance (UPA); to the leadership of the UPA Chairperson, Shrimati Sonia Gandhi; and to the wise and visionary leaderships of Shri Jyoti Basu, Shri Harkishan Singh Surjeet, and Dr. M. Karunanidhi. They were all the architects of our coalition Government. It is their wisdom and sagacity that has helped me and our Government function for these four years. ... (Interruptions)

Mr. Speaker: Please keep quiet. You will get full opportunity.

... (Interruptions)

Dr. Manmohan Singh: Mr. Speaker, Sir, I regret that this Session of Parliament has been convened at this time when the attention of the Government has been on the economy, particularly, on the control of inflation and on implementing programmes for the welfare of our people, particularly, our farmers. This exercise, I submit, Sir, was wholly avoidable. I had repeatedly assured all political parties including the Left Parties that if the Government have been allowed to complete the negotiations with the International Atomic Energy Agency (IAEA) on its safeguard agreement, and after the decision of the Nuclear Suppliers Group (NSG) I would myself come to Parliament and seek its guidance before operationalizing the Civil Nuclear Energy Cooperation Agreement, which we intended to enter into. This was my solemn assurance.

Mr. Speaker, Sir, hon. Members are aware that the specific developments which necessitated this Vote of Confidence is the withdrawal of support by the Left parties on the issue of our initiative of seeking international cooperation in the development of civil nuclear energy. The intimation of withdrawal of this support came to me while I was in Japan attending the Meeting of the G-8. As soon as I came back, I sought an appointment with Her Excellency the President

and I offered to submit myself to the Vote of Confidence in Parliament as soon as possible. This Session is being convened in fulfilment of that obligation.

Sir, I seek the support of this House today on the basis of our entire record in office over the past four years. The responsibility given to me when I assumed office as Prime Minister required that I should act at all times and on all matters in the interests of this nation. I would like to assure this august House and through this House the people of India that every single decision, every policy initiative we have taken was taken in the fullest confidence that we are doing so in the best interests of our people and our country.

In all that we have done, we have been inspired by the legacy of our glorious freedom struggle, and the pledge of Rajiv Gandhi that our mission is to prepare our country to face the challenges of the 21st century.

Mr. Speaker, Sir, I, therefore, welcome this opportunity for this House to review our acts. I have no doubt that the people of India, when they consider what we have done, will reaffirm their confidence in us, in our Government, and in the Indian National Congress, which is the oldest, the most experienced and, I believe, the most patriotic political party of this great country.

Mr. Speaker, Sir, it is the legacy of our freedom struggle which has sustained this Government. In my conduct as Prime Minister, I have also been inspired by the famous invocation of great Guru Gobind Singh¹ Ji, and I reiterate what Guru Gobind Singh Ji has said enjoining us to perform our duty.

*Deh shiva bar ah mohair
Shubh Karman te kabhun na daroon
Na daron aarse, jab jae laron
Nische ker apni jeet karon.
Ar sikh hoon apne hii mun ko,
Ahe lalich hoon gun tu uchrn
Jab aav ki audh nidhan bane,
Att hi run main tub jujh maron.*

[O Lord Shiva, give me thy blessings
That I never refrain from righteous deeds;
May I fight without fear all foes in life's battle
With confidence and courage claiming victory;
May my highest ambition be singing thy praises,
And may thy glory be grained in my mind;
When this mortal life reaches its limits,
May I die fighting with limitless courage



103. Speech of Leader of the Opposition in the Lok Sabha and Bharatiya Janata Party Leader L. K. Advani in the Lok Sabha on the Motion of Confidence in the Council of Ministers.

New Delhi, July 21, 2008.

Shri L.K. Advani: Hon. Speaker, Sir, I rise to oppose the Motion just now moved by the Prime Minister. Obviously, even though he said that this would be an opportunity for the House to consider the totality of this Government's performance during the last four years, not merely on the issue on the basis of which this Government has been reduced to a minority, but the totality of the performance of this Government would be debated today and tomorrow.

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Let me, at the outset, say that the focus, first of all, in the House should be why this debate has become necessary. Normally, the issue of the nuclear deal was going on for two years. It was last August, in 2007, that for the first time I got an impression that the Government had now made up its mind to part company with the Left, when a Correspondent of a Kolkata daily was asked to publish prominently on the front-page that so far as the US-India Nuclear Deal is concerned, the Government has taken a decision which is non-negotiable and if the Left does not approve of it, they are free to do what they want. At that point itself, I felt that what has happened all of a sudden. But that stage continued from August last till today as a result of which I had often to say that to me it appears that the Government is paralyzed; there is nothing else excepting the deal that is being talked of.

When the Prime Minister just now said that this was a time when we should have addressed problems of inflation, prices, which are affecting the common man instead of having this, I feel surprised that it is for nearly one year that this controversy over the nuclear deal has been going on between the Government and the Left. Frankly, let me, at the outset, say that I do not agree with the Left, on many matters we differ very widely, but on this particular matter, I would say that if the Government has become destabilized today and this kind of Confidence Vote had to be sought from the Parliament exactly, as he said, four years and two months later after it took charge - it was on the 22nd of May, 2004 that this Government was sworn-in - it faces today the likelihood of being voted out. ... (Interruptions)

Mr. Speaker: He is the Leader of the Opposition. Do not interrupt him.

Shri L. K. Advani: I have said, "Likelihood of being voted out", and no one can take objection to that. After all, there are people who are making assertions that this is going to happen; so many votes are going to be cast this way or that way. I have not said that. The possibility and the likelihood of being voted out cannot be denied by anyone.

It is like saying, as I have said again and again, that the UPA Government today is like a patient in the ICU room. If anyone talks about that patient, the first question naturally asked is, "Is he going to survive or not?" ... (Interruptions)

Mr. Speaker: Mr. Athawale, I will not permit this. Please take your seat. This type of interruption is not permitted.

... (Interruptions)

MR. Speaker: I am trying my best.

Shri Harin Pathak: We have not disturbed the Prime Minister.

Mr. Speaker: I appeal to all sections again. When the Leader of Opposition is speaking, there should be no disturbance in the House.

... (Interruptions)

Mr. Speaker: I am asking him. I have told him. What are you doing? I will be very strict. This is a solemn debate. Hon. Leader of Opposition is speaking. I appeal to all hon. Members to show courtesy to the House and to the hon. Leader of Opposition. This is not proper. If you do not develop the art of listening, how can you reply? You must listen to the other's side and then give your replies.

Shri L.K. Advani: Sir, therefore, I start with saying that this situation has not been brought about by the Opposition; not by the NDA; not even by the Leftists with whom I disagree otherwise. Today, this particular Confidence Motion is being debated just a few months before the General Elections are due where the people will get an opportunity of deciding whether this Government should continue or not, even if it survives tomorrow. ... (Interruptions)

Mr. Speaker: Please. What is this going on, I do not know. This much of patience is not there.

Shri L. K. Advani: The reason is that situation has been invited for itself by the Government itself. Mr. Prime Minister, I am sorry to say, by you personally. When you started that particular The Telegraph interview last year, you started it. After having started it, why say that only because of this particular distraction - I saw a statement of yours which called this a 'particular distraction' - you are not able to deal with prices, you are not able to deal with the issues of the common man? Please do not say that.

We have not destabilized the Government. Even the Communists had been prolonging the whole matter trying to find a way out. You invented the device of a Joint UPA-Left Committee and you had your senior-most Minister Pranab Mukherjee preside over it. That senior-most Minister assured that Committee that you will go to the IAEA with our safeguards only after you had taken their consent. Today we are told that you had said that you would go there and you would go to the NSG, and then come back to them. I do not know! They will be able to say that. I have seen so many statements categorically assuring them as well as the country that we must not go there until this has happened. So much so that even in respect of this Confidence Motion Shri Pranab Mukherjee himself publicly said that before taking a vote of confidence from the House, the Government would not go to the IAEA, and that he was saying that after having spoken to the Prime Minister on phone. This is what he said. And suddenly we found that the draft had been sent there.

When this Committee and the Leftists asked him to let them see the draft, he said, "It is classified. You cannot see it". The members of the IAEA from the other countries of the world can see it but not the Indian Parliament! Therefore, someone asked, "Who has classified it? Is it the Government of India? Is it the IAEA? Is it Washington? Who has classified it? We want to know?" All these questions had been there.

Therefore, I am saying, please don't blame anyone else for having had this kind of Session. At least in my memory, there has never been a Session like this before. It is the first time in the history of the Indian Parliament a Special Session of two days just to discuss whether this minority Government should be allowed to continue or not. Therefore, don't blame anyone else. If anyone is to be blamed, it is your Government. In a way, you personally, and of course, the Congress Party President, without her approval, you would not be able to take a single step. ... (Interruptions)

MR. SPEAKER: What are you doing?

Shri L.K. Advani: Of course, we, in the Opposition, would like to defeat the Government on the floor of the House. But I draw distinction between defeating and destabilizing. It is not in our nature to destabilize an elected Government. It is not in our nature, you may do it; you have done it with Chandra Shekhar; you have done it with Deve Gowda; you have done it with I.K. Gujral; and you have done it with Vajpayee in 1999 when we were defeated just by one vote, and that too a vote of a person who had ceased to be an MP, and became a Chief Minister in another State. Therefore, I am drawing a distinction between defeating a Government and destabilizing the Government.

Mr. Speaker: Hon. Members, your speakers will be disturbed, if you cannot listen to them.

... (Interruptions)

The Minister of Urban Development (Shri S. Jaipal Reddy): Would you yield, Mr. Advani? ... (Interruptions)

Shri L.K. Advani: No. ... (Interruptions)

Mr. Speaker: Unless he yields.

... (Interruptions)

Shri L.K. Advani: Otherwise, everyone of your speakers will not be allowed to speak. ... (Interruptions)

Mr. Speaker: Do not record anything except the statement of the Leader of the Opposition. Nothing will be recorded.

(Interruptions) ... (Not recorded)

Mr. Speaker: I am doing it. I am not sitting quiet.

... (Interruptions)

Mr. Speaker: I am again and again requesting all sides of the House, please have a proper discussion. You have every right to reply to any speech of the hon. Members. I am not stopping anybody on the either side so long as it is parliamentary. He has said nothing unparliamentary so far. How can you disturb him? Once or twice, you can ask for his permission to yield. If he yields, you can put a question. Otherwise, you cannot. This is a

well-established parliamentary norm. Please follow that. I earnestly appeal to you all.

... (Interruptions)

Mr. Speaker: Shri G.V. Harsha Kumar, don't do that. I will ask you to go out. Why are you doing this?

... (Interruptions)

Mr. Speaker: How can you hold the House to ransom?

... (Interruptions)

Shri L.K. Advani: Indeed, Mr. Speaker, Sir, I can claim to have seen all the Prime Ministers since Independence; almost all the Governments since 1947 or rather since 1950, after the enactment of the Indian Constitution - first as a journalist from the Press Gallery, and later, as a political activist and since nearly four decades as a Member of Parliament. I can say that I have seen short-lived Governments; I have seen instable Governments; but I have never seen a Government so paralyzed for such a long time.

There is nothing else except the Deal; there is nothing else except the continuous meetings between the Left and the Government; and making everyone think - will it survive or will it not survive. Nowadays it is said that the nuclear deal is in the best interest of the nation and they have been making an appeal again and again to me and my Party saying that we talk about the national interest and so, why we are not supporting the Deal. My answer is that if the Government really thought that this was very important, then why is it that their Common Minimum Programme did not even mention it and why is it that even the manifesto of the Congress Party did not even mention it? What has happened? Has it become suddenly very important?

Mr. Prime Minister, sometimes, I feel that the Deal is not a deal between two sovereign countries; it seems to me to be a kind of an agreement between two individuals and if one of the individuals happens to be the Prime Minister of our country, he thinks that nothing else is more important than to fulfil this agreement. Frankly, Mr. Prime Minister, it does not give me happiness to find that a Deal is being gone into in a way which makes India a junior partner in the agreement.

I do not want the world to be a unipolar world as it has become now. No. It must be a multipolar world and in that multipolar world, I want to see India as the principal pole; and in order to be a principal pole, you cannot agree

that these countries are nuclear weapon States whereas India is permanently a non-nuclear weapon State; and this is in the agreement. This is not only in the agreement, but also even in the proposed draft sent to the IAEA; it is on the basis of a chapter which relates to the non-nuclear weapon States.

My colleague in the other House, Shri Arun Shourie has made an elaborate and a very detailed study of it and he has written so much about it; I do not want to go into it because I feel that today's issue is not the nuclear Deal so much as why this Government had been reduced to a minority and whether the manner in which it is trying to become a majority today by accumulating votes is really right - and on that basis the House should decide on the motion that has been moved by the Prime Minister - or not.

My complaint is that the UPA Government, the present Prime Minister and the Congress chief do not believe in the so-called coalition dharma. Shri Vajpayee was the head of the NDA. I do not know how many of you know that in this country, among the political parties, perhaps the BJP, the earlier Jan Sangh, has been the only one which consistently, since the 1960s, after China became a nuclear power and had its first blast at Lop Nur, has been saying that we should decide on India also becoming a nuclear weapon State; this is since 1964.

So, when in 1998 we formed the NDA, most of our colleagues and most of our partners in the NDA were not of the same view. None of them had this particular item in their manifesto. But we discussed it with them. They said that they did not agree with some of our other points in the manifesto of BJP, but so far as making India a nuclear weapon State is concerned, they agreed with it. Therefore, they had no objection in including it in the Common Minimum Programme which we described as the National Agenda for Governance. Only after they agreed, we went ahead with it. This is what I would describe as 'following the coalition dharma'. Having done it, Shri Vajpayee who was sworn in on the 19th March 1998, did not take even two months to complete the task that he had undertaken; and on the 11th May, we had the Pokhran.

These are all facts which are necessary to understand. My stress is that if the coalition dharma had been followed this Motion would not have been necessary. They could have continued in a state of paralysis right up to the elections. What was the difficulty!

Sir, they have their own problems. They are not very eager to face elections. At the same time they did not destabilize you. They were willing to allow you to continue but you invited it for yourself and having invited it, please do not call it a distraction. It is a part of the Constitutional Parliamentary system. Every Government must be in a position to prove its majority in the Lok Sabha. It is certainly an irony that for the first time the Prime Minister himself would not be able to vote for his own Motion.

The Minister of External Affairs: (Shri Pranab Mukherjee): Did Shri I.K. Gujral vote for the Confidence Motion? Did Shri Devegowda vote for the Confidence Motion?

Shri L.K. Advani: I am not talking about Shri Gujral or Shri Devegowda.... (Interruptions)

Mr. Speaker: Please do not disturb your Leader. He is speaking on an important debate.

Shri L.K. Advani: Mr. Prime Minister, you should not have gone to the IAEA stealthily in this manner. It is said that it is on auto-pilot. Formally from the Government side, it is planted in a newspaper that whether they sink or survive the Deal is done. This is the news item published in a newspaper. I do not know. I would expect on this occasion the Government to enlighten us whether this is true that now the Parliament has become irrelevant; whether the Indian Parliament gives a Vote of Confidence to the Government or not.... (Interruptions) We are discussing it but even before the discussion began a news item appeared in a newspaper. Should I quote it exactly? I think everybody knows it. Authoritative sources from the Government told The Telegraph - once again The Telegraph was chosen - that sink or survive, the Deal is done. It was told that whether this Government wins the Confidence Vote or not, the Deal is done. It will go on auto-pilot. My own feeling is it is not true. My own feeling is that the Government of America, the Congress of America particularly, will not disregard the fact whether the UPA Government, which is a party to this Deal, is in Office, commands the confidence of the Parliament or not. It would be important to America which is also a democracy.

Let me at this point say that we are not against nuclear energy. Very often it is being projected that if we are against the Nuclear Deal it means that we are against the nuclear energy. No, we are not. We are not against our very close relationship with America. I may differ from the Communists on this issue. We have no objection to having strategic relationship with

America, Russia or Japan. These are issues on which I would think that a country like India, which is the largest democracy in the world, should have a very close relationship with the strongest democracy of the world, that is America. So far as BJP and NDA are concerned, we are not at all opposed to having a relationship with America. But irrespective of how strong or how powerful the other country is, we would never like India to become party to an Agreement which is unequal.

My charge is that this particular Deal makes us subservient partner in the Deal. Very often, the Government spokesmen have been saying that the Hyde Act does not apply to us and immediately an American spokesman comes out with a statement that it fully applies. If you want, I can read what the Hyde Act says. The Hyde Act does not only impose curbs on our nuclear options and nuclear autonomy but it imposes curbs even on our foreign policy. How our Iran policy should be conducted that also is dictated by the Hyde Act. I am not going into that. The Government's stand is that Hyde Act does not apply to us. I do not agree with that. If three times discussions in both the Houses of Parliament are any index, the majority of the Members of this House did not agree with the interpretation of the nuclear deal by the Government. There were occasions when almost the entire Opposition walked out in protest. These things have happened.

So, today is not the occasion when we are discussing the Deal itself. In fact, on the very first occasion I said that the Constitution of India does not provide that an international agreement should be approved by Parliament as in many countries this practice is there. Even in America, it has to be passed by the American Congress. Here we do not have such a provision. But after this experience with the nuclear deal, I am of the view -- if the Government agrees - that the Constitution be amended so that in certain cases relating to security and in certain cases relating to the integrity of the country, the Parliament's approval must be sought before entering into a Deal.

I some time feel worried when some of our neighbours say that Arunachal Pradesh is ours, some of our neighbours say that this part of Kashmir is ours, etc. Who knows one day an international agreement may be signed in which we may be taken for granted just as today for all practical purposes the nuclear deal that is proposed to be signed means that Shrimati Indira Gandhi may have done Pokhran-I and Vajpayeeji may have done Pokhran-II but here after there will be no Pokhran-III and Pokhran-IV... (Interruptions).

Mr. Speaker: Please do not record it. Without my permission, nothing will be recorded.

(Interruptions) ... (Not recorded)

Shri L.K. Advani: Please do not justify what you are doing by saying that Vajpayeeji himself had said that he voluntarily abdicates the right to have another test. Let me point out, we have had Pandit Nehru who was never in favour of making India a nuclear weapon State. We have had Morarji Desai who was never in favour of having India a nuclear weapon State but both of them were never agreeable to sign an NPT which was discriminatory and unequal and only putting curbs on us. Shrimati Indira Gandhi was the first Congress Prime Minister to undertake Pokhran test and successfully that was Pokhran-I in 1974 shortly after America had sent its nuclear fleet to the Bay of Bengal during the Indo-Pak war of 1971. These are the known facts. Therefore, it is that we had objected to it. Therefore, it is that we had reservation about it. Therefore, it is that we have all along maintained that if the people of the country vote NDA again to power, we will renegotiate this Deal. We have not said that we will scrap it. We said that we will renegotiate this Deal to make it a Treaty between equals so that there are no constraints on our strategic options and no constraint on our strategic autonomy.

Mr. Prime Minister, let me recall that immediately after the Joint Statement with President Bush, two days after that, on the 20th July 2005, you had a Press Conference in Washington and in that a journalist asked you, I have the transcript with me, 'Mr. Prime Minister, do you see any resistance coming forward from your allies and the Opposition in putting the new Indo-US policy to practice and will you seek a Parliamentary consensus or approval to the new direction you seem to be taking in foreign policy? I would quote what Dr. Manmohan Singh said on the 20th of July in reply to this question, he said:

"Well, the Parliament in our country is sovereign. It goes without saying that we can move forward only on the basis of a broad national consensus."

This was the reply given by Dr. Manmohan Singh in Washington... (Interruptions) Is there a broad consensus? The vote tomorrow is no sign of a broad consensus. If the vote is there, the vote is for whether this Government should continue or not. I for one do not mind it at all because I know what is going to happen after two to three months... (Interruptions)

In the other House so many times a demand was made as to why not a sense of the House be taken. This demand was made many times. But the Government refused to do it always saying that an international agreement is not put to Parliament. Parliament cannot force us to do anything in respect of an international agreement. But I am quoting the hon. Prime Minister. The hon. Prime Minister had said it. Having said that I would like to ask him, are you satisfied that there is a consensus in Parliament about this nuclear deal? There is not. At least I do not recall the hon. Prime Minister having convened a single All-Party Meeting on this issue. He had All-Party Meetings on all other issues; only on this issue there was no All-Party Meeting. My own party was of the view that he had given assurances in both the Houses and it should be the function of a Joint Parliamentary Committee to examine whether those particular assurances had been fulfilled while agreeing to this 123 Agreement. Therefore, a Joint Parliamentary Committee should be formed. The Government refused to do it. The Government did not do it and what it did instead was a UPA-Left Committee was formed and that UPA-Left Coordination Committee had certainly been asking for assurances of these kinds and when those assurances were violated, they withdrew support. We said that if they withdrew support, then this Government will not have a majority because the UPA without the 61 or 62 Members of the Left did not constitute a majority. This Government was formed only when the Left supported it from outside and the moment they withdraw support, this Government has been reduced to a minority and a minority Government has no right to move ahead with any international agreement until it first proves its majority... (Interruptions)

Every spokesman from America while interpreting this particular Act, this particular deal has emphasized that by this deal, the biggest advantage America gets is that India would be a part of the Non-proliferation regime and perhaps Dr. Manmohan Singh has no objection to becoming a part of this Non-proliferation regime. I do not know. But I do know this that what when the Vajpayee Government had its Pokhran II, our severest criticism came in the Rajya Sabha where Dr. Manmohan Singh was the Leader of the Opposition and it came from him. He criticized us.

I have gone through the proceedings of Rajya Sabha of that day and there were sharp exchanges between my old colleague in the Rajya Sabha, late Shri K.R. Malkani and Dr. Manmohan Singh on that issue. Perhaps he feels that it is not in our national interest to have a nuclear weapon state. It may be his opinion.

The Prime Minister (Dr. Manmohan Singh): Sir, I think the hon. Leader of Opposition has made the charge again and again that when I spoke on behalf of the Congress Party on 1998 Pokhran test, I was opposed to the test that I was arguing for Non-Proliferation Test. Let any objective minded person read that speech and if he can substantiate what Mr. Advani is saying, I leave it to the good sense of the House.

Mr. Speaker: Generally, we do not refer to what happens in the other House. I request Mr. Advani not to refer to that.

Shri L.K. Advani: I will ask some of my colleagues to refer to that.

Mr. Speaker: Generally, we do not quote the other House. And you know that very well.

Shri L.K. Advani: But the Prime Minister has denied it.

Mr. Speaker: You may just give a gist of it.

Shri L.K. Advani: I have already given the gist of it. I have not only given the gist but I have also mentioned that there were sharp exchanges between my colleague, late Shri K.R. Malkani and him.

DR. MANMOHAN SINGH: The sharp exchange was whether we should worry about the sanctions or not. I said that we are all opposed to sanctions and we must prepare our country to face the challenge of sanction.

Shri L. K. Advani: And we did share it so far as the sanction part is concerned.

Mr. Speaker: Therefore, there is no difference on that point.

Shri L.K. Advani: Yes, there is no difference on it.

These days, this Government's performance on the aam aadmi's front, like kimtei (price rise), bijli, sadak and paani has been so dismal. They thought that in the name of nuclear deal they would be able to tell the people that if only the deal was done, they would have power and electricity in every household. Because of this opposition to the deal, they would be denied light and there would be darkness all around. I have seen statements made that once the deal is destroyed, darkness will descend on India. Please do not make any statement of that kind. You just give us the figures like if at all this deal goes through, when we will get nuclear power, how many years hereafter we will get it, at what price and how much power, etc.

Is it not true that today only 3 per cent nuclear energy is provided and even after this deal is done, executed and implemented, the total amount of nuclear energy available to India would be just 6 per cent and the remaining 94 per cent has to come from other sources? So, let us not try to delude the Indian people by saying that we are trying to give energy security to the country by this deal. So, if to some extent, our national security is somewhat contained in so far as nuclear blasts are concerned, it should be accepted. We do not agree with this. We think that this is trying to deceive the people. Please do not do it. Even otherwise, on the power front, the performance of this Government has been very dismal. If I were to go into statistics, the Common Minimum Programme which the Left Parties have to take note of, says that they will provide electricity for all within five years. Four years and two months are completed. "All" means there are six lakh villages in the country out of which 2,30,000 are unelectrified villages and so far as households are concerned, there are 7.8 crore un-electrified households.

We had promised to give all of them electricity in five years. The performance is known. It is very dismal and very poor. On the sadak front, on the pani front and on all fronts, the performance is very poor. If anyone asks me what is the biggest achievement of the NDA regime, in fact, I would say that it was sadak. The highways, the gram sadak yojana and the Golden Quadrilateral were the most significant achievements of our Government. It is because of those highways, that our Khanduri ji acquired a reputation which has benefited him all his life. On the fronts of bijli, sadak and pani, the performance of this Government is miserable. Do not try to cover it up by saying that nuclear deal will give electricity to every household. This Government is not able to fix the problems of the common man. ... (Interruptions)



104. Extracts from the Speech of External Affairs Minister Pranab Mukherjee while speaking in the Lok Sabha on the Motion of Confidence in the Council of Ministers.

New Delhi, July 21, 2008.

The Minister of External Affairs (Shri Pranab Mukherjee): Mr. Speaker, Sir, I rise to support the Motion moved by hon. Prime Minister Dr. Manmohan Singh, "That this House expresses its confidence in the Council of Ministers" headed by him. Why should this House express its confidence in the Council of Ministers? ... (Interruptions)

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Shri Pranab Mukherjee: I find my good friend, Prof. Malhotra, is present here, though the Leader of the Opposition is not here to listen to me. As I would expect, you have very correctly pointed out that not only the Members of the Lok Sabha, or the Members of the other House are witnessing this debate, but also the whole country is witnessing this debate.

Mr. Speaker: Let there be no running commentary or whisperings here. Please go out, if you want to talk.

Shri Pranab Mukherjee: Therefore, I join you in appealing as the Leader of the House to all the Members concerned that every one of us have our own perspective and we should have the full freedom in expressing our views which may not be acceptable to others, but everyone should try to express his view in his own way and in the way he likes.

Therefore, I rise to support this motion moved by the Prime Minister and also to place the matters in proper perspective about the civil nuclear agreement.

I have personal reservations about describing this Civil Nuclear Cooperation Agreement as some sort of a deal. This is an agreement. Through these exercises we want to have civil nuclear cooperation with the international community, the entire international community and particularly the 45 countries that have competence to enter into civil nuclear trade, who have constituted the NSG. Therefore, I would like to put forward my perception for the hon. Members of this House. It is entirely for them to accept it or to reject it; or to partly accept it or to partly reject it because that is the basic

principle. But before that I would like to correct certain facts; it is not a question of any theory but certain bare facts.

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If you have to score a point, you score but please be sure Mr. Leader of the Opposition of the fact, in your over-enthusiasm even you went to the extent of saying two Prime Ministers - when he mentioned - who did not want nuclear weapons - Morarji Desai and Pandit Jawaharlal Nehru. In your over-enthusiasm, you said, even they refused to sign the Nuclear Non-Proliferation Treaty. May I most respectfully submit, Sir, Mr. Nehru died in 1964; Nuclear Non-Proliferation Treaty came into existence in 1970. Therefore, a dead man cannot express his opinion whether he decided to sign the NPT or not. I come to these aspects. You have taken credit for them. Yes, I know, as your Party from 1960 talked of nuclear weaponsiation. We did not. We firmly believe and still we believe nuclear weapon is not a weapon to win the battle; nuclear weapon is nothing but total disruption and destruction of the civilization. And that is why, most respectfully, I would like to submit Mr. Speaker, that Indiraji in 1974 had conducted the Pokhran-I tests. In 1989, Rajiv Gandhi, the young Prime Minister, addressed the Disarmament Conference. What did he say?

It was one of the brilliant speeches that he delivered in the United Nations. Recently we had an international conference. We had circulated that speech. It was one of the masterpieces. I would like to quote a few things only. His ultimate appeal to the nuclear weapon States, the international community, was that India is just turning screw drivers, as our technology from the nuclear weapon States; we are capable and competent to weaponize, but we are saying that we will keep our options open. That is the international phrase from 1974, till May 1998, the Indian Prime Ministers and Foreign Ministers used; they said "we shall keep our options open". You chose to close that option, and you did it.

Did you believe seriously that within two months, you had become so-competent that you were ready for the second test, if everything was not ready? Therefore, let us not, in our anxiety, distort the facts. Yes, let us base our arguments on the basis of facts. ... (Interruptions)

Mr. Speaker: You may take your seat. Nothing is to be recorded.

(Interruptions) ... (Not recorded)

Mr. Speaker: Do not record.

(Interruptions) ... (Not recorded)

Shri Pranab Mukherjee: Another point is this. Whether they will re-negotiate and whether they will have re-negotiation on the equal terms or not, I am not going to that aspect to speculate, because what would happen in future nobody knows and only when it happens, ordinary mortals like us can judge what is happening, not on the commitment that we are going to do this and going to do that. Or sometimes, we draw our conclusions from what has happened in the past, because that is on record.

To me, there is a record; we have, after the second Pokhran test, the recorded speech of the then Prime Minister, in the General Assembly of the United Nations. We have, on record, the signed article by the then Foreign Minister, in one of the important international journals. These are on records. From these records we find that we are de facto going to sign CTBT; it is a matter of time to put it de jure. Therefore, we will re-negotiate; yes, we wanted to assure the House. These are the records - something has come in print. The principal negotiator, on behalf of the USA with our Foreign Minister, Strobe Talbott - the book is available; it is in the market. Here it is - if somebody wants it, can have a look; my colleague Shri Anand Sharma is giving me - it is on record, page after page, what has happened is written there. Therefore, surely people will judge what is the performance of yours, what did you do and what you have done.

Having said that, Mr. Speaker, it was not my intention to score points by cutting this side of the argument or that side; my intention is to say 'decide yourselves'; Prime Minister has given you the chance - each and every Member present here; I am quite confident that they will apply their minds; as per conscience and as per judgements, they will exercise their rights when we ask them to do so at the end of the debate.

Before that, both sides will try to place their cases and I am doing it with all honesty at my command and at my disposal. A lot of things have been said, not today; I did not have the privilege of being a Member and sharing the floor of this House with many hon. colleagues, but within the Parliamentary premises, I have spent almost four decades, in the other

I do not remember, Mr. Speaker, Sir, any other Foreign Policy issue which has been debated so intensively, so extensively as this Civilian Nuclear Cooperation Agreement. Prime Minister visited the United States of America in 2005. A Joint Statement was issued on 18th July, 2005. If my dates are incorrect, I would like to be corrected but if I remember right it was 18th July, 2005. It was debated on 25th July here itself. Whenever there has been any major development it has been debated here. Joint Statement

has been debated. Separation Plan has been debated in February-March 2006. In August in the other House - I would not refer to the other House but it is known to everybody - the Prime Minister gave point-by-point reply when my Left friends raised points 1 to 9. The Prime Minister had assured on all the nine points and the Member concerned himself said that he was satisfied. I am not to indulge in imagination, it is also on record in the printed volumes of Rajya Sabha.

Shri Tarit Baran Topdar: (Communist Party of India - Marxist): Thereafter came the Hyde Act.

Shri Pranab Mukherjee: Yes, I understand and appreciate your point that after that the Hyde Act was passed. After the Hyde Act we said that this is to be taken into account. I am coming to that aspect. I am giving the entire details. I will not hide anything and that is why I have sought the indulgence of hon. Speaker. Do not try to be smart enough to find... (Interruptions)

Mr. Speaker: Let us not do these things. We are having a serious discussion. Do not try to be smart enough to be coining on a particular word.

Shri Pranab Mukherjee: Most respectfully, Mr. Speaker, Sir, I would like to submit that after that there were some developments and we were having negotiations with our colleagues. UPA Chairperson took some initiative. After Hyde Act there was a debate in both the Houses in the Winter Session of Parliament. There were seven debates in this regard and the last debate took place in the last Winter Session of 2007. When the Hyde Act was passed, on the very same day I reacted saying that there are prescriptive provisions in respect of Hyde Act which are not applicable to us and we will not accept it. What does it mean? It means that we will not accept it. On these issues anywhere if they want to impose the conditionalities of Hyde Act or anywhere if they want to link their cooperation with reference to Hyde Act, that will be the breaking point. 123 Civilian Cooperation Agreement is on the Website. You may please examine it. I would request my Left friends to forget about their own interpretation of the implication. Do they find anywhere the mention of the word Hyde Act in 123 Agreement?

Prof. Vijay Kumar Malhotra (Bharatiya Janata Party): But there has been a mention of the national laws of America.

Shri Pranab Mukherjee: Shri Malhotra, that is your implication and your interpretation. I will come to that. You are free to hold your interpretation.

ISSA, India Specific Safeguard Agreement, is also on the website. Why

did they submit this document to my Left colleagues? In the UPA-Left Committee I would explain to it, maybe later. But the point which I am trying to develop right now is that we do agree that there are prescriptive provisions in Hyde Act which are unacceptable to us under any circumstances. We can never compromise our independent foreign policy. It is the basic inherent strength of ours. That is why, I will take the pain to explain to my colleagues who have supported us so long. The Chairperson herself and the Prime Minister himself have stated that we have done a lot of good work over the last four years. With an emphasis, I would like to say that we have done a lot of good work. it is not 8 per cent to 9 per cent. For four years, the GDP growth is nine per cent plus. It is not less. After many years, this year we have reached 4.5 per cent growth in agriculture... (Interruptions)

Mr. Speaker: Please do not record anything.

(Interruptions) ... (Not recorded)

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Shri Pranab Mukherjee: Mr. Speaker, Sir, we are saying that we would not accept prescriptive provision. That is why, we have scrupulously avoided these two documents. We suggested our negotiator that please be very careful. It should not be there.

I was telling about this mechanism which we built up. When they said that they are concerned, then with the initiative of the Chairperson of the UPA and the Prime Minister, we met. First, we met at my residence. I am in good contact and in touch with them all along this period since our coalition Government was installed. As Leader of the House, it was my responsibility. We had been in touch constantly. There was no dearth of communication and everybody shared our opinion very frankly. Then with her and the Prime Minister's intervention, it was decided that a mechanism will be constituted. On 30th August, we announced that a mechanism would be established and a committee will be constituted. The Chairperson will nominate the committee. Thereafter we will start. The mandate of the Committee was to address the concerns of the Left Parties on the impact of the Hyde Act, impact of 123 Agreement and the impact on both India's independent foreign policy and our three-stage civil nuclear programme which we had accepted long ago. These concerns of the Left Parties will be addressed by this committee. Thereafter, the findings of the committee will be taken into account before the operationalisation of the civil nuclear

cooperation. Please remember these are the words which were used. The text was drafted by myself and one of the important Left leaders. As he is a Member of the other House, I am not mentioning his name. Both of us read it jointly. The operative part was that to finalize the findings of the committee, the findings would be submitted to the Chairperson of the UPA. It is because this mechanism was established by the UPA Chairperson. Sir, it was not a Parliamentary Committee appointed by you.

It was not a Government Committee appointed by the Prime Minister. It was a political mechanism appointed by the Chairperson, UPA. Therefore, it was our responsibility to submit the findings of the Committee to the UPA Chairperson and thereafter it was the responsibility of the Government to take this into account before operationalisation of the Cooperation Agreement.

We had nine meetings. In the first six meetings we addressed the concerns of them which have been elaborated and even in the published document which Shri Salim was showing to us, many of those notes and correspondences were reproduced there. After that some problem arose in November, 2007. We told them, look IAEA is an organisation which has been established by India itself. India is one of the founding members of IAEA. Out of 35 Governors, India has 10 permanent Governors. It is known as the Board of Governors of the IAEA and India has 10 permanent Governors on the Board of Governors of the IAEA. So, it is our own organisation. They were expressing concerns on three major issues, firstly, how IAEA can assure of un-interrupted fuel supply? Secondly, is the Government sure that IAEA is going to recognise the Government's Separation Plan and strategic programmes? Thirdly, is the Government sure that if there be a disruption in the fuel supply, can the Government get some remedy from IAEA? We said that all these concerns will be adequately addressed once we finalise this document. Then again, with the intervention of the Chairperson, UPA it was decided that we would go to the IAEA and after it is being initialled - initialled what? It is not the document, but the agreed text, to freeze the text, the language of the text, not acceptance. These are done by the negotiators who are the employees of the Principal. Here Principal is the Government of India and the Principal is the IAEA. Questions have been raised as to why we have not given the text when the text was finalised. It was not given. We explained the reasons to them not once but in three meetings. It was said that we will give the outcome. We will explain them the substantive provisions. We could not give the text

because in various countries there are various methods of treating documents. In our country what we say confidential is something that is a secret document; a privileged document; a classified document, a restricted document. IAEA used the phrase restricted and de-restricted. The IAEA officials said that they cannot bind any sovereign country with their documents. They bind themselves. It is the understanding. It is commonsense that when they are binding themselves, our Government do not. That is why the Chairperson of the UPA appointed on behalf of the UPA all Ministers as members because she knew that when we shall have to share the information, some of the information are to be based on classified document. Therefore, we told them that we shall have to wait and when it is circulated as an agenda for the approval of the Board of Governors, the text will be available. We have made the text available. The moment this arrangement collapsed, then all of you are aware as to what happened and I need not mention that. Please remember that, before rushing into conclusions, that there are time differences between India and Geneva, between Geneva and the USA.

MD. Salim (Communist Party of India - Marxist): The times of those are ahead of us.

Shri Pranab Mukherjee: They are beyond and therefore, they will be advance. When Shri Karat read out his letter to me, the last line of it read that time has come to withdraw support and thereafter he announced that they were going to the hon. President to submit the list.

The Indian time was 12.30 but the time in Vienna was 9 a.m.... (Interruptions) I am not going into that. Whatever has happened has happened subsequent to that but not before that. So, there is no question of betrayal in any way. Whatever has happened has happened after that.

MD. Salim (CPI-Marxist): So, the document was not classified.

Shri Praanab Mukherjee: The document was classified by ourselves. We did it. We did it ... (Interruptions)

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Shri Pranab Mukherjee: That is the normal practice. Prof. Malhotra, you are too senior and I am not going into the merits of it. ... (Interruptions)

Mr. Speaker: Unless he yields, I cannot allow you.

... (Interruptions)

Shri Pranab Mukherjee: It is a fact that even an important agreement like the existing Indo-Soviet Friendship Treaty, Parliament came to know of it after 25 years in 1970 when it was announced that an agreement has been signed. I am not going into the merits of the constitutional provisions. But from 26th January, 1950, till today, this is the position. Mr. Advani had the opportunity to see it as the Home Minister, as Deputy Prime Minister, when he appointed a Commission to have a relook at the constitutional provisions. I do not know why it did not occur to him at that point of time to give this particular provision to the Commission which was appointed, which was presided over by a retired Chief Justice of the Supreme Court. It appears to me a lacuna. Why this belated wisdom?

Shri L.K. Advani (BJP): Because of this experience.... (Interruptions)

Shri Pranab Mukherjee: Most respectfully I would like to submit that even before that, the Leader of Opposition had a similar agitation on the WTO agreement. After that, he came to power. Even before that, he had various reservations and he was one of the important leaders in the other House who formed coalition with the then CPI(M) leader in that House to frustrate that Bill and after that, you know that we lost in Geneva. Subsequently, with our support, the same deal, with only some cosmetic changes, you had to pass when you were in the Government. Most respectfully, I would like to submit, if I would be in the Parliament, I would see what type of great new deal you will bring for this country. Let us wait for the future. I am not going into that. ... (Interruptions)

Mr. Speaker, Sir, I would not take much time of the House. But I would like to point out certain other substantive issues which have been stated very eloquently. Firstly, why you are going in for this civil nuclear cooperation? What great facilities we will get out of it? Today, we are having our total power generation capacity as 1,45,000 megawatt. I need not explain why power is needed. Power is needed for everything. Everybody knows it. The point is, whatever we are saying like power will be available, etc. is true or whether it is fiction, today our installed capacity is 1,44,565 megawatts.

What are the projections for the future? I am not talking of remote future. I am talking of near future that is 2030, just 23 years from right now. By 2030, the energy deficit would be 1,50,000 megawatts. If we go a little longer, that is by 2050, our energy deficit would be 4,12,000 megawatts. When these figures are worked out, we take into account thermal power, coal, petrol and diesel, hydel power, and non-conventional energy sources

like wind, solar, etc. Even after their fullest exploitation, that would be the deficit.

If we take the nuclear power on board, as per some studies, if we start the work on that today or if we initiate action now, to produce 40,000 megawatts of energy in the period of eight years from 2012 to 2020, we will be able to reduce the energy deficit from 4,12,000 megawatts to only 7,000 megawatts in 2050. ... (Interruptions)

In 2030, that means within 22 years, we will be able to reduce it by 1,50,000 megawatts. That is the deficit. 1,00,000 megawatts will be made up and only 50,000 megawatts will remain.

Now, let us go back a little bit to see what had happened in one of the advanced countries. Charles de Gaulle was the President of France in 1948. After the devastation of Second World War, the visionary leader thought that if he wants to build up France, it will require civil nuclear energy. He started the work in 1948. But there was strong anti-nuclear energy lobby and there was a lot of resistance in France itself. Charles de Gaulle did not continue for long time. But they went on working despite the strong anti-nuclear energy lobby. The first oil crisis came in 1973. From 1974 they started building up their nuclear energy programme. Today, from 1974, within 34 years, 79 per cent of their energy comes from nuclear. People are asking why America is not doing it; why Russia is not going in a big way for nuclear energy. It is not for me to answer. It is for them to answer that. But one simple reason comes to my mind. They are floating on oil. Primary source of energy in those countries is much more than what it is compared to India. Primary source of energy in our country is much less. Take, for instance, coal. If we have to derive energy from coal, by 2050 we shall have to import 1.6 billion tones of coal.

All the capacities of the ports today will be totally utilised to load and unload coal. Therefore, we shall have to build up the capacities of the ports also. This is one factor.

The second factor is hydel resources. Our hydel resources are located in such places at the initial stage that even if we have massive plantation programme at the initial stage, massive destructions of woods would be needed which will be strongly resisted by the environmentalists. Leave these factors. What is happening in Uttarakashi is that on the river, water running down the current, energy efforts, the hydel power build up is getting resistance from the environmentalists. All of us are fully aware. Our

Government felt, their Government felt and it is not just suddenly felt. We are here for the last four years. Before four years, they were in power for six years. Uranium mining in Jadugoda or uranium mining in Meghalaya was not that simple.

To score a debating point, you can say it. But if they refuse to accept it, what pinch they felt when they wore that shoe, only God can help them and I cannot help. But here we are feeling the pinch. That is why we want it. I must congratulate the hon. Prime Minister that he has taken a visionary approach to have the Civil Nuclear Cooperation Agreement. Pandit Jawaharlal Nehru started this programme in 1948. Eminent scientists starting from Homi Bhabha to Vikram Sarabhai and we have the companion of that great Scientist, Dr. Raja Ramanna, I had the privilege of working with him in the Rajya Sabha. All of them made significant contributions. That is why, today, our scientists and engineers can do this miracle. It is not merely getting the energy. This cooperation will open the door of 30 years' isolation - from 1974 till date - of our nuclear technology. I would not use the word 'apartheid' but sometimes strong words are being used. That is going to be broken and that is the advantage.

Why should we go to NSG? It is because unless we go to NSG, our friends in Russia, our friends in France and even our friends in other countries cannot agree to have this. The NSG and IAEA clearance are the two clearances that can be described in common man's language as passport and visa. Whether I travel or not it depends on me. But if I do not have a passport, I cannot even apply for the visa. If I do not have the visa, I cannot enter into that country. These are the passports and visas. Please let us have these passports and visas. Then, we will decide whether we will travel or not and if we travel, what would be our destination of the travel. If you want to decide that, no, you will be denying, it is for the collective wisdom of the Members of the Parliament, those who are representing 70 crore voters. They will take the decision, not me, not merely my words. I can just place my case. I can place my case on behalf of the Government. You are the ultimate masters and you have to decide whether you will accept it or not. But this much I can tell, most respectfully that whatever judgement you give, we will accept it with due respect to you. But before the judgement, in delivering the judgement, I would surely like to plead my case to convince the hon. judges of this highest court of the public opinion. Therefore, please have the patience. What would be the position if the motion is rejected?

The Government will go. Anyway, the Government will have to seek the mandate, as the Leader of the Opposition has said, after six months or seven months or eight months if it survives. If it does not survive, it does not survive. But what would be the impact of it? This is a pointed question to my Left friends. You may debate with me. You may challenge me. But search your heart and ask yourselves this question. Do you feel this is the issue on which the Government should be brought down - a Government which has been able to maintain a nine per cent GDP growth over a period of four years? I have some figures with me.... (Interruptions)

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105. Extract from the Speech of Minister of Shipping, Road Transport and Highways and Leader of Dravida Munnetra Kazhagam (DMK) T. R. Baalu on the Motion of Confidence in the Council of Ministers.

New Delhi, July 21, 2008.

Shri T.R. Baalu: On behalf my Party DMK under the able leadership of our beloved leader, Dr. Kalaignar Karunanidhi¹, I rise to support the Confidence Motion moved by the Prime Minister of India, Dr. Manmohan Singh.

At the same time, as I have mentioned on previous occasions, on behalf of our party leader, I gratefully observe and record in this august House the support and help rendered by our hon. Friends from Leftist parties. A friend in need is a friend indeed. Of course, as far as this issue is concerned, they may differ with us, but I do not think this phenomenon will continue forever. Definitely, my friends, especially my Leftist friends, will always support us in all issues except this issue because ideologically they differ with us. That is what I feel. Your support to this Government is always needed and not only your support, but the support of other friends like SP, who have joined us a few days back, is also needed equally. We need everybody's support not only to pass this motion but also in the days to come. That means we are going to win the Confidence Motion. My dear friends in the Opposition have mentioned something about some of the things which are pending in the Supreme Court, a sub judice matter. I do not want to answer to that. As requested by the hon. Speaker, I do not want to enter into that subject matter. First of all, I should assure you about that, as Shri Devendra Prasad Yadav has given a befitting reply five minutes back.

This issue of nuclear power is very important. Why do we need power in any developing nation? It is just to see that the development is taking place day in and day out. Not only that, but we need power coupled with infrastructure. That infrastructure can be sub divided once again into social infrastructure and physical infrastructure. All these things should form part of our development. What is the power requirement today? It is 6,08,400 million units. Only 5,54,248 million units are available. So, there is a shortfall of 54,556 units. It is about 9 per cent of our total requirements. Nuclear energy's contribution is only 3700 MW. We should have achieved 10000 MW in 2000 itself. But that has not happened. By 2020, we need 20,000 MW of nuclear power. Why has this not happened? What is the reason?

In this area, as far as nuclear power energy is concerned, why the nation could not develop this nuclear option? It is because subsequent implements and technology are not available and equipments are not available. Because of this reason, NSG countries are not in a position to supply these to India because of its sanctions. There was no bilateral agreement. There was no investment by IAEA and NSG. Why are we relying on the nuclear power alone? This is the question. As any shrewd businessman or shrewd professional should go for product-mix in any industry, we should also go for product-mix. So, as far as the power is concerned, we should go for hydro power.

We have to go for wind energy, we have to go for coal energy and we have to produce power with all fossil fuels. The last option is nuclear power, but we should not miss this opportunity. We have to have a product mix of various things as far as power generation is concerned. All the options are essential for our country with a population of 112 crores. That is why we need nuclear power. To have nuclear power we require raw material, we need uranium and allied substances for our existing reactors and also for the new reactors to be established in due course of time.

Hence, in July, 2005 when Dr. Manmohan Singh met Mr. George Bush, the President of the United States of America, he entered into a dialogue. This dialogue is not a new one. The genesis of this dialogue lies in the Nehruvian era. When Pandit Jawaharlal Nehru was the Prime Minister of India, he initiated this dialogue. That dialogue has been renewed now. That is all. The genesis lies there. It is not a new one. But at the same time, when our great late lamented leader of this country Mrs. Indira Gandhi went in for Pokhran-I nuclear explosion in 1975 this dialogue was frozen. After that, Dr. Manmohan Singh has chosen to revive that dialogue when he met Mr. Bush in 2005. After the dialogue this bilateral agreement was signed. This agreement says that this is an agreement for cooperation between the Government of India and the Government of the United States of America concerning peaceful uses of nuclear energy.

Sir, this agreement is not at the cost of our indigenous three stage nuclear programme. It is not at the cost of the autonomy of our strategic nuclear programme and not at the cost of our research and development activities. Our Government remains committed to all this. It provides for full nuclear energy cooperation covering nuclear reactors, associated reactors, fuel cycle and enrichment including reprocessing. It provides for nuclear trade and transfer of nuclear material, equipment, components and related

technologies and cooperation. Then it contains no provision that mandates scrutiny of our weapons programme or any unsafeguarded nuclear facility. The last one is, the provision does not affect India's right to conduct nuclear test in any manner. The last one is more important.

My friends from the Opposition said that India is going to be subservient to America. Where is the question of our being subservient to America? Our country never agreed to any diktat of any foreign country and we have never compromised with our foreign policy. The foreign policy of India is consistent with our national interests and nobody can meddle with that, whether Shri Atal Bihari Vajpayee or Dr. Manmohan Singh, nobody can meddle with that. Our foreign policy is constant and we cannot change it.

Sir, the 123 Agreement between India and the United States of America would put an end to technology denial regime against India that have been in place for more than three decades and end India's nuclear isolation. This is more important. There will be no more isolation and because of this isolation for the past 30 years we are not having access to nuclear fuel to our reactors or any new nuclear technology. That is why our nuclear energy development was stagnant all these years and we could not produce nuclear power up to the maximum capacity.

Each and every Opposition Member definitely knows these constraints very well. But at the same time, because of politics, they want to play a role and that role is being enacted today and tomorrow.

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106. Excerpts from the speech of Finance Minister P. Chidambaram in the Lok Sabha while participating in the debate on the Motion for Confidence in the Council of Ministers.

New Delhi, July 22, 2008.

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Sir, this debate naturally turns on an agreement that we have signed with the US. ... (*Interruptions*) We should remember that India has signed agreements not with just one country. It has signed agreements with more than one country. We have signed an agreement with the US, we have signed an agreement with France, and we have signed an agreement with Russia. As the Minister for External Affairs has said, we need to cross two stages before we can operationalize any of these agreements. The first is the safeguards agreement with the IAEA, and the second is the waiver from the NSG.

Questions were asked about the 123 Agreement and the Hyde Act. Let me explain in terms which I understand, and I would earnestly request the hon. Members to just lend me their ears for a couple of minutes. These are not very complicated legal issues.

In 1954, the U.S. adopted the Atomic Energy Act. That Act prohibits the US from cooperating on nuclear matters with any country until certain conditions are fulfilled. Section 123 authorizes the President of the US to exempt the proposed agreement from the conditions. That is why, this agreement is called '123 Agreement'. The Hyde Act was passed in 2006 and it became the law in December, 2006. Please mark the date. The 123 Agreement text was agreed between India and the US on August 1, 2007.

So, the 123 Agreement is an agreement after the Hyde Act came into force. In the US, it is a well-accepted Constitutional principle, well enshrined that while passing a Bill into law, the President may issue a signed statement asserting his Constitutional prerogative powers and refusing to abide by any provisions of the US Act.

We are not concerned with the provisions of the US Act nor are we concerned with what the US President said. That is their domestic matter. But the fact is that the US President issued a signed statement when he signed the Hyde Act into law. Six months later, we agreed on the text of

the 123 Agreement. The question is, what is the status of the 123 Agreement. In the US, the status is quite clear. Every US commentator, every US newspaper, every analyst has said that the 123 Agreement is not inconsistent with the Hyde Act because, according to the White House, when properly construed, the later 123 Agreement nearly fleshes out the details for the US-India Nuclear Cooperation, and the 123 Agreement dwells upon the exceptions carved out in the Hyde Act, and once the Congress approves the 123 Agreement, that Agreement and that Agreement alone, will delineate the specific rights and responsibilities of the US and India as a prevailing law that governs and controls the Agreement.

Now, look at it from our point of view. That was the US interpretation; that is the interpretation, which I rely upon because that is the way the US looks at it. The 123 Agreement alone will delineate the rights and responsibilities of the parties. Let us look at it from the Indian law point of view. The 123 Agreement is, according to Article 2.5-- and I urge you to read it -- "to enable full civil nuclear energy cooperation between the parties." Please underline the words 'to enable'. It is an agreement to enable full civil nuclear energy cooperation between the parties. It contemplates such cooperation on an industrial scale or a commercial scale. Under Article 16, the Agreement enters into force on a date on which the parties will exchange diplomatic notes, informing each other that they have completed all applicable requirements. The legal status of the 123 Agreement is that it has not yet entered into force. It will enter into force after India and the United States notify each other; and they can do so only after completing all applicable requirements. It is, therefore, an enabling agreement. And, even after it enters into force, you would have to enter into further agreements for industrial or commercial scale cooperation in nuclear energy.

The next question is: How do you interpret under our law and international law, the 123 Agreement and any earlier agreements? Article 16.4 of the 123 Agreement says: "The Agreement shall be implemented in good faith and in accordance with the principles of international law." Please underline that. The Agreement shall be interpreted and implemented in accordance with the principles of international law. Under the customary international law as well as the Vienna Convention on the Law of Treaties, any party may not invoke the provisions of its internal law as justification for its failure to perform a Treaty. The 123 Agreement is a Treaty. The Hyde Act is an internal law. You cannot invoke the Hyde Act in order to refuse to perform your obligations under a Treaty.

And further more, when the 123 Agreement is ratified by the US Congress, it is up or down vote, when it is ratified by the US Congress, it will be the last expression of the Legislature on the subject and under the principle, which is known to every lawyer, the last expression of the Legislature will prevail over any earlier law passed by the same Legislature... *(Interruptions)*

Shri Rupchand Pal: I know it may not be.... *(Interruptions)*

Shri P. Chidambaram: I am not yielding because I have to complete this part.

Besides, under Article VI(2) of the US Constitution, all treaties made or which shall be made under the authority of the United States shall be the supreme law of the land. In any view of the matter, the Hyde Act does not bind India. It cannot interfere with the implementation of 123 Agreement. The 123 Agreement alone will delineate the rights and responsibilities between India and the US. It will be the last expression of the Legislature, and under the Vienna Convention, we are bound only by the 123 Agreement.... *(Interruptions)*

Mr. Speaker: Just a minute.

... *(Interruptions)*

Mr. Speaker: Do not record.

(Interruptions) ... 1

Mr. Speaker: Nothing is being recorded.

I would have given you opportunity to seek clarification but you are not listening.

(Interruptions) ...1

Mr. Speaker: Very well. When we go to the people, the people will decide.

... *(Interruptions)*

... *(Interruptions)*

Mr. Speaker: Lawyers are for that purpose. You do not know it. You have never faced it. I have faced it.

Shri P. Chidambaram: The UPA-Left Committee held nine meetings between September 11, 2007 and June 6, 2008. At the fourth meeting on

October 9, 2007, the CPI(M)'s Members noted that the Left Parties were not opposed to a safeguards agreement on principle just as they have not been opposed to the separation plan.

Their objection continued to be to the 123 Agreement. This issue was discussed at the fifth meeting on October, 22, 2007 and at the sixth meeting on November, 16, 2007. At the sixth meeting, after the exchanges, it was decided that the impact of the provisions of the Hyde Act and the 123 Agreement on the IAEA Safeguards Agreement would have to be examined, and since it required talks with the IAEA Secretariat for working out the text of an India-Specific Safeguards Agreement, the Government will proceed with the talks and the outcome will be presented to the Committee. That is precisely what this Government has done.

It went to the IAEA Secretariat for talks. It agreed upon a text. It froze that text. We came back to the Committee on March, 17, May 6 and June 25, and we have reported the outcome of the talks to the Committee. We have done nothing in a non-transparent manner.... *(Interruptions)*

Mr. Speaker: Nothing will be recorded.

(Interruptions) ... 1

Shri P. Chidambaram: We have done it in the most transparent manner. We have taken everybody on board and we have told them that this is the outcome of the talks, and now the text is available. The ISSA text is available. The ISSA text will clearly show..... *(Interruptions)*

Mr. Speaker: Nothing will go on record.

(Interruptions) ... 1

Shri P. Chidambaram: Mr. Salim, please sit down.

None of my comrades were members of the Committee. We know what happened in the Committee. We have said the ISSA text will be made available on the same day it is circulated officially to the Members of the IAEA Board. When we decided to go forward and circulate it to the Members of the IAEA Board, on the same day it was made available in India.... *(Interruptions)* The text is now available in India.... *(Interruptions)*

Sir, they cannot interrupt every time.

... *(Interruptions)*

Mr. Speaker: Hon. Members, you have made your position very clear. Now, let him say.

... *(Interruptions)*

Mr. Speaker: Instead of shouting, why do you not speak? Your leader will be speaking .

... *(Interruptions)*

Mr. Speaker: I am sure, he will make these points. Unnecessarily do not get agitated. Do not get agitated too much. It will not help.

... *(Interruptions)*

Mr. Speaker: Your leader will be speaking. You give all your points to him.

... *(Interruptions)*

Shri P. Chidambaram: Sir, I listened to Mr. Salim patiently yesterday. I think he will show me the courtesy of listening to me today. ...
(Interruptions)

Mr. Speaker: Yes, that is right.

... *(Interruptions)*

Shri P. Chidambaram: Please listen first.

Sir, the short question is - does India want to end the nuclear isolation which we find ourselves in since 1974, more so since 1998? What did the hon. Prime Minister Shri Vajpayee say in the United Nations General Assembly? I quote. After referring to the tests he said : "These tests do not signal a dilution of India's commitment to the pursuit of nuclear disarmament. Accordingly, after concluding this limited testing programme, India announced" - India, the Government of Mr. Vajpayee announced - "a voluntary moratorium on further underground nuclear test explosions".

"We conveyed our willingness to move towards a de jure formalization of this obligation in announcing a moratorium. India has already accepted the basic obligation of the CTBT. India is now engaged in discussions with our key interlocutors on a range of issues including the CTBT. We are prepared to bring these discussions to a successful conclusion so that the entry into force of the CTBT is not delayed beyond September, 1999."

Then he came to this House and made a statement on 15th December, 1998. He says : "This House will be reassured that in the assessment of our scientists this stand" - that is converting our voluntary moratorium into a de jure obligation - "does not come in the way of our taking such steps as may be found necessary in future to safeguard our national security. It also does not constrain us from continuing with our R&D programmes nor does it jeopardise in any manner the safety and effectiveness of our nuclear deterrent in the years to come."

"In addition to the talks between Shri Jaswant Singh and Mr. Strobe Talbott" - they did have talks Mr. Malhotra, may be you forgot; the Prime Minister confirms that they had talks - "we have had detailed exchanges with France and Russia. Discussions have also taken place with UK and China at the level of Shri Jaswant Singh and at official level with Germany and Japan as well as with other non-nuclear weapon States. I have been in regular correspondence with President Clinton. President Clinton has also expressed to me his desire for a broad-based relationship with India that befits the two largest democracies of the world. I have fully reciprocated these sentiments. Indeed, our ongoing dialogue with the United States is geared towards that end. I am confident this House will want to wish it all success".

What has this Government done? It has taken the dialogue forward. Today we have the 123 Agreement. The question is that, and I will conclude on this note. ... (*Interruptions*)

Md. Salim: Two wrongs cannot make it correct. ... (*Interruptions*)

Shri P. Chidambaram: Do we want to come out of nuclear isolation? ...

(*Interruptions*) Mr. Salim, this is important.

Do we want to come out of the nuclear isolation? Sir, in this connection, I want to share with this House what China is doing. China's electricity today is produced, 80 per cent from fossil fuel such as coal and 18 per cent from hydro power. Two per cent of China's electricity comes from nuclear power. Mainland China has eleven nuclear power reactors in commercial operation. Six are under construction and several more are about to start construction. Additional reactors are planned including some of the world's most advanced to give a six-fold increase in nuclear capacity, to at least 50,000 megawatt by 2020 and then - this is important - a further three to four fold increase to 1,20,000 to 1,60,000 megawatt of electricity by 2030. The

country aims to become self-sufficient in reactor design and construction as well as other aspects of the fuel cycle.

Moves to build nuclear power in China commenced in 1970 and the industry has now moved towards a steady development phase. Technology is being drawn from France, Canada and Russia with local development based largely on the French element. The latest technology acquisition has been from the US and France. A country contributing two per cent nuclear energy towards total electricity ... *(Interruptions)*

Shri Rupchand Pal: You cannot compare India with China. ... *(Interruptions)*

Shri P. Chidambaram: We cannot because there are some people in this country who do not want India to catch up with China, who do not want India to go ahead of China. There are some people who want China to become an economic super power but India should never become an economic super power. ... *(Interruptions)*

Mr. Speaker: Just a second, Mr. Minister.

... *(Interruptions)*

Mr. Speaker: You sit down.

... *(Interruptions)*

MR. Speaker: Md. Salim, you have spoken, so far as I remember, without much interruption. You are a very senior Member.

... *(Interruptions)*

Shri P. Chidambaram: Sir, I have no hesitation in saying ... *(Interruptions)*

Mr. Speaker: Please sit down. Shri Chowdhury, please sit down.

... *(Interruptions)*

Mr. Speaker: Just a minute. Again, I am requesting let us follow some decorum of debates.

... *(Interruptions)*

Mr. Speaker: Would you keep quiet?

... *(Interruptions)*

Mr. Speaker: I am saying that your leader will be speaking. Let him take up these points. At least, you are not showing to be a disciplined party.

... (*Interruptions*)

Shri P. Chidambaram: Sir, I have no hesitation in saying that I do not envy China. I want to emulate China. I want India to be an economic power and economic super power.

Sir, when we talk about India, we should talk about only countries which are as large and as complex as India and that is China. We cannot talk about countries which are smaller than India or poorer than India. We must aspire to greater heights. Our ambitions must be large. When we talk about growth, we say that growth is a necessary condition not a sufficient condition. Let me give you some examples. ... (*Interruptions*) Sir, China, for instance, has 29 million hectares under rice cultivation. ... (*Interruptions*)

Mr. Speaker: Do not record anything except the speech of Minister.

(*Interruptions*) ...1

Shri P. Chidambaram: China has 29 million hectares under rice cultivation. India has 43 million hectares under rice cultivation. China produces 6.26 metric tonnes per hectare. The world average is 4.08 metric tonnes per hectare. India produces 2.1 metric tonnes per hectare. China has 23.4 million hectares under wheat while India has 25 million hectares under wheat. China produces 4.42 metric tonnes per hectare. The world average is 2.79 metric tonnes per hectare. India produces 2.72 metric tonnes per hectare. When I say we must grow, we must grow more wheat; we must grow more paddy; and we must emulate the best in the world.

China produces 419 million tonnes of steel. India produces 44 million tonnes of steel. China produces 2,482 million tonnes of coal. India produces 427 million tonnes of coal. China generates 2,834 megawatt hour of electricity; India does 726 megawatt hour. When I say we must grow, we must produce more coal, produce more steel and generate more electricity. That is the only way we can bring economic justice to the people of this country.

Let me conclude by saying that BJP ... (*Interruptions*)

Mr. Speaker: Do not record anything.

(*Interruptions*) ...1

* Not recorded.

Shri P. Chidambaram: The BJP and NDA seem to agree that we should end our nuclear isolation. After all these interruptions, no one is clear about the stand of the Left Parties. Let the two groups ... *(Interruptions)*

Yet the two groups ... *(Interruptions)*

Md. Salim: Sir, Mr. Chidambaram stands on the Left's support. ... *(Interruptions)*

Mr. Speaker: I express my strongest displeasure. We are following certain tactics, which I can only condemn. I can only condemn whosoever follows these things.

... *(Interruptions)*

Mr. Speaker: I am condemning these things.

... *(Interruptions)*

Shri P. Chidambaram: Yet the two Groups are voting together against this Motion of Confidence. ... *(Interruptions)*

Shri N.N. Krishnadas: (PALGHAT): No, it is against you personally. ... *(Interruptions)*

Mr. Speaker: Mr. Krishnadas, please take your seat. Please sit down.

... *(Interruptions)*

Mr. Speaker: Nothing is being recorded. Do not record anything.

(Interruptions) ...1

Mr. Speaker: Please take your seat. Nothing else will be recorded.

(Interruptions) ...1

Shri P. Chidambaram: The NDA has no problem with a strategic relationship with the US. The Left Parties are ideologically opposed to any partnership -- strategic or otherwise -- with the US. Yet the two Groups are voting together against this Motion of Confidence. ... *(Interruptions)*

The NDA believes, as I listen to them, that India should become a nuclear weapon State, whereas the Left Parties have always been opposed to

* Not recorded.

nuclear weapons and nuclear weaponisation. Yet the two Groups are voting together against this Motion of Confidence. ... *(Interruptions)*

Md. Salim: Your Prime Minister went to the Bhishma Pitamah for his support. ... *(Interruptions)*

Shri P. Chidambaram: The NDA says that if it comes to power, God forbid, it will renegotiate the Agreement. The Left Parties say that they will do everything possible to scuttle the Agreement now and for ever. Yet the two Groups are voting together against this Motion of Confidence. ... *(Interruptions)*

Sir, I doubt *(Interruptions)*

Mr. Speaker: You should take lessons from them. They have not disturbed the House. Why should you be disturbed?

... *(Interruptions)*

Shri P. Chidambaram: I doubt if in the history of India's Parliament we have seen anything more bizarre than these two Groups voting together against the Motion of Confidence. ... *(Interruptions)*

Let me conclude by saying *(Interruptions)*

Mr. Speaker: It is going beyond limit.

... *(Interruptions)*

Mr. Speaker: You cannot have a running commentary in the House.

... *(Interruptions)*

Shri N.N. Krishnadas: You were the victim in 1997. ... *(Interruptions)*

Mr. Speaker: You have made your point. Your Leader will speak on it.

... *(Interruptions)*

Mr. Speaker: Mr. Krishnadas, I think that I will have to take some action. Do not think that you are glorifying yourself or your Party.

... *(Interruptions)*

Shri N.N. Krishnadas: Yes, I am glorifying my Party. ... *(Interruptions)*

Mr. Speaker: Yes, I know it, but it is in this undisciplined manner.

... *(Interruptions)*

Mr. Speaker: You are behaving in this undisciplined manner.

... *(Interruptions)*

Mr. Speaker: Please do not think that I will allow this to continue on any side. Whichever is the side will have to face the consequences.

... *(Interruptions)*

Shri P. Chidambaram: Yesterday, from the Speaker's Chair, you welcomed

... *(Interruptions)*

MR. SPEAKER: We are talking of ourselves as the largest democracy in the world. This is how we are behaving!

... *(Interruptions)*

Shri P. Chidambaram: Yesterday, from the Speaker's Chair, you welcomed one of the youngest Members of Parliament. There are millions of young boys and girls, and young men and women out there who are looking towards this Parliament and looking to the future.

We can make our future; the future is in our hands. We can make our future, if we decide to have the vision and the farsightedness that can take this country forward. In the late 1980s and in the early 1990s, my beloved leader, Shri Rajiv Gandhi, followed by Shri Narasimha Rao and Dr. Manmohan Singh blazed a new path which made India a stronger economy than what it was 15 years ago. Today, this Government under Dr. Manmohan Singh's leadership is charting out a new path which will end India's nuclear isolation, which will pave way for India becoming an economic super-power.

I ask this House to give a resounding vote of confidence to the Prime Minister.



107. Excerpts relevant to Nuclear Energy Cooperation Agreement from the Speech of Congress Leader Rahul Gandhi while participating in the debate in the Lok Sabha on the Motion of Confidence in the Council of Ministers.

New Delhi, July 22, 2008.

Shri Rahul Gandhi: Mr. Speaker, Sir, thank you for letting me speak on behalf of the Government. Yesterday, while I was thinking about what I would say in this House, I came to a simple conclusion. I decided that it is important at this point not to speak as a Member of a political Party, but to speak as an Indian. I also decided... *(Interruptions)*

Mr. Speaker: These comments are unfortunate. Nobody has any respect in this House. This is most objectionable. It is of bad taste.

... *(Interruptions)*

Mr. Speaker: Shri Shahnawaz Hussain, you are a young man, please allow another young man to speak..... Do not make such snide remarks.

... *(Interruptions)*

MR. SPEAKER: You are disturbing your own speaker.

... *(Interruptions)*

I decided, as I said, that I would not speak as a member of a political party but I would speak as an Indian.

An Hon. Member: All are Indians.

Shri Rahul Gandhi: I completely agree with you that you are also an Indian and you should also speak as an Indian. I would go further to say that you do speak as an Indian and I do not doubt that. So, I decided that what I would do is that I would take a step that a lot of our politicians normally do not do.

I decided that I will make a central assumption in my speech. The assumption is that everybody in this House, regardless of which party they come from, whether they come from the BJP or the Shiv Sena or the Samajwadi Party or the BSP or the Congress Party, speak in the interest of the nation. So, I would like to say that this is the assumption that I will make throughout my speech.

Yesterday, I thought about why we are meeting here today, why is it that this House needs to meet and I came to the conclusion that we are meeting because there is a serious problem in India and the problem is our energy security.

An Hon. Member: It is poverty.

Shri Rahul Gandhi: Poverty is directly connected to energy security and I will explain how. ... *(Interruptions)*

In my speech, I will explain to the hon. Member as to how poverty is directly connected to energy security. Once again, I would request everybody to give me ten minutes and to listen to me for ten minutes. That is all I ask for.

Three days ago, I went to Vidarbha and there, I met a young lady who has three sons. The young lady, Sasikala, a landless labourer, lives with Rs. 60 a day. Her husband who goes to work in a field nearby earns Rs. 90 a day and with the total earning that they make, they have put their three children in a private school. I spent an hour with these people. They live in a slum. I spoke to the sons and I spoke to the mother. The eldest son dreams of becoming a Collector, the middle son dreams of becoming an engineer and the younger son wants to do a private job. When I asked Sasikala as to whether she thinks that her children will be successful or not, she looked at me and said "Absolutely". As I was walking out of the House, I noticed that there was no electricity in the house. I told the children that when I was small, I used to study in the evening and how do they study.

The children pointed towards a little lamp, a brass lamp that was there. They said, "We study using that lamp." This problem of energy security reflects itself everyday with all of us; it reflects itself among the poor, like in the house of Sashikala; it reflects itself with industry; and it reflects among all Indians.

Mr. Speaker: If any hon. Member does not want to hear his speech, you can go out. This running commentary is horrible.

... *(Interruptions)*

Shri Rahul Gandhi : Energy effects India; energy effects India's growth; and energy is responsible for allowing us to grow at nine per cent and that growth is responsible for allowing us to create programmes to help poor, like those the BJP has done, like the PMGSY; and like those the Congress has done, like the NREGP and guaranteed education.

The point that I am making here is if we do not secure our energy supply into the future, growth will stop and we will not be able to fight poverty which is something that every single Member of this House wants to do.

I have said what the problem is. I would go back to Vidharba to see what the solution could possibly be. I would go to the house of another young lady called Kalawati, who had nine children. *(Interruptions)*

Mr. Speaker: Shri Rahul Gandhi, carry on please.

Shri Rahul Gandhi: I would go back to Vidharba, to the house of Kalawati. ... *(Interruptions)*

I would go to the house of Kalawati. I am glad you find that funny. But Kalawati is a person whose husband committed suicide. So, I would urge you to respect her. I would take you to the house of Kalawati, which I also visited three days ago. Kalawati is a woman with nine children whose husband committed suicide three years ago. Her husband committed suicide because he was dependent on only one crop, the cotton crop. When I asked Kalawati as to why her husband committed suicide, her answer was that he was dependent on only one source of income. ... *(Interruptions)* ...¹

Mr. Speaker: Strike it out. Not to be recorded.

... *(Interruptions)*

Shri Rahul Gandhi: I asked Kalavati as to what did you do. Kalavati responded by telling me that I diversify ... *(Interruptions)*

Mr. Speaker: I think the Parliament of India is reaching its lowest position - Nadir!

... *(Interruptions)*

You pose to be very intelligent. Please sit down. I will note down your name. You will feel what happens.

... *(Interruptions)*

Mr. Speaker: Nothing will go on record.

(Interruptions) ...¹

Mr. Speaker: I am requesting the hon. Member to control.

* Not recorded.

... *(Interruptions)*

Mr. Speaker: You have to go out for a while.

... *(Interruptions)*

Mr. Speaker: So what? Have you got a right to disturb? You please take your seat.

... *(Interruptions)*

Mr. Speaker: You are not his informer. Please carry on.

... *(Interruptions)*

Mr. Speaker: If any Member speaks without my permission, it will not go in the record.

(Interruptions) ...1

Mr. Speaker: Shri Pranab Mukherjee as the Leader of the House, Prof. Vijay Kumar Malhotra, I am going to fix a time for the voting. There will be no more discussion. You please tell me when will it suit you?

... *(Interruptions)*

Mr. Speaker: I think let us fix the time.

... *(Interruptions)*

The Minister of External Affairs (Shri Pranab Mukherjee): After his speech is over, they can say whatever they want to say. ... *(Interruptions)*

We listened to Shri Brajesh Pathak when he was speaking yesterday. I will request the hon. Members from the BSP to please resume their seats and allow this debate to continue. ... *(Interruptions)* Yesterday you spoke and today if the hon. Speaker permits you, you can speak. So kindly resume your seat and let his speech be over. Let the debate continue and thereafter we will decide as to when we will have the voting. Why are you disturbing unnecessarily in the midst of the debate? Please allow the debate to continue. ... *(Interruptions)*

Shri Rahul Gandhi: Sir when I asked Kalavati ... *(Interruptions)*

* Not recorded.

Mr. Speaker: Suddenly my hon. friend here has stood up. I do not know anything about what is happening. Anybody can stand up, anybody will disturb and whatever they want to say, they will say! There is no question of decorum, no rule and no procedure. I think the time has come when Members of this Parliament should face the electorate so that the country can give their verdict about these Members as to what they are doing here. Shri Rahul Gandhi, yes, please carry on.

... *(Interruptions)*

Shri Rahul Gandhi: When I asked the widow lady as to how she resolves her problem, she said that instead of sowing one crop, she now sows three crops. She told me how she bought two buffaloes and now has milk as a source of income. She also told me, most importantly, that she dug a little pond which she fills with water and uses as an insurance policy when it does not rain.

So, the answers to our energy problem lie in... *(Interruptions)*

Mr. Speaker: Nothing is being recorded.

(Interruptions) ...1

MR. SPEAKER: Do not record one word.

(Interruptions) ...1

... *(Interruptions)*

Mr. Speaker: I do not know anything.....

... *(Interruptions)*

Mr. Speaker: What is going on in this House?

... *(Interruptions)*

* * * *

Interruption...

Shri Rahul Gandhi: I spoke to two poor families. One of them was called Mrs. Kala... *(Interruptions)* Mrs. Kala said that she had diversified her income sources and she has used that to stabilize her family and bring up her nine children.

Sir, at the very least, nuclear energy is going to act like Mrs. Kala's

pond and it is going to act as an insurance policy for this country in times of need. At its maximum, nuclear energy is going to act like Mrs. Kala's main crop.

So, the problem is that the way our nuclear industry is positioned today, it is going to do neither. It is neither going to act as an insurance policy nor is it going to act or have the potential to act as a fundamental source of energy. And, the reason it is not going to do so is because the hands of our scientists, the hands of our establishment are tied; they are tied because they do not have fuel on one hand, and on the other hand they do not have investment and technology.

Sir, I am very proud to say that our Prime Minister Shri Manmohan Singhji has recognized both the problem and a potential solution. But it would be unfair of me not to accept that Shri Vajpayee also saw the problem and also, in his time, worked on the solution.

(Interruptions)

Now, I have stated and all of us know that there is a problem with regard to our energy security in this country, and that we need to think about it in the long term. It is a problem that all of us need to solve working together.

As I said, senior leaders have also established that the way forward is diversification and reliance on more than one source of energy, a balanced portfolio that includes nuclear, hydrocarbon, solar and wind among others.

But, Sir, it is not enough to identify a problem and a potential solution. The magic of what Shri Manmohan Singhji is doing is that within the problem, he has identified an opportunity that is significantly larger than the problem itself. The opportunity our Prime Minister has identified is based on a simple fact. It is based on the fact that over the next 30-40 years, two countries are going to use the largest bulk of new energy that comes on line. These countries - China and India - have the ability to define the way the world's energy moves.

Sir, what I am suggesting is that instead of looking at our energy problem as a problem, we start to look at our energy usage as an opportunity. Like a big buyer who goes to any market, we have the ability to shape the global energy industry, and energy is like no other industry in the world. Energy, as I said earlier, is used everywhere, in everything and in every

aspect of economic and social life. Energy has destroyed nations and it has built nations.

Our old opponent, the British, grew to their prominence because they control coal. The United States today controls hydrocarbons. It has a large emphasis on hydrocarbons, and we all know how powerful they are. What I am suggesting is that we start to think like a big country, like a powerful country. Instead of worrying about how the world will impact us, we start worrying about how we will impact the world.

Many years ago, this country embarked on a path which many people did not believe in. We developed an industry called, IT industry and the telecom industry. Very few people believed at that time that India would ever play a major role in this industry. Very few people believed that the computer would have anything to do with empowering the poor and with changing the way this country worked. Yet, today all of us together see the impact of the computer. We see the revolutionary impact that IT and communications has had on this country, and it is important that we do not forget this. It is important that we do not forget this because I believe we are at the cross roads, very similar to the cross roads we were at when the decision on IT was to be made.

The decision here is not about three per cent energy or seven per cent energy. It is not about India's usage of nuclear energy. If we look at the big picture here, it is about whether India can become a global power in a type of energy that is going to be very important in the future. We all know the problems caused by hydrocarbons. We know about pollution.

Earlier, one of the Members asked me to point out what is the connection between energy and poverty. We know the link between us depending on hydrocarbons and prices in India today. Sir, when we think about energy, when we think about nuclear energy, we must think about the poorest in the country. Contrary to what most people believed, when we thought about IT in this country, we were thinking about the poor in this country. It is something that is hard to cross because it is counterintuitive. But one must not underestimate the connections between industry, between energy and between the poor.

Sir, I have taken a lot of time. So, I do not want to go on for ever. But I

want to make one last submission. I am very happy this House is now listening to.

The difference between a powerful country and a country that is not powerful and does not have a similar impact on the world stage is that the powerful country thinks about how it will impact the world. The country that is not so powerful thinks about how the world will impact it.

Sir, it does not matter which Government runs this country. Many Governments will run this country in the future. But it does matter how we think about our position in the world. What is important is that we stop worrying about how the world will impact us, we stop being scared about how the world will impact us and we step out and worry about how we will impact the world.

Sir, as I said earlier, I speak today not as a Congress person or a Congressman but as an Indian. I would like to say two other things before I conclude. The first is that we are all building this country together. We might have different views about how this country should be built. We might have different opinions on what we should do. But essentially we sit in this room together and we have to solve our problems together. This is what differentiates us and this is what gives us our true power that any voice can be heard in this room, that any voice can disrupt any other voice in this room. I am being serious. It is uncomfortable for me. But I am very proud of it that every voice can be heard in this country.

I would like to conclude by saying two things. The first thing is that we must never, ever let fear be our guide. We must never take decisions based on the fear of the unknown or what is going to happen if we act. We must only act with one rule and that is courage. The second thing I would like to say is that we are a country of a billion people; 70 per cent of us are young. I am old for this country; I am much above the average age. It is important to realise that this country is brimming with confidence and brimming with self-belief. Another point we must never forget when we take decisions as leaders in this country is that we have to believe in that, in our people and we have to have confidence in what we are capable of doing. We have to have confidence in what they are doing.

I think these are guides not only for Congress leaders, these are guides for

every single Indian that when you do act, whoever you are, whatever opinion you have, act with courage and act with confidence. With that, together, we can change this country and impact the world.

To conclude, I would like to support our hon. Prime Minister and like to say that he has shown tremendous courage and confidence in the Indian people and I would also like to say and I say this as a youngster from this Party and as a youngster from that Party and all those other Parties that it does not matter what happens here today. What matters is that we start working together and we together try to solve the problems of this country.

I would like to support the motion of the hon. Prime Minister. Thank you very much.



108. Speech of Basu Deb Acharia, member Communist Party of India (Marxist) in the Lok Sabha while participating in the debate on the Motion of Confidence in the Council of Ministers.

New Delhi, July 22, 2008.

Shri Basu Deb Acharia: Sir, I rise to oppose the Confidence Motion moved by the hon. Prime Minister.... *(Interruptions)*

Mr. Speaker: Silence please.

Shri Basu Deb Acharia: Yesterday, when the Leader of the House, Shri Pranab Mukherjee spoke, he gave some figures. But those figures were not correct. He said that on the day when the left parties withdrew support, on that day when the Samajwadi Party extended its support to the Government, the UPA had the majority and that the number was 276. This is what he said. The UPA has 220 Members. If we add the Members of the Samajwadi Party, it comes to 265. So, the Government is still in minority. It is a minority Government. I would like to know from the Government whether a minority Government can go ahead with the deal. While intervening, the Finance Minister, Shri P. Chidambaram said that by withdrawing support and by opposing the Confidence Motion, we are joining hands with the BJP. In fact, when we met the President, when we submitted the list and the letter, we demanded that the Government should go in for Confidence Motion.

Let me remind the hon. Minister of Finance, Shri P. Chidambaram. He was in the House and he was in the Opposition in 1990 when there was a National Front Government headed by Shri Vishwanath Pratap Singh.

Sir, Shri Advaniji started his rath yatra from Somnath to Ayodhya. Throughout the country, the communal atmosphere was created and hundreds of people were killed. The communal riot took place in many parts of the country. Sir, when Shri Advaniji was arrested in Bihar and he was not allowed to proceed to Ayodhya, the BJP withdrew support. When Shri Vishwanath Pratap Singh was the hon. Prime Minister, he was fighting against the communalism. He did not surrender at that point of time. At that point of time, the Congress joined hands with the BJP and toppled that Government and thus destabilisation was created. Sir, this was repeated again. *(Interruptions)*.

The Minister of Science and Technology and Minister of Earth Sciences (Shri Kapil Sibal): Do you remember that you were there with the BJP? ... *(Interruptions)*

Shri Basu Deb Acharia: You joined hands with the BJP and toppled the Government. ... *(Interruptions)* Sir, it was again repeated in 1997 when Shri H.D. Devegowda was the hon. Prime Minister and the Government was destabilized by the Congress. Subsequently, when Shri I.K. Gujral became the Prime Minister, this Congress joined hands with the BJP to topple the I.K. Gujral Government. ... *(Interruptions)* Today they are saying that we are joining hands with the BJP to vote against the Confidence Motion moved by the hon. Prime Minister.

Sir, in 2004 Lok Sabha elections, the mandate of the people was not in favour of any political combination. But the people of this country had given a clear mandate and that mandate was for the change of the policy, change of the outlook and change of the attitude.

Sir, the Left Parties supported this Government because of our commitment to fight back communal forces, to protect and strengthen India's secular heritage, to defend the peoples' unity and rights of the minorities which have been under attack and severely eroded during the BJP led NDA.

Sir, we will not forget what happened in Gujarat in 2002. We supported this Government because of our deep concern against 'shining India' economic policies. Now they are again referring to 'feel good factor' and 'shining India' growth rate which was there in 2003 and 2004.

The BJP used to say that. The Lok Sabha was dissolved. Election was held. The people of this country voted them out. The Congress Government is again following the same path which the BJP Government, the NDA Government was following. The Shining India economic policies were destroying the lives and livelihood of the people. That is why, we insisted on a Common Minimum Programme to bring relief to the people. The major issues of the Common Minimum Programme are yet to be implemented. But today instead of the Common Minimum Programme of the UPA, it is the Common Minimum Programme of the Bush Administration to bring India into a strategic embrace that the Government is implementing.

You cannot fight the communal forces by compromising the nation's sovereignty. You cannot fight the communal forces by following pro-imperialistic economic policies which have led to huge price rise and

widespread disparities among the people.

The Finance Minister very eloquently gave the figures in regard to growth in various sectors - in agriculture, food production, production of pulses and others. There is GDP growth but he has not mentioned about the condition of the people which is deteriorating. When there is growth to the extent of 9 per cent, what is the Government claiming in its Report? It is not our Report. It is the Report of the Committee constituted by this Government. The Committee, in its last Report submitted to the Government, has stated that 77 per cent of the population of our country is to depend on only Rs.20. We have 46 billionaires. One year back, there were 26 billionaires. Within one year, the number of billionaires increased to 46 whereas 77 per cent of the population is to depend on only Rs.20. This is not our Report but the Report of the Committee constituted by the UPA Government.

Today, inflation has already touched 12 per cent. Prices of almost all the essential commodities are rising. The Government is not in a position to contain and control the prices. The livelihood of the people of our country has become miserable. The family budget has increased. There has not been any increase in their wages and earnings whereas there has been an increase in the prices of almost all the essential commodities.

We have made several suggestions. I would like the Prime Minister to place before this House the facts. When there was the Left-UPA Coordination Committee which continued for two years, we made a number of suggestions to contain the price rise. We made four suggestions. One is: strengthening and universalisation of the Public Distribution System....
(Interruptions)

Mr. Deputy Speaker: Please conclude now.

Shri Basu Deb Acharia: I have just started.

Mr. Deputy Speaker: I am sorry. Please conclude.

Shri Basu Deb Acharia: I have not yet come to the nuclear deal which is the main issue. ... (Interruptions) I will come to it within a minute. Please give me some more time.

Mr. Deputy Speaker: You started your speech at 3.31p.m.

Shri Basu Deb Acharia: Public distribution system had to be strengthened and universalized. That has not been done.

Mr. Deputy Speaker: Mr. Salim, this is not a meeting place.

Shri Basu Deb Acharia: Forward and futures trading which was introduced by the NDA Government on all commodities has not been withdrawn. For several times, the prices of petroleum products have been increased instead of reducing the duty and cess, abolishing import parity which was introduced by the earlier Government. The Government has failed to take concrete measures to control and contain the prices of essential commodities. Farmers are committing suicide and it is still continuing. The crisis for agricultural sector is accentuating. No concrete measures have been taken by this Government to ameliorate the sufferings of the poor people of this country. Why have we withdrawn the support from this Government?

Mr. Deputy-Speaker: Mr. Acharia, your party has already finished. Please conclude now.

Shri Basu Deb Acharia : The Government was formed on the basis of the Common Minimum Programme.

(Interruptions)

Shri Basu Deb Acharia: What we said was that we did not want anything from this Government. We did not join them even. We had extended our outside support, but what we were demanding that the UPA Government should concentrate on implementation of pro-poor programmes under Common Minimum Programme. In regard to foreign policy, nowhere it has been stated that we will have strategic relations with the United States of America. We are not anti-America. We are not blindly opposing America. We want good relations with America, but there is a difference between good relations and strategic relations. When NDA was in power, they diluted our non-alignment policy. We have seen when Iraq was attacked; I had been to Iraq 15 days before Iraq was attacked. I was there for seven days. When we demanded in this very House to pass a resolution to condemn the attack on Iraq, we had to stall this House at least for three days. Then the resolution was adopted, for the first time, in language of Hindi, and not in English. The word 'condemn' was not used, but the word 'deplore' was used.

Sir, when Shri Atal Bihari Vajpayee was the Prime Minister of India, he agreed to send troops to Iraq. At that time, the Congress Party and the Left Parties were in the Opposition and because of our opposition he could not send troops to Iraq. So, we had the apprehension. Although strategic relation was mentioned in the Draft Common Minimum Programme, we did not agree to it and then it was removed from it.

Mr. Deputy-Speaker: Please conclude now.

Shri Basu Deb Acharia: Sir, I am coming to the main point.

Mr. Deputy-Speaker: You have taken more time. What can I do?

Shri Basu Deb Acharia: Sir, everybody has spoken for half-an-hour. Please give me 7-8 minutes. I will finish.

Mr. Deputy-Speaker: No, I am giving you only two or three minutes more. You conclude within that time.

Shri Basu Deb Acharia: Sir, it was stated in the Common Minimum Programme:

"The UPA Government will pursue an independent foreign policy, keeping in mind its past traditions. This policy will seek to promote multi-polarity in world relations and oppose all attempts at unilateralism.

The UPA Government will give the highest priority to building closer political, economic and other ties..."

The phrase 'strategic relation' has been mentioned nowhere in the Common Minimum Programme.

Sir, when the Joint Statement of Dr. Manmohan Singh and Mr. George Bush was made, the dialogue process started and there was an attempt to have strategic relations with the United States of America. At that time, what did we find? We found that in the case of Iran, not once, but twice the representative of the Government of India, at the behest of USA, voted against Iran. Our representative supported the Resolution moved by USA. At that time, there was a widespread protest throughout the country in Mumbai, Lucknow and other places. In Lucknow, a huge rally was organized in which the Samajwadi Party President Shri Mulayam Singh Yadav and leaders of Left Parties participated and addressed the rally. I have the

copy of the fiery speech of Shri Mulayam Singh Yadav. What happened to this party now?

(Interruptions)

Mr. Speaker: Mr. Basu Deb Acharia, you address the Chair and please try to conclude quickly.

Shri Basu Deb Acharia: When this nuclear deal was conceived and the draft of the Hyde Act was prepared, we expressed nine concerns. It is a fact that while replying to the debate in the Rajya Sabha - there was a debate in this House also on a subsequent date - the Prime Minister gave an assurance that all our concerns would be properly addressed. The Hyde Act was enacted in December, 2006. What we found was that our hopes were belied.

The assurances went haywire. Then subsequently a mechanism was evolved. A joint committee was formed. What was the outcome of the joint committee? The resolution which was adopted in the first meeting of the Left-UPA joint committee was that the operationalisation of the Deal would depend on the outcome of the findings of this committee.

I would like to know from the hon. Prime Minister whether the committee has come to any conclusion. How could the Committee come to any conclusion? On 16th of November, there was a written understanding that the Government wanted to go to the IAEA to start negotiations and it was assured that the Government would proceed only after the text of the Agreement is placed before the committee and if the committee agrees, then only the government would go to IAEA and then NSG.

Mr. Deputy Speaker: Thank you.

Shri Basu Deb Acharia: Sir, I have not completed.

Mr. Deputy-Speaker: What can I do? You have taken more than sufficient time.

(Interruptions)

Shri Basu Deb Acharia: When the committee met in the month of June, the Agreement was not shown to the committee. Without showing the text of the Agreement, how can the committee come to any conclusion? The committee was told that it was a classified document. The same day, from the IAEA, it was stated that there was no restriction and the Government can circulate this text.

On 8th July, in a Press Conference, the hon. External Affairs Minister stated that the Government would not go to IAEA before it takes the vote of confidence. The day he made the statement, the Prime Minister announced and the Government went to the IAEA. If this is not betrayal, then what is this? This is not only a betrayal and insult to us but also to the nation.

What is being said here? *Shri Laluji said, we need power. I want to know, what amount of power we will get. Ramgopalji said we have coal deposits for 30 years. We have 230 billion tonnes of proven deposit. It will continue for 200 years.*

Yesterday the External Affairs Minister said we don't have enough ports to import from abroad. By the end of Twelfth Five Year Plan, we have to import only 71 million tonnes. Shri Pranab Mukherjee said yesterday that we will have deficit of 4 lakh MW of electricity by 2030. How can this deficit of 4 lakh MW be reduced to 30,000 MW with only 40,000 MW of nuclear power? We will have to spend \$ 200 billion.

We are comparing with China. I will have to reply to what they have said. They said - it is a very serious thing - that we are opposing the deal at the behest of China... *(Interruptions)*

Mr. Deputy-Speaker: Will you conclude or not?

Shri Basu Deb Acharia: When China pressurized us to sign NPT, to sign CTBT, we opposed it. Our Party, the Communist Party of India (Marxist), opposed it. We said that NPT and CTBT are discriminatory; we cannot agree to that.... *(Interruptions)*

Mr. Deputy-Speaker: Now, nothing will go on record.

*(Interruptions) ...**

(Text in italics is translated from Hindi)



109. Extract from the Speech of Prime Minister Dr. Manmohan Singh -- Reply to the debate in the Lok Sabha on the Motion of Confidence in the Council of Ministers.

New Delhi, July 22, 2008.

* * * *

I say in all sincerity that this session and debate was unnecessary because I have said on several occasions that our nuclear agreement after being endorsed by the IAEA and the Nuclear Suppliers Group would be submitted to this august House for expressing its view. All I had asked our Left colleagues was: please allow us to go through the negotiating process and I will come to Parliament before operationalising the nuclear agreement. This simple courtesy which is essential for orderly functioning of any Government worth the name, particularly with regard to the conduct of foreign policy, they were not willing to grant me. They wanted a veto over every single step of negotiations which is not acceptable. They wanted me to behave as their bonded slave. The nuclear agreement may not have been mentioned in the Common Minimum Programme. However, there was an explicit mention of the need to develop closer relations with the USA but without sacrificing our independent foreign policy. The Congress Election Manifesto had explicitly referred to the need for strategic engagement with the USA and other great powers such as Russia.

In 1991, while presenting the Budget for 1991-92, as Finance Minister, I had stated: No power on earth can stop an idea whose time has come. I had then suggested to this august House that the emergence of India as a major global power was an idea whose time had come.

Carrying forward the process started by Shri Rajiv Gandhi of preparing India for the 21st century, I outlined a far reaching programme of economic reform whose fruits are now visible to every objective person. Both the Left and the BJP had then opposed the reform. Both had said we had mortgaged the economy to America and that we would bring back the East India Company. Subsequently both these parties have had a hand at running the Government. None of these parties have reversed the direction of economic policy laid down by the Congress Party in 1991. The moral of the story is that political parties should be judged not by what they say while in opposition but by what they do when entrusted with the responsibilities of power.

I am convinced that despite their opportunistic opposition to the nuclear agreement, history will compliment the UPA Government for having taken another giant step forward to lead India to become a major power centre of the evolving global economy. Jawaharlal Nehru's vision of using atomic energy as a major instrument of development will become a living reality.

What is the nuclear agreement about? It is all about widening our development options, promoting energy security in a manner which will not hurt our precious environment and which will not contribute to pollution and global warming.

India needs to grow at the rate of at least ten per cent per annum to get rid of chronic poverty, ignorance and disease which still afflict millions of our people. A basic requirement for achieving this order of growth is the availability of energy, particularly electricity. We need increasing quantities of electricity to support our agriculture, industry and to give comfort to our householders. The generation of electricity has to grow at an annual rate of 8 to 10 per cent.

Now, hydro-carbons are one source of generating power and for meeting our energy requirements. But our production of hydro-carbons both of oil and gas is far short of our growing requirements. We are heavily dependent on imports. We all know the uncertainty of supplies and of prices of imported hydro-carbons.

We have to diversify our sources of energy supply.

We have large reserves of coal but even these are inadequate to meet all our needs by 2050. But more use of coal will have an adverse impact on pollution and climate. We can develop hydro-power and we must. But many of these projects hurt the environment and displace large number of people. We must develop renewable sources of energy particularly solar energy. But we must also make full use of atomic energy which is a clean environment friendly source of energy. All over the world, there is growing realization of the importance of atomic energy to meet the challenge of energy security and climate change.

India's atomic scientists and technologists are world class. They have developed nuclear energy capacities despite heavy odds. But there are handicaps which have adversely affected our atomic energy programme. First of all, we have inadequate production of uranium. Second, the quality of our uranium resources is not comparable to those of other producers.

Third, after the Pokharan nuclear test of 1974 and 1998 the outside world has imposed embargo on trade with India in nuclear materials, nuclear equipment and nuclear technology. As a result, our nuclear energy programme has suffered. Some twenty years ago, the Atomic Energy Commission had laid down a target of 10000 MW of electricity generation by the end of the twentieth century. Today, in 2008 our capacity is about 4000 MW and due to shortage of uranium many of these plants are operating at much below their capacity.

The nuclear agreement that we wish to negotiate will end India's nuclear isolation, nuclear apartheid and enable us to take advantage of international trade in nuclear materials, technologies and equipment. It will open up new opportunities for trade in dual use high technologies opening up new pathways to accelerate industrialization of our country. Given the excellent quality of our nuclear scientists and technologists, I have reasons to believe that in a reasonably short period of time, India would emerge as an important exporter of nuclear technologies, and equipment for civilian purposes.

When I say this I am reminded of the visionary leadership of Shri Rajiv Gandhi who was a strong champion of computerization and use of information technologies for nation building. At that time, many people laughed at this idea. Today, information technology and software is a sunrise industry with an annual turnover soon approaching 50 billion US dollars. I venture to think that our atomic energy industry will play a similar role in the transformation of India's economy.

The essence of the matter is that the agreements that we negotiate with USA, Russia, France and other nuclear countries will enable us to enter into international trade for civilian use without any interference with our strategic nuclear programme. The strategic programme will continue to be developed at an autonomous pace determined solely by our own security perceptions. We have not and we will not accept any outside interference or monitoring or supervision of our strategic programme. Our strategic autonomy will never be compromised. We are willing to look at possible amendments to our Atomic Energy Act to reinforce our solemn commitment that our strategic autonomy will never be compromised.

I confirm that there is nothing in these agreements which prevents us from further nuclear tests if warranted by our national security concerns. All that we are committed to is a voluntary moratorium on further testing. Thus the nuclear agreements will not in any way affect our strategic autonomy. The

cooperation that the international community is now willing to extend to us for trade in nuclear materials, technologies and equipment for civilian use will be available to us without signing the NPT or the CTBT.

This I believe is a measure of the respect that the world at large has for India, its people and their capabilities and our prospects to emerge as a major engine of growth for the world economy. I have often said that today there are no international constraints on India's development. The world marvels at our ability to seek our social and economic salvation in the framework of a functioning democracy committed to the rule of law and respect for fundamental human freedoms. The world wants India to succeed. The obstacles we face are at home, particularly in our processes of domestic governance.

I wish to remind the House that in 1998 when the Pokharan II tests were undertaken, the Group of Eight leading developed countries had passed a harsh resolution condemning India and called upon India to sign the NPT and CTBT. Today, at the Hokkaido meeting of the G-8 held recently in Japan, the Chairman's summary has welcomed cooperation in civilian nuclear energy between India and the international community. This is a measure of the sea change in the perceptions of the international community our trading with India for civilian nuclear energy purposes that has come about in less than ten years.

Our critics falsely accuse us, that in signing these agreements, we have surrendered the independence of foreign policy and made it subservient to US interests. In this context, I wish to point out that the cooperation in civil nuclear matters that we seek is not confined to the USA. Change in the NSG guidelines would be a passport to trade with 45 members of the Nuclear Supplier Group which includes Russia, France, and many other countries.

We appreciate the fact that the US has taken the lead in promoting cooperation with India for nuclear energy for civilian use. Without US initiative, India's case for approval by the IAEA or the Nuclear Suppliers Group would not have moved forward.

But this does not mean that there is any explicit or implicit constraint on India to pursue an independent foreign policy determined by our own perceptions of our enlightened national interest. Some people are spreading the rumours that there are some secret or hidden agreements over and above the documents made public. I wish to state categorically that there

are no secret or hidden documents other than the 123 agreement, the Separation Plan and the draft of the safeguard agreement with the IAEA. It has also been alleged that the Hyde Act will affect India's ability to pursue an independent foreign policy. The Hyde Act does exist and it provides the US administration the authorization to enter into civil nuclear cooperation with India without insistence on full scope safeguards and without signing of the NPT. There are some prescriptive clauses but they cannot and they will not be allowed to affect in any way the conduct of our foreign policy. Our commitment is to what has been agreed in the 123 Agreement. There is nothing in this Agreement which will affect our strategic autonomy or our ability to pursue an independent foreign policy. I state categorically that our foreign policy, will at all times be determined by our own assessment of our national interest. This has been true in the past and will be true in future regarding our relations with big powers as well as with our neighbours in West Asia, notably Iran, Iraq, Palestine and the Gulf countries.

We have differed with the USA on their intervention in Iraq. I had explicitly stated at a press conference at the National Press Club in Washington DC in July 2005 that intervention in Iraq was a big mistake. With regard to Iran, our advice has been in favour of moderation and we would like that the issues relating to Iran's nuclear programme which have emerged should be resolved through dialogue and discussions in the framework of the International Atomic Energy Agency.

I should also inform the House that our relations with the Arab world are very good. Two years ago, His Majesty, King Abdullah of Saudi Arabia was the Chief Guest at our Republic Day. More recently, we have played host to the President of Iran, President of Syria, the King of Jordan, the Emir of Qatar and the Emir of Kuwait. With all these countries we have historic civilisational and cultural links which we are keen to further develop to our mutual benefit. Today, we have strategic relationship with all major powers including USA, Russia, France, UK, Germany, Japan, China, Brazil, Nigeria and South Africa. We are Forging new partnerships with countries of East Asia, South East Asia and Africa.

CONCLUSION

The Management and governance of the world's largest, most diverse and most vibrant democracy is the greatest challenge any person can be entrusted with, in this world. It has been my good fortune that I was entrusted with this challenge over four years ago. I thank with all sincerity the Chairperson of the UPA, the leaders of the Constituent Parties of the UPA

and every member of my Party for the faith and trust they reposed in me. I once again recall with gratitude the guidance and support I have received from Shri Jyoti Basu and Sardar Harkishen Singh Surjeet.

I have often said that I am a politician by accident. I have held many diverse responsibilities. I have been a teacher, I have been an official of the Government of India, I have been a member of this greatest of Parliaments, but I have never forgotten my life as a young boy in a distant village.

Every day that I have been Prime Minister of India I have tried to remember that the first ten years of my life were spent in a village with no drinking water supply, no electricity, no hospital, no roads and nothing that we today associate with modern living. I had to walk miles to school, I had to study in the dim light of a kerosene oil lamp. This nation gave me the opportunity to ensure that such would not be the life of our children in the foreseeable future.

Sir, my conscience is clear that on every day that I have occupied this high office, I have tried to fulfill the dream of that young boy from that distant village.

The greatness of democracy is that we are all birds of passage! We are here today, gone tomorrow! But in the brief time that the people of India entrust us with this responsibility, it is our duty to be honest and sincere in the discharge of these responsibilities. As it is said in our sacred texts, we are responsible for our actions and we must act without coveting the rewards of such action. Whatever I have done in this high office I have done so with a clear conscience and the best interests of my country and our people at heart. I have no other claims to make.



110. Interview of External Affairs Minister Pranab Mukherjee with Amit Baruah of the daily *Hindustan Times*.

New Delhi, July 23, 2008.

(External Affairs Minister Pranab Mukherjee looked relaxed during the course of an exclusive interview with HT's Amit Baruah after Tuesday's confidence vote. He was hopeful, but cautious about India completing the rest of the steps in implementing the civil nuclear deal with the United States. Excerpts:)

Will the Nuclear Suppliers Group prove a tougher nut to crack than getting the confidence vote through Parliament as far as the civil nuclear deal is concerned?

Parliament was difficult in the sense because there was a combination of all (issues)...but it became easier with the withdrawal of the Left Parties. Within an hour, the Samajwadi Party extended its support to the UPA government. But then we did simple arithmetic and found out that the government has a majority. But efforts were made; we were keeping our fingers crossed that everything goes through.

But, NSG is definitely more difficult in the sense that consensus is needed and 45 countries are there. Some of them have very strong belief in non-proliferation; not any other reason.

With every (NSG) country, India has excellent relations, but some have strong ideological positions - their total opposition to any expansion of nuclear weapons' states - whether de facto or de jure.

We will have to overcome this. It will take time, but with the cooperation of our friends, we should be able to overcome this hurdle.

When do you think the NSG might convene a meeting?

It's difficult for me to provide an exact time schedule, but if on August 1 we receive the approval of the IAEA board of governors, then after the declaration of documentation and other things, some of our friendly countries will have to move the NSG for amending the guidelines so that India can participate in international trade in nuclear materials. I think it may take one or two meetings.

But you are hopeful?

We are trying to do our best. In all 45 (NSG) countries, our missions are active...there are regular channels of foreign office consultations. Some bilateral visits are also taking place.

Will you be able to convince NSG countries that the 123 agreement is only for civil nuclear cooperation?

That is our effort. What are we saying? Let us be plain and simple. As far as your cooperation is concerned, it is totally for peaceful purposes. We will not misuse it - our (non-proliferation) record is impeccable.

Though we are not signatories to the Nuclear Non-proliferation Treaty, all the vital obligations of the NPT have been voluntarily accepted and implemented by us since 1974.

Through our indigenous efforts, we have developed (our nuclear capability). And, we did not go through the AQ Khan route. At the same time, we enforced strict controls...there is no nuclear trade with any country.

But, as far as our strategic programmes are concerned, it will depend on our threat perception. And, this is our threat perception, not that of others. A sovereign country formulates its own perceptions and, accordingly, it formulates policies, programmes and implements these.

There (in the strategic programme), we will neither seek any assistance, nor do we expect any assistance from anyone.

We want a clean exemption from the NSG. Suppose, the Group says that India's nuclear trade would be ended should it test another nuclear device?

All this are hypothetical questions. We want a clean exemption because (in) certain areas, for instance in the 123 and the India-specific safeguards' agreement texts, we made it quite clear that there is no reference to the Hyde Act or any other prescriptive provisions...

We have clear perceptions of what we mean by 'clean'. Unless we get the other sides' story, how can I react to it?

Do India and the United States need to formally sign the 123 agreement?

Formal signature will be required. The (123) text has been frozen; the US will have to finalise the Presidential declaration. Then, in their Congressional

programme, it will be an up or down resolution.

So, there will not be much debate - there will be either rejection or acceptance. But it will depend on them. After this, the question of formal signatures will arise.

Under the 123 agreement, India will have to negotiate an additional protocol with the IAEA. Will that process start soon?

How can it start soon? We will have to go stage by stage.

Will India now be able to move forward on issues like the defence logistics supply agreement that had been put on hold on account of opposition by the Left parties?

Every issue is independent. One need not be linked with the other; nothing was held back because of political compulsions. Sure, we tried our best to carry conviction with our colleagues in the Left parties because they were our valued supporters.

But, at the same time, there are some issues the government of the day decides. These issues have been discussed on a number of occasions. We have our own perceptions. And, that is an area where there is divergence of views. Unless divergence is brought to convergence, these issues cannot be sorted out immediately.



111. Press Release of the High Commission of India in Pretoria on the visit of Minister of State Anand Sharma to South Africa as Special Envoy of the Prime Minister to canvass support for Civil Nuclear Energy Cooperation initiative.

Pretoria, July 29, 2008.

Mr. Anand Sharma, Minister of State for External Affairs, arrived in South Africa today (29 July) as the Special Envoy of the Prime Minister of India to garner support for the civil nuclear cooperation initiative. In this context, he called on H.E. Mr. Thabo Mbeki, President of the Republic of South Africa, at the Presidential Residence in Pretoria this evening. The meeting assumes significance in view of the forthcoming IAEA Board of Governors meeting on August 1, 2008.

2. Minister Sharma handed over a letter from Prime Minister Dr. Manmohan Singh to President Mbeki. They had a wide-ranging discussion on bilateral relations in general and the civil nuclear cooperation initiative in particular. They also discussed President Mbeki's forthcoming state visit to India during the 3rd IBSA Summit in October 2008.
3. Minister Sharma sought South Africa's support in light of India's historic relationship with South Africa and multi-sectoral strategic partnership between the two countries. The President assured the Special Envoy of South Africa's support and complete understanding of India's quest for energy security and reiterated the stated position with respect to the matters before the IAEA Board as well as the Nuclear Suppliers Group(NSG).
4. Minister Sharma is covering four major African countries as the Special Envoy of the Indian Prime Minister. Earlier this week we had secured similar assurances of support from President John Kufuor of Ghana and President Umaru Yar'Adua of Nigeria. Later this week he is scheduled to meet Prime Minister Meles Zenawi of Ethiopia.



112. Introductory Statement by the Director General, IAEA to the Board of Governors of the IAEA.

Vienna, August 1, 2008.

I am pleased to put before you the draft Agreement with the Government of India for the Application of Safeguards to Civilian Nuclear Facilities. As the Secretariat has already provided an extensive briefing on this, I will emphasize just a few points.

The text before you is an INFCIRC/66-type safeguards agreement based on the Agency's standard safeguards practices and procedures. These 66-type agreements are not comprehensive or full-scope safeguards agreements. They are concluded in accordance with Article III.A.5 of the Agency's Statute and provide for the application of safeguards to specific facilities or other relevant items. In the case of the draft before you, it is an "umbrella agreement", which provides for any facility notified by India to the Agency in the future to become subject to safeguards. The draft also envisages the possibility of applying current Agency safeguards in India under this new agreement by suspending, subject to agreement by the relevant parties, the application of safeguards under existing agreements. The "umbrella" nature of this agreement provides a more efficient mechanism for ensuring that safeguards requirements can be met. It satisfies India's needs while maintaining all the Agency's legal requirements. Such an "umbrella" approach could also be used for the conclusion of other 66-type safeguards agreements. As you can see from India's Plan, which has been circulated for the information of all IAEA Member States, a total of 14 reactors are envisaged to come under Agency safeguards by 2014. I should note that the Agency already applies safeguards to six of these 14 reactors under existing 66 type agreements with India. We expect to start implementing the agreement at new facilities in 2009. Facilities will be notified by India to the Agency in stages and the Secretariat will keep you informed when facilities are submitted for safeguards.

As with other safeguards agreements between the Agency and Member States, the agreement is of indefinite duration. There are no conditions for the discontinuation of safeguards other than those provided by the safeguards agreement itself. The termination provisions contained in the agreement are the same as for other 66-type agreements. Naturally - as with all safeguards agreements - this agreement is subject to the general rules of international law. Therefore, the agreement should be read as an

integral whole. The preamble provides for contextual background and safeguards are implemented in accordance with the terms of the agreement.

Finally, I should note that India and the IAEA have already begun discussions on an additional protocol to the draft safeguards agreement.

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**113. Press Statement of Director General of the IAEA
Mohamed ElBaradei after the adoption of the India
Safeguards Agreement.**

Vienna, August 1, 2008.

"The Board of Governors this afternoon adopted by consensus the agreement to apply safeguards to civilian nuclear facilities in India. I believe the agreement is good for India, is good for the world, is good for non-proliferation, is good for our collective effort to move towards a world free from nuclear weapons. What the agreement does is bring India closer to the debate on our ultimate goal, which is the goal of the Nuclear Non-Proliferation Treaty (NPT) - to establish a world free from nuclear weapons.

"I have always maintained that if we were to move forward toward strengthening non-proliferation to reduce the nuclear weapons arsenal, toward moving to a world free from nuclear weapons, that dialogue has to be universal and inclusive. We cannot exclude from that debate India or Pakistan or Israel - the three countries who remain outside the NPT. These represent 20% of the world's population and they have to be included.

"India committed itself to harmonize its laws on export controls with those of the supplier group. That's very important because one of our main goals continues to be that nuclear material will not fall into the wrong hands.

"India has 1.1 billion people. They need a tremendous amount of electricity for development. India is the fifth largest consumer of energy, and will be the third largest consumer of energy by 2030. The option of not making full use of nuclear energy is to continue to rely even more heavily on coal and gas and oil, with the impact of course on climate change. Allowing India to make full use of nuclear energy and state of the art technology, is also

again good for the world. It ensures safety, security and development.

"I look at the agreement from a big picture, and the big picture is that I hope the agreement will reignite the debate on nuclear disarmament. It would hopefully create a new environment of partnership - and not of isolation - that will bring India together. A concrete result of that would be a comprehensive moratorium by all States that have nuclear weapons not to test at any time in the future, until the Comprehensive Test-Ban Treaty comes into force, which I hope will happen soon.

"I hope it will also lead to a moratorium on production of any nuclear material for weapons purposes, until we have the Fissile Material Cut-off Treaty in force.

"The India Safeguards Agreement could have, if properly implemented, a lot of positive implications, development implications, security implications, non-proliferation implications, and arms control implications. I have been supporting the agreement from day one and am very happy today that I see that my judgment has been certified by the Board in approving the agreement by consensus."



114. Statement by Prime Minister Dr. Manmohan Singh on the decision of the IAEA Board of Governors to approve the India Specific Safeguards Agreement.

Colombo¹, August 1, 2008.

I am delighted to hear that the IAEA Board of Governors has decided today by consensus to approve the India Specific Safeguards Agreement. This is an important day for India, and for our civil nuclear initiative for the resumption of India's cooperation with our friends abroad.

The civil nuclear initiative is good for India and good for the world. As we move forward towards our goal of sustainable development and energy security, the peaceful uses of atomic energy will play an increasingly important role.

I am grateful to the members of the IAEA Board of Governors, to our partners and friends abroad, and in particular, to the USA, for making this important step in the IAEA possible.

The DG of the IAEA, Dr. El Baradei, has played a significant role and we look forward to working with him and his Agency in implementing this agreement.

I am deeply appreciative of the historic significance of this milestone in our cooperation with the IAEA and the international community in peaceful uses of atomic energy.



1 The Prime Minister was in Colombo in connection with the SAARC Summit.

115. Extract relevant to Civil Nuclear Energy Cooperation Agreement with the U.S from the Media Briefing by Foreign Secretary Shivshankar Menon at the SAARC Summit in Colombo after the Board of Governors of the IAEA had approved the India Safeguards Agreement.

Colombo, August 1, 2008.

(At the outset the Foreign Secretary read the Prime Minister's statement - Please see Document No.114.)

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Question: Now that India has crossed this important milestone in the IAEA, how difficult is the next step at the NSG.....

Foreign Secretary: Well, I can only say that we will give it our best effort just as we did at each stage of this process. I think we are convinced that what we are doing is, as Prime Minister has said good for India, good for the world. Therefore, we will do our best to see that we move through the next steps in the future.

Question: What constitutes clean exemption at NSG.....unconditional exemption?

Foreign Secretary: I think we have made it clear that what we would expect in order to move forward is a clean, unconditional exemption. I don't want to get into, you know, what would constitute clean, whether this clean means any other word which you might find. But, we have been consistent in saying this right through. Quite frankly, for us, the exemption is important because this would enable us to resume full civil nuclear cooperation with the rest of the world, with members of the NSG and we are looking forward to that prospect.

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Question: Germany has called a meeting of the NSG in Vienna. Can you confirm that and after that what are the next steps?

Foreign Secretary: I can't confirm because we are not NSG members. So nobody sends us the notice. But the fact is yes we hear from the NSG members that a plenary meeting of the NSG has been called on 21st/22nd of August. We are not in the room, by the way, we are not members of the

NSG, so, that is why I don't want to confirm it formally. But, the fact is, yes, we believe a meeting has been called and that they will consider the exemption for India. We will work with the NSG members. We have been in touch with them now for some time, as you know and we will work with them to try and get a clean, unconditional exemption. Thereafter, once the NSG clears we look forward to entering into the specific detailed agreements that we will need to do with individual partner countries whether they are inter-governmental agreements like the 123 with the US which needs US domestic processes to be complete which includes Congress or whether there are inter-governmental agreements with other States who are willing to work with us in this area. And then, after that, the next step is really the actual contracts for material, equipment, reactors whatever. So, there is a fair amount of detailing still to be done in this process before you actually come to the stage of placing a commercial order and shipping it. What we are doing here is creating the international enabling environment within which such transfers can take place. One big step has been taken today in having a Safeguards Agreement which is an umbrella agreement into which we can bring various arrangements that we will enter into with our partners. The NSG would be the next big step.

Question: Is the meeting in Vienna?

Foreign Secretary: I am not sure. I will check and let you know.

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116. Media¹ Report on the Statement made by the Chairman of the Atomic Energy Commission Anil Kakodkar at the IAEA after the adoption of the Safeguard Agreement with India.

Vienna, August 1, 2008.

In a statement right after the Indian safeguards agreement was approved by the Board of Governor of the IAEA, Atomic Energy Commission Chairman Anil Kakodkar pledged India's support to the further strengthening of the IAEA's role "in promoting international cooperation and the peaceful use of nuclear energy."

India, he said, "looked forward to cooperating with the Agency to facilitate the implementation of [the safeguards] agreement in accordance with the provisions of this agreement which, as the Director-General has pointed out, should be read as an integral whole."

Dr. Kakodkar noted that the safeguards text approved had been negotiated by India and the IAEA "also using the guidance documents adopted by the Board for the purposes of concluding and implementing Infcirc/66 type agreements."

The safeguards agreement "speaks for itself," he said, adding, "we see no difficulty in implementing this agreement on the basis of what is stated therein." India, he stressed, "will implement this agreement in strict accordance with its provisions."

Describing India's capabilities in the civilian nuclear sphere, the chairman said nuclear energy had an important role to play in fulfilling the country's long-term need for electricity.

He also stressed the positive impact India would have on the global climate change once the doors for international civilian nuclear cooperation were opened for it. "We live in an interdependent world and we share the common global concerns on the need to tackle the problem of greenhouse gas emissions and global warming. Nuclear energy, which is recognised today as a clean and environmentally-friendly source of energy that can meet

1 The report is based on the report carried by *the Hindu* on August 2, 2008.

the twin challenges of sustainability and climate change, is indispensable to addressing our common energy future."²



2 The next day Dr. Kakodkar in an interview to *the Hindu* while still in Vienna, described the "clean and unconditional exemption" from the Nuclear Suppliers Group as being of "crucial importance" to the successful implementation of the Indo-U.S. nuclear agreement. Any conditions to the contrary "would literally take away with one hand what has been given with the other." The NSG "guidelines apply to non-nuclear weapons states (NNWS). So our preference is for the NSG to simply say that these guidelines do not apply to India. If they are unwilling to say that, at a minimum, the requirement of full-scope safeguards and other prescriptive elements in the guidelines that are intended for NNWS must be waived for India." Describing the NSG guidelines as a "weave meant for non-nuclear weapon states," Dr. Kakodkar said there were "references and requirements here and there" and India has to be careful that "such conditions do not come in even indirectly." "If you read the NSG guidelines as a whole, right at the top, it says these prescriptions are for non-nuclear weapons states. There is an enunciation of the requirement that countries must accept full-scope safeguards. There is language about what happens if one of these states tests, there is restrictive language on enrichment and reprocessing (ENR) equipment, and so on." Asked about the sort of conditions India was being asked to accept, the AEC chairman said the U.S. had still not given India its proposals. "Of course, we are very clear that there cannot be any linkage with nuclear tests," he said. India was committed to its voluntary moratorium "but just as in the 123 agreement with the U.S., there cannot be any explicit linkage to nuclear testing as a condition in the NSG," he added. Nor should there be any advice or suggestion that India must join the NPT or accept the conditions that non-nuclear weapon states are subject to. The NSG had to realise India cannot be treated as an NNWS. "I am not interested in labels like the NPT definition of a nuclear weapon state because we are what we are," said Dr. Kakodkar. "But certainly we don't want the other label to be attached to us either." India, Dr. Kakodkar stressed, "should be treated as it is." After all, it has concluded agreements on nuclear commerce with Russia and France, and even with the U.S. "Are any of these elements present in those agreements? So our view is that all these things in the NSG are extraneous. Tomorrow, if the political situation changes, all these things can create difficulties." In the very first draft of proposed changes to the NSG guidelines circulated in March 2006, the U.S. had inserted a line that NSG members would "continue to strive for the earliest possible implementation" of full-scope safeguards on Indian nuclear facilities." That draft, said Dr. Kakodkar, "has been thrown out. It no longer exists." But he expressed concern about the delay in the final framing of the proposed guideline changes. "We don't want a situation where there is some kind of *fait accompli* and we don't have time to examine things." Asked whether India would walk away if the NSG failed to provide a clean and unconditional waiver, Dr. Kakodkar said, "Why not?" He described the India-specific safeguards agreement (ISSA) as something that would remain a useful achievement. We have six reactors that are already under separate safeguards. All of them can be subsumed under the ISSA. And as and when someone wants to cooperate with us, everything else can be brought into this as well. The NSG guidelines are there for the suppliers but if someone wants to trade with India, the ISSA is useful." The safeguards agreement creates a "distinctive class for India," he said, because it is the "first multilateral instrument that recognises there is a nuclear programme in the country which remains outside the civil programme.....So I believe the ISSA is useful by itself, though our intention is not to remain there but to go beyond and start cooperation."

117. Agreement between the Government of India and the International Atomic Energy Agency for the Application of Safeguards to Civilian Nuclear Facilities.

RECOGNIZING the significance India attaches to civilian nuclear energy as an efficient, clean and sustainable energy source for meeting global energy demand, in particular for meeting India's growing energy needs;

WHEREAS India is committed to the full development of its national three-stage nuclear programme to meet the twin challenges of energy security and protection of the environment;

WHEREAS India has a sovereign and inalienable right to carry out nuclear research and development activities for the welfare of its people and other peaceful purposes;

WHEREAS India, a State with advanced nuclear technology, wishes to expand civil nuclear cooperation for its national development;

WHEREAS India is desirous of further expanding cooperation with the International Atomic Energy Agency (hereinafter referred to as "the Agency") and its Member States with the objective of the full development and use of nuclear energy for peaceful purposes, on a stable, reliable and predictable basis;

WHEREAS India supports the role of the Agency in the promotion of the safe and peaceful uses of nuclear energy as set forth in the Statute of the Agency (hereinafter referred to as the "Statute");

WHEREAS India and the Agency have long standing cooperation in various aspects of the Agency's activities;

RECOGNIZING that such cooperation between India and the Agency must be carried out with full respect for the objectives of the Statute and with due observance of the sovereign rights of India;

WHEREAS the Statute authorizes the Agency to apply safeguards, at the request of the parties, to any bilateral or multilateral arrangement, or at the request of a State to any of the State's activities in the field of atomic energy and, in this context:

Noting the relevance for this Agreement of the understandings between India and the United States of America expressed

in the India-U.S. Joint Statement of 18 July 2005, in which India, inter alia, has stated its willingness:

- to identify and separate its civilian and military nuclear facilities and programmes in a phased manner;
- to file with the Agency a declaration regarding its civilian nuclear facilities (hereinafter referred to as "the Declaration");
- to take a decision to place voluntarily its civilian nuclear facilities under Agency safeguards;

Noting also for the purposes of this Agreement that:

- India will place its civilian nuclear facilities under Agency safeguards so as to facilitate full civil nuclear cooperation between India and Member States of the Agency and to provide assurance against withdrawal of safeguarded nuclear material from civilian use at any time;
- An essential basis of India's concurrence to accept Agency safeguards under an India-specific safeguards agreement (hereinafter referred to as "this Agreement") is the conclusion of international cooperation arrangements creating the necessary conditions for India to obtain access to the international fuel market, including reliable, uninterrupted and continuous access to fuel supplies from companies in several nations, as well as support for an Indian effort to develop a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of India's reactors; and
- India may take corrective measures to ensure uninterrupted operation of its civilian nuclear reactors in the event of disruption of foreign fuel supplies;

WHEREAS India is desirous of expanding civil nuclear cooperation with other Member States of the Agency;

WHEREAS the conclusion of this Agreement is intended to facilitate the broadest possible cooperation between India and Member States of the Agency in the peaceful uses of nuclear energy and ensure international participation in the further development of India's civilian nuclear programme on a sustained and long-term basis;

RECALLING that the Agency in accordance with its Statute and safeguards system must take into account, in the implementation of safeguards in India, the need to avoid hampering the peaceful uses of nuclear energy, economic and technological development or international cooperation in the field of peaceful uses of nuclear energy; respect health, safety and physical protection and related security provisions in force in India; and take every precaution to protect commercial, technological and industrial secrets as well as other confidential information coming to its knowledge;

WHEREAS the frequency and intensity of activities described in this Agreement shall be kept to the minimum consistent with the objective of effective and efficient Agency safeguards;

WHEREAS India has requested the Agency to apply safeguards with respect to items subject to this Agreement;

WHEREAS the Board of Governors of the Agency (hereinafter referred to as the "Board") acceded to that request on;

NOW THEREFORE, taking into account the above, India and the Agency have agreed as follows:

I. GENERAL CONSIDERATIONS

A. BASIC UNDERTAKINGS

1. India undertakes that none of the items subject to this Agreement, as defined in paragraph 11, shall be used for the manufacture of any nuclear weapon or to further any other military purpose and that such items shall be used exclusively for peaceful purposes and shall not be used for the manufacture of any nuclear explosive device.
2. The Agency undertakes to apply safeguards, in accordance with the terms of this Agreement, to the items subject to this Agreement, as defined in paragraph 11, so as to ensure, as far as it is able, that no such item is used for the manufacture of any nuclear weapon or to further any other military purpose and that such items are used exclusively for peaceful purposes and not for the manufacture of any nuclear explosive device.

B. GENERAL PRINCIPLES

3. The purpose of safeguards under this Agreement is to guard against withdrawal of safeguarded nuclear material from civilian use at any time.

4. The application of safeguards under this Agreement is intended to facilitate implementation of relevant bilateral or multilateral arrangements to which India is a party, which are essential to the accomplishment of the objective of this Agreement.
5. Bearing in mind Article II of the Statute, the Agency shall implement safeguards in a manner designed to avoid hampering India's economic or technological development, and not to hinder or otherwise interfere with any activities involving the use by India of nuclear material, non-nuclear material, equipment, components, information or technology produced, acquired or developed by India independent of this Agreement for its own purposes.
6. The safeguards procedures set forth in this document shall be implemented in a manner designed to be consistent with prudent management practices required for the economic and safe conduct of nuclear activities.
7. In implementing safeguards, the Agency shall take every precaution to protect commercial and industrial secrets. No member of the Agency's staff shall disclose, except to the Director General and to such other members of the staff as the Director General may authorize to have such information by reason of their official duties in connection with safeguards, any commercial or industrial secret or any other confidential information coming to his knowledge by reason of the implementation of safeguards by the Agency.
8. The Agency shall not publish or communicate to any State, organization or person any information obtained by it in connection with the implementation of safeguards in India, except that:
 - (a) Specific information relating to such implementation in India may be given to the Board and to such Agency staff members as require such knowledge by reason of their official duties in connection with safeguards, but only to the extent necessary for the Agency to fulfil its safeguards responsibilities;
 - (b) Summarized lists of items being safeguarded by the Agency may be published upon decision of the Board; and
 - (c) Additional information may be published upon decision of the Board and if all States directly concerned agree.

9. In the light of Article XII.A.5 of the Statute, safeguards shall continue with respect to produced special fissionable material and to any materials substituted therefor.
10. Nothing in this Agreement shall affect other rights and obligations of India under international law.

II. CIRCUMSTANCES REQUIRING SAFEGUARDS

A. ITEMS SUBJECT TO THIS AGREEMENT

11. The items subject to this Agreement shall be:
 - (a) Any facility listed in the Annex to this Agreement, as notified by India pursuant to paragraph 14(a) of this Agreement;
 - (b) Any nuclear material, non-nuclear material, equipment and components supplied to India which are required to be safeguarded pursuant to a bilateral or multilateral arrangement to which India is a party;
 - (c) Any nuclear material, including subsequent generations of special fissionable material, produced, processed or used in or by the use of a facility listed in the Annex or in or by the use of any nuclear material, non-nuclear material, equipment and components referred to in paragraph 11(b);
 - (d) Any nuclear material substituted in accordance with paragraph 27 or 30(d) of this Agreement for nuclear material referred to in paragraph 11(b) or 11(c) of this Agreement;
 - (e) Any heavy water substituted in accordance with paragraph 32 of this Agreement for heavy water subject to this Agreement;
 - (f) Any facility other than a facility identified in paragraph 11(a) above, or any other location in India, while producing, processing, using, fabricating or storing any nuclear material, non-nuclear material, equipment or components referred to in paragraph 11(b), (c), (d) or (e) of this Agreement, as notified by India pursuant to paragraph 14(b) of this Agreement.
12. The scope of this Agreement is limited to the items subject to this Agreement as defined in paragraph 11 above.

Declaration

13. Upon entry into force of this Agreement, and a determination by India that all conditions conducive to the accomplishment of the objective of this Agreement are in place, India shall file with the Agency a Declaration, based on its sovereign decision to place voluntarily its civilian nuclear facilities under Agency safeguards in a phased manner.

Notifications

14.
 - (a) India, on the basis of its sole determination, shall notify the Agency in writing of its decision to offer for Agency safeguards a facility identified by India in the Declaration referred to in paragraph 13, or any other facility to be determined by India. Any facility so notified by India to the Agency will be included in the Annex, and become subject to this Agreement, as of the date of receipt by the Agency of such written notification from India.
 - (b) Should India, on the basis of its sole determination, decide to import or transfer any nuclear material, non-nuclear material, equipment or components subject to this Agreement to any facility or other location in India provided for in paragraph 11(f) of this Agreement, it shall so notify the Agency. Any such facility or location so notified by India pursuant to this sub-paragraph shall become subject to this Agreement as of the date of receipt by the Agency of such written notification from India.
15. India shall notify the Agency of the receipt of any nuclear material, non-nuclear material, equipment and components referred to in paragraph 11(b) of this Agreement within four weeks of the arrival in India of such nuclear material, non-nuclear material, equipment and components.

Provision of Information to the Agency

16. In the event that India's notification pursuant to paragraph 14(a) of this Agreement relates to a facility subject to Agency safeguards under another Safeguards Agreement or Agreements in India at the time of entry into force of this Agreement, India shall provide the Agency, along with the relevant notification, such information as is

required pursuant to the other Safeguards Agreement or Agreements as relates to any nuclear material, non-nuclear material, equipment and components subject to safeguards there under.

17. With respect to any other facility listed in the Annex pursuant to paragraph 14(a) of this Agreement, India shall provide the Agency, within four weeks of the relevant notification, with:
 - (a) a list of all nuclear material at each such facility; and
 - (b) where relevant, and if required pursuant to a bilateral or multilateral arrangement to which India is party, information relating to:
 - (i) Any nuclear material, non-nuclear material, equipment and components supplied to India for production , processing, storage or use in such facility;
 - (ii) Any nuclear material, including subsequent generations of special fissionable material, produced, processed or used in or by the use of such facility or in or by the use of any nuclear material, non-nuclear material, equipment and components supplied to India for production, processing or use in such facility.
18. Each notification pursuant to paragraph 15 of the Agreement shall include all information relevant to the nuclear material, non-nuclear material, equipment and components so notified, including the facility or location where the nuclear material, non-nuclear material, equipment and components so notified will be received.
19. The information provided by India pursuant to paragraphs 16, 17 and 18 of this Agreement shall specify, inter alia, to the extent relevant, the nuclear and chemical composition, physical form and quantity of the nuclear material; the date of shipment; the date of receipt; the identity of the consigner and the consignee; and any other relevant information, such as the type and capacity of any facility (or parts thereof), components or equipment; and the type and quantity of non-nuclear material. In the case of a facility or other location subject to this Agreement, the information to be provided shall include the type and capacity of that facility or location, and any other relevant information.

20. India shall thereafter notify the Agency by means of reports, in accordance with this Agreement, of any nuclear material, non-nuclear material, equipment and components referred to in paragraph 11(b), (c), (d) or (e) of this Agreement. The Agency may verify the calculations of the amounts and/or quantities of such nuclear material, non-nuclear material, equipment and components, and appropriate adjustments shall be made by agreement between India and the Agency.
21. The Agency shall maintain an inventory of items subject to this Agreement. The Agency shall send a copy of the inventory it maintains with respect to such information to India every twelve months and also at any other times specified by India in a request communicated to the Agency at least two weeks in advance.

B. SAFEGUARDS UNDER OTHER AGREEMENTS

22. The application of Agency safeguards under other Safeguards Agreements concluded by India with the Agency and in force at the time of entry into force of this Agreement may, subject to agreement by the Parties to such other Safeguards Agreements and following notification by India of the relevant facilities pursuant to paragraph 14(a), be suspended while this Agreement is in force. The application of safeguards under this Agreement to nuclear material, non-nuclear material, equipment or components subject to safeguards under such other Agreements shall commence as of the date of receipt by the Agency of India's notification. India's undertaking not to use items subject thereto in such a way as to further any military purpose, and its undertaking that such items shall be used exclusively for peaceful purposes and shall not be used for the manufacture of any nuclear explosive device, shall continue to apply.

C. EXEMPTIONS FROM SAFEGUARDS

General Exemptions

23. Nuclear material that would otherwise be subject to safeguards shall be exempted from safeguards at the request of India, provided that the material so exempted in India may not at any time exceed:
 - (a) 1 kilogram in total of special fissionable material, which may consist of one or more of the following:

- (i) Plutonium;
- (ii) Uranium with an enrichment of 0.2 (20 %) and above, taken account of by multiplying its weight by its enrichment;
- (iii) Uranium with an enrichment below 0.2 (20 %) and above that of natural uranium, taken account of by multiplying its weight by five times the square of its enrichment;
- (b) 10 metric tons in total of natural uranium and depleted uranium with an enrichment above 0.005 (0.5%);
- (c) 20 metric tons of depleted uranium with an enrichment of 0.005 (0.5 %) or below; and
- (d) 20 metric tons of thorium.

Exemptions Related to Reactors

24. Produced or used nuclear material that would otherwise be subject to safeguards because it is being or has been produced, processed or used in a reactor which has been supplied wholly or substantially under a project agreement, submitted to safeguards under a safeguards agreement by the parties to a bilateral or multilateral arrangement or unilaterally submitted to safeguards under a safeguards agreement; or because it is being or has been produced in or by the use of safeguarded nuclear material, shall be exempted from safeguards if:
 - (a) It is plutonium produced in the fuel of a reactor whose rate of production does not exceed 100 grams of plutonium per year; or
 - (b) It is produced in a reactor determined by the Agency to have a maximum calculated power for continuous operation of less than 3 thermal megawatts, or is used in such a reactor and would not be subject to safeguards except for such use, provided that the total power of the reactors with respect to which these exemptions apply in any State may not exceed 6 thermal megawatts.
25. Produced special fissionable material that would otherwise be subject to safeguards only because it has been produced in or by the use of safeguarded nuclear material shall in part be exempted from

safeguards if it is produced in a reactor in which the ratio of fissionable isotopes within safeguarded nuclear material to all fissionable isotopes is less than 0.3 (calculated each time any change is made in the loading of the reactor and assumed to be maintained until the next such change). Such fraction of the produced material as corresponds to the calculated ratio shall be subject to safeguards.

D. SUSPENSION OF SAFEGUARDS

26. Safeguards with respect to nuclear material may be suspended while the material is transferred, under an arrangement or agreement approved by the Agency, for the purpose of processing, reprocessing, testing, research or development, within India or to any other Member State or to an international organization, provided that the quantities of nuclear material with respect to which safeguards are thus suspended in India may not at any time exceed:
 - (a) 1 effective kilogram of special fissionable material;
 - (b) 10 metric tons in total of natural uranium and depleted uranium with an enrichment 0.005 (0.5 %);
 - (c) 20 metric tons of depleted uranium with an enrichment of 0.005 (0.5 %) or below; and
 - (d) 20 metric tons of thorium.
27. Safeguards with respect to nuclear material in irradiated fuel which is transferred for the purpose of reprocessing may also be suspended if the State or States concerned have, with the agreement of the Agency, placed under safeguards substitute nuclear material in accordance with paragraph 30(d) of this Agreement for the period of suspension. In addition, safeguards with respect to plutonium contained in irradiated fuel which is transferred for the purpose of reprocessing may be suspended for a period not to exceed six months if the State or States concerned have, with the agreement of the Agency, placed under safeguards a quantity of uranium whose enrichment in the isotope uranium-235 is not less than 0.9 (90%) and the uranium-235 content of which is equal in weight to such plutonium. Upon expiration of the said six months or the completion of reprocessing, whichever is earlier, safeguards shall, with the agreement of the Agency, be applied to such plutonium and shall cease to apply to the uranium substituted therefor.

28. Under conditions specified in the Subsidiary Arrangements, the Agency shall suspend safeguards with respect to any parts of the facilities listed in the Annex which are removed for maintenance or repair.

E. TERMINATION OF SAFEGUARDS

29. The termination of safeguards on items subject to this Agreement shall be implemented taking into account the provisions of GOV/1621 (20 August 1973).
30. Nuclear material shall no longer be subject to safeguards under this Agreement after:
- (a) It has been returned to the State that originally supplied it (whether directly or through the Agency), if it was subject to safeguards only by reason of such supply and if:
 - (i) It was not improved while under safeguards; or
 - (ii) Any special fissionable material that was produced in it under safeguards has been separated out, or safeguards with respect to such produced material have been terminated ; or
 - (b) The Agency has determined that:
 - (i) It was subject to safeguards only by reason of its use in a principal nuclear facility which has been supplied wholly or substantially under a project agreement, submitted to safeguards under a safeguards agreement by the parties to a bilateral or multilateral arrangement or unilaterally submitted to safeguards under a safeguards agreement;
 - (ii) It has been removed from such a facility; and
 - (iii) Any special fissionable material that was produced in it under safeguards has been separated out, or safeguards with respect to such produced material have been terminated; or
 - (c) The Agency has determined that it has been consumed, or has been diluted in such a way that it is no longer usable for

any nuclear activity relevant from the point of view of safeguards, or has become practicably irrecoverable; or

- (d) India has, with the agreement of the Agency, placed under safeguards, as a substitute, such amount of the same element, not otherwise subject to safeguards, as the Agency has determined contains fissionable isotopes:

- (i) Whose weight (with due allowance for processing losses) is equal to or greater than the weight of the fissionable isotopes of the material with respect to which safeguards are to terminate; and

- (ii) Whose ratio by weight to the total substituted element is similar to or greater than the ratio by weight of the fissionable isotopes of the material with respect to which safeguards are to terminate to the total weight of such material;

provided that the Agency may agree to the substitution of plutonium for uranium-235 contained in uranium whose enrichment is not greater than 0.05 (5.0 %); or

- (e) It has been transferred out of India under paragraph 33(d) of this Agreement, provided that such material shall again be subject to safeguards if it is returned to India; or

- (f) The terms of this Agreement, pursuant to which it was subject to safeguards under this Agreement, no longer apply, by expiration of this Agreement or otherwise.

31. If India wishes to use safeguarded source material for non-nuclear purposes, such as the production of alloys or ceramics, it shall agree with the Agency on the circumstances under which the safeguards on such material may be terminated.

32. Safeguards shall be terminated on a facility listed in the Annex after India and the Agency have jointly determined that the facility is no longer usable for any nuclear activity relevant from the point of view of safeguards. Safeguards on non-nuclear material, equipment and components subject to this Agreement may be terminated as and when the non-nuclear material, equipment or components have been returned to the supplier or arrangements have been made by the

Agency to safeguard the non-nuclear material, equipment or components in the State to which it is being transferred, or when India and the Agency have jointly determined that the non-nuclear material, equipment or component in question has been consumed, is no longer usable for any nuclear activity relevant from the point of view of safeguards or has become practicably irrecoverable. Safeguards may be terminated on heavy water upon India's placing under safeguards as substitute the same amount of heavy water of equivalent or better heavy water concentration.

F. TRANSFERS

33. No safeguarded nuclear material shall be transferred outside the jurisdiction of India until the Agency has satisfied itself that one or more of the following conditions apply:
- (a) The material is being returned, under the conditions specified in paragraph 30(a) of this Agreement, to the State that originally supplied it; or
 - (b) The material is being transferred subject to the provisions of paragraph 26 or 27 of this Agreement; or
 - (c) Arrangements have been made by the Agency to safeguard the material in the State to which it is being transferred; or
 - (d) The material was not subject to safeguards pursuant to a project agreement and will be subject, in the State to which it is being transferred, to safeguards other than those of the Agency but generally consistent with such safeguards and accepted by the Agency.
34. India shall notify the Agency of its intention to transfer within its jurisdiction any nuclear material, non-nuclear material, equipment or component subject to this Agreement to any facility or location in India to which paragraph 11(f) applies and shall provide to the Agency, before such transfer is effected, the necessary information to enable the Agency to make arrangements for the application of safeguards to such nuclear material, non-nuclear material, equipment or component after its transfer. The Agency shall also be given the opportunity as early as possible in advance of such a transfer to review the design of the facility for the sole purpose of determining that the arrangements provided for in this Agreement can be effectively

applied. India may transfer the nuclear material, non-nuclear material, equipment or component only after the Agency has confirmed that it has made such arrangements.

35. India shall notify the Agency of its intention to transfer any nuclear material, non-nuclear material, equipment or component subject to this Agreement to a recipient which is not under the jurisdiction of India. Except as provided for in paragraph 30(a) of this Agreement, such nuclear material, non-nuclear material, equipment or component shall be so transferred only after the Agency has informed India that it has satisfied itself that Agency safeguards will apply with respect to the nuclear material, non-nuclear material, equipment or component in the recipient country. Upon receipt by the Agency of the notification of transfer from India and the confirmation of receipt by the recipient country, safeguards on such nuclear material, non-nuclear material, equipment or component shall be terminated under this Agreement.
36. The notifications referred to in paragraphs 34 and 35 of this Agreement shall be made to the Agency sufficiently in advance to enable it to make the arrangements required before the transfer is effected. The Agency shall promptly take any necessary action. The time limits for and the contents of these notifications shall be set out in the Subsidiary Arrangements.

III. SAFEGUARDS PROCEDURES

A. GENERAL PROCEDURES

Introduction

37. The safeguards procedures to be applied by the Agency are those specified in this Agreement, as well as such additional procedures as result from technological developments, and other procedures as may be agreed to between the Agency and India. The safeguards procedures set forth below shall be followed, as far as relevant, with respect to any item subject to this Agreement.
38. The Agency shall conclude with India Subsidiary Arrangements concerning the implementation of the safeguards procedures referred to above. The Subsidiary Arrangements shall also include any necessary arrangements for the application of safeguards to any item subject to this Agreement, including such containment and

surveillance measures as are required for the effective implementation of safeguards. The Subsidiary Arrangements shall enter into force no later than six months after entry into force of this Agreement.

Design Review

39. The Agency shall review the design of principal nuclear facilities, for the sole purpose of satisfying itself that a facility will permit the effective application of safeguards.
40. The design review of a principal nuclear facility shall take place at as early a stage as possible. In particular, such review shall be carried out in the case of:
 - (a) An Agency project, before the project is approved;
 - (b) A bilateral or multilateral arrangement under which the responsibility for administering safeguards is to be transferred to the Agency, or an activity or facility unilaterally submitted by India, before the Agency assumes safeguards responsibilities with respect to the facility;
 - (c) A transfer of safeguarded nuclear material to a principal nuclear facility whose design has not previously been reviewed, before such transfer takes place; and
 - (d) A significant modification of a principal nuclear facility whose design has previously been reviewed, before such modification is undertaken.
41. To enable the Agency to perform the required design review, India shall submit to it relevant design information sufficient for the purpose, including information on such basic characteristics of the principal nuclear facility as may bear on the Agency's safeguards procedures. The Agency shall require only the minimum amount of information and data consistent with carrying out its responsibility under this section. It shall complete the review promptly after the submission of this information by India and shall notify the latter of its conclusions without delay.
42. If the Agency wishes to examine design information which India regards as sensitive, the Agency shall, if India so requests, conduct the examination on premises in India. Such information should not

be physically transmitted to the Agency provided that it remains readily available for examination by the Agency in India.

Records

43. India shall arrange for the keeping of records with respect to principal nuclear facilities and also with respect to all safeguarded nuclear material outside such facilities. For this purpose India and the Agency shall agree on a system of records with respect to each facility and also with respect to such material, on the basis of proposals to be submitted by India in sufficient time to allow the Agency to review them before the records need to be kept.
44. All records shall be kept in English.
45. The records shall consist, as appropriate, of:
 - (a) Accounting records of all safeguarded nuclear material; and
 - (b) Operating records for principal nuclear facilities.
46. All records shall be retained for at least two years.

Reports

General Requirements

47. India shall submit to the Agency reports with respect to the production, processing and use of safeguarded nuclear material in or outside principal nuclear facilities. For this purpose, India and the Agency shall agree on a system of reports with respect to each facility and also with respect to safeguarded nuclear material outside such facilities, on the basis of proposals to be submitted by India in sufficient time to allow the Agency to review them before the reports need to be submitted. The reports need include only such information as is relevant for the purpose of safeguards.
48. All reports shall be submitted in English.

Routine Reports

49. Routine reports shall be based on the records compiled in accordance with paragraphs 43 to 46 of this Agreement and shall consist, as appropriate, of:

- (a) Accounting reports showing the receipt, transfer out, inventory and use of all safeguarded nuclear material. The inventory shall indicate the nuclear and chemical composition and physical form of all material and its location on the date of the report; and
 - (b) Operating reports showing the use that has been made of each principal nuclear facility since the last report and, as far as possible, the programme of future work in the period until the next routine report is expected to reach the Agency.
50. The first routine report shall be submitted as soon as:
- (a) There is any safeguarded nuclear material to be accounted for; or
 - (b) The principal nuclear facility to which it relates is in a condition to operate.

Progress in Construction

51. The Agency may request information as to when particular stages in the construction of a principal nuclear facility have been or are to be reached.

Special Reports

52. India shall report to the Agency without delay:
- (a) If any unusual incident occurs involving actual or potential loss or destruction of, or damage to, any safeguarded nuclear material or principal nuclear facility;
 - (b) If there is good reason to believe that safeguarded nuclear material is lost or unaccounted for in quantities that exceed the normal operating and handling losses that have been accepted by the Agency as characteristic of the facility; or
 - (c) Disruption of operation of facilities listed in the Annex on account of material violation or breach of bilateral or multilateral arrangements to which India is a party.
53. India shall report to the Agency, as soon as possible, and in any case within two weeks, any transfer not requiring advance notification that

will result in a significant change (to be defined by the Agency in agreement with India) in the quantity of safeguarded nuclear material in a principal nuclear facility. Such report shall indicate the amount and nature of the material and its intended use.

Amplification of Reports

54. At the Agency's request, India shall submit amplifications or clarifications of any report, in so far as relevant for the purpose of safeguards.

Inspections

General Procedures

55. The Agency may inspect any items subject to this Agreement.
56. The purpose of safeguards inspections under this Agreement shall be to verify compliance by India with this Agreement and to assist India in complying with this Agreement and in resolving any questions arising out of the implementation of safeguards.
57. The number, duration and intensity of inspections actually carried out shall be kept to the minimum consistent with the effective implementation of safeguards, and if the Agency considers that the authorized inspections are not all required, fewer shall be carried out.
58. Inspectors shall neither operate any facility themselves nor direct the staff of a facility to carry out any particular operation.

Routine Inspections

59. Routine inspections may include, as appropriate:
 - (a) Audit of records and reports;
 - (b) Verification of the amount of safeguarded nuclear material by physical inspection, measurement and sampling;
 - (c) Examination of principal nuclear facilities, including a check of their measuring instruments and operating characteristics; and

- (d) Check of the operations carried out at principal nuclear facilities.
60. Whenever the Agency has the right of access to a principal nuclear facility at all times, it may perform inspections of which notice as required by paragraph 4 of the Inspectors Document need not be given, in so far as this is necessary for the effective application of safeguards. The actual procedures to implement these provisions shall be agreed upon between India and the Agency.

Initial Inspections of a Principal Nuclear Facility

61. To verify that the construction of a principal nuclear facility is in accordance with the design reviewed by the Agency, an initial inspection or inspections of the facility may be carried out:
- (a) As soon as possible after the facility has come under Agency safeguards, in the case of a facility already in operation; and
 - (b) Before the facility starts to operate, in other cases.
62. The measuring instruments and operating characteristics of the facility shall be reviewed to the extent necessary for the purpose of implementing safeguards. Instruments that will be used to obtain data on the nuclear materials in the facility may be tested to determine their satisfactory functioning. Such testing may include the observation by inspectors of commissioning or routine tests by the staff of the facility, but shall not hamper or delay the construction, commissioning or normal operation of the facility.

Special Inspections

63. The Agency may carry out special inspections if:
- (a) The study of a report indicates that such inspection is desirable; or
 - (b) Any unforeseen circumstance requires immediate action.
- The Board shall subsequently be informed of the reasons for and the results of each such inspection.
64. The Agency may also carry out special inspections of substantial amounts of safeguarded nuclear material that are to be transferred outside the jurisdiction of India, for which purpose India shall give

the Agency sufficient advance notice of any such proposed transfer.

B. SPECIAL PROCEDURES FOR REACTORS

Reports

65. The frequency of submission of routine reports shall be agreed between the Agency and India, taking into account the frequency established for routine inspections. However, at least two such reports shall be submitted each year and in no case shall more than 12 such reports be required in any year.

Inspections

66. One of the initial inspections of a reactor shall if possible be made just before the reactor first reaches criticality.
67. The maximum frequency of routine inspections of a reactor and of the safeguarded nuclear material in it shall be determined from the following table

Whichever is the largest of: (a) Facility inventory (including loading); (b) Annual throughput; (c) Maximum potential annual production of special fissionable material (Effective kilograms of nuclear material)	Maximum number of routine inspections annually
Up to 1 More than 1 and up to 5 More than 5 and up to 10 More than 10 and up to 15 More than 15 and up to 20 More than 20 and up to 25 More than 25 and up to 30 More than 30 and up to 35 More than 35 and up to 40 More than 40 and up to 45 More than 45 and up to 50 More than 50 and up to 55 More than 55 and up to 60 More than 60	0 1 2 3 4 5 6 7 8 9 10 11 12 Right of access at all times

68. The actual frequency of inspection of a reactor shall take account of:
- (a) The fact that India possesses irradiated fuel reprocessing facilities:
 - (b) The nature of the reactor; and
 - (c) The nature and amount of the nuclear material produced or used in the reactor.

**C. SPECIAL PROCEDURES RELATING TO SAFEGUARDED
NUCLEAR MATERIAL OUTSIDE PRINCIPAL NUCLEAR
FACILITIES**

Nuclear Material in Research and Development Facilities

Routine Reports

69. Only accounting reports need be submitted in respect of nuclear material in research and development facilities. The frequency of submission of such routine reports shall be agreed between the Agency and India, taking into account the frequency established for routine inspections; however, at least one such report shall be submitted each year and in no case shall more than 12 such reports be required in any year.

Routine Inspections

70. The maximum frequency of routine inspections of safeguarded nuclear material in a research and development facility shall be that specified in the table in paragraph 67 of this Agreement for the total amount of material in the facility.

Source Material in Sealed Storage

71. The following simplified procedures for safeguarding stockpiled source material shall be applied if India undertakes to store such material in a sealed storage facility and not to remove it therefrom without previously informing the Agency.

Design of Storage Facilities

72. India shall submit to the Agency information on the design of each sealed storage facility and agree with the Agency on the method and procedure for sealing it.

Routine Reports

73. Two routine accounting reports in respect of source material in sealed storage shall be submitted each year.

Routine Inspections

74. The Agency may perform one routine inspection of each sealed storage facility annually.

Removal of Material

75. India may remove safeguarded source material from a sealed storage facility after informing the Agency of the amount, type and intended use of the material to be removed, and providing sufficient other data in time to enable the Agency to continue safeguarding the material after it has been removed.

Nuclear Material in Other Locations

76. Except to the extent that safeguarded nuclear material outside of principal nuclear facilities is covered by any of the provisions set forth in paragraphs 69 to 75 of this Agreement, the following procedures shall be applied with respect to such material (for example, source material stored elsewhere than in a sealed storage facility, or special fissionable material used in a sealed neutron source in the field).

Routine Reports

77. Routine accounting reports in respect of all safeguarded nuclear material in this category shall be submitted periodically. The frequency of submission of such reports shall be agreed between the Agency and India, taking into account the frequency established for routine inspections; however, at least one such report shall be submitted each year and in no case shall more than 12 such reports be required in any year.

Routine Inspections

78. The maximum frequency of routine inspections of safeguarded nuclear material in this category shall be one inspection annually if the total amount of such material does not exceed five effective kilograms, and shall be determined from the table in paragraph 67 of this Agreement if the amount is greater.

D. PROVISIONS FOR REPROCESSING PLANTS

Introduction

79. Additional procedures applicable to the safeguarding of reprocessing plants are set out below.

Special Procedures

Reports

80. The frequency of submission of routine reports shall be once each calendar month.

Inspections

81. A reprocessing plant having an annual throughput not exceeding 5 effective kilograms of nuclear material, and the safeguarded nuclear material in it, may be routinely inspected twice a year. The reprocessing plant, having an annual throughput exceeding 5 effective kilograms of nuclear material, and the safeguarded nuclear material in it, may be inspected at all times. The arrangements for inspections set forth in paragraph 60 of this Agreement shall apply to all inspections to be made under this paragraph. It is understood that for plants having an annual throughput of more than 60 effective kilograms, the right of access at all times would be normally be implemented by means of continuous inspection.
82. When a reprocessing plant is under Agency safeguards only because it contains safeguarded nuclear material, the inspection frequency shall be based on the rate of delivery of safeguarded nuclear material.
83. India and the Agency shall cooperate in making all the necessary arrangements to facilitate the taking, shipping or analysis of samples, due account being taken of the limitations imposed by the characteristics of a plant already in operation when placed under Agency safeguards.

Mixtures of Safeguarded and Unsafeguarded Nuclear Material

84. India and the Agency may agree on the following special arrangements in the case of a reprocessing plant which has not been supplied wholly or substantially under a project agreement, submitted to safeguards under a safeguards agreement by the parties to a bilateral or multilateral arrangement or unilaterally submitted to safeguards under a safeguards agreement, and in which safeguarded and unsafeguarded nuclear materials are present:

- (a) Subject to the provisions of sub-paragraph (b) below, the Agency shall restrict its safeguards procedures to the area in which irradiated fuel is stored, until such time as all or any part of such fuel is transferred out of the storage area into other parts of the plant. Safeguards procedures shall cease to apply to the storage area or plant when either contains no safeguarded nuclear material; and
- (b) Where possible, safeguarded nuclear material shall be measured and sampled separately from unsafeguarded material, and at as early a stage as possible. Where separate measurement, sampling or processing are not possible, the whole of the material being processed in that campaign shall be subject to the safeguards procedures set out in Part III.D of this Agreement. At the conclusion of the processing the nuclear material that is thereafter to be safeguarded shall be selected by agreement between India and the Agency from the whole output of the plant resulting from that campaign, due account being taken of any processing losses accepted by the Agency.

E. PROVISIONS FOR CONVERSION PLANTS, ENRICHMENT PLANTS AND FABRICATION PLANTS

Introduction

- 85. Additional procedures applicable to conversion plants and fabrication plants are set out below. This terminology is synonymous with the term "a plant for processing or fabricating nuclear material (excepting a mine or ore-processing plant)" which is used in paragraph 117 of this Agreement.
- 86. In the event that India decides to offer an enrichment plant in the future as a facility subject to this Agreement, the Agency and India shall consult and agree on the application of the Agency's safeguards procedures for enrichment plants before any such facility is added to the Annex.

Special Procedures

Reports

- 87. The frequency of submission of routine reports shall be once each calendar month.

Inspections

88. A conversion plant or a fabrication plant which has been supplied wholly or substantially under a project agreement, submitted to safeguards under a safeguards agreement by the parties to a bilateral or multilateral arrangement, or unilaterally submitted to safeguards under a safeguards agreement, and the nuclear material in it, may be inspected at all times if the plant inventory at any time, or the annual input, of nuclear material exceeds five effective kilograms. Where neither the inventory at any time, nor the annual input, exceeds five effective kilograms of nuclear material, the routine inspections shall not exceed two a year. The arrangements for inspections set forth in paragraph 57 of this Agreement shall apply to all inspections to be made under this paragraph. It is understood that, for plants having an inventory at any time, or an annual input, of more than 60 effective kilograms, the right of access at all times would normally be implemented by means of continuous inspection. Where neither the inventory at any time nor the annual input exceeds one effective kilogram of nuclear material, the plant would not normally be subject to routine inspection.
89. When a conversion plant or a fabrication plant which has not been supplied wholly or substantially under a project agreement, submitted to safeguards under a safeguards agreement by the parties to a bilateral or multilateral arrangement or unilaterally submitted to safeguards under a safeguards agreement contains safeguarded nuclear material, the frequency of routine inspections shall be based on the inventory at any time and the annual input of safeguarded nuclear material. Where the inventory at any time, or the annual input, of safeguarded nuclear material exceeds five effective kilograms the plant may be inspected at all times. Where neither the inventory at any time, nor the annual input, exceeds five effective kilograms of safeguarded nuclear material, the routine inspections shall not exceed two a year. The arrangements for inspection set forth in paragraph 60 shall apply to all inspections to be made under this paragraph. It is understood that, for plants having an inventory at any time, or an annual input, of more than 60 effective kilograms, the right of access at all times would normally be implemented by

means of continuous inspection. Where neither the inventory at any time nor the annual input exceeds one effective kilogram of nuclear material, the plant would not normally be subject to routine inspection.

90. The intensity of inspection of safeguarded nuclear material at various steps in a conversion plant or a fabrication plant shall take account of the nature, isotopic composition and amount of safeguarded nuclear material in the plant. Safeguards shall be applied in accordance with the general principles set forth in paragraphs 4 to 8 of this Agreement. Emphasis shall be placed on inspection to control uranium of high enrichments and plutonium.
91. Where a plant may handle safeguarded and unsafeguarded nuclear material, India shall notify the Agency in advance of the programme for handling safeguarded batches to enable the Agency to make inspections during these periods, due account being also taken of the arrangements under paragraph 92 of this Agreement.
92. India and the Agency shall cooperate in making all the necessary arrangements to facilitate the preparation of inventories of safeguarded nuclear material and the taking, shipping and/or analysis of samples, due account being taken of the limitations imposed by the characteristics of a plant already in operation when placed under Agency safeguards.

Residues, Scrap and Waste

93. India shall ensure that safeguarded nuclear material contained in residues, scrap or waste created during conversion or fabrication is recovered, as far as is practicable, in its facilities and within a reasonable period of time. If such recovery is not considered practicable by India, India and the Agency shall cooperate in making arrangements to account for and dispose of the material.

Safeguarded and Unsafeguarded Nuclear Material

94. India and the Agency may agree on the following special arrangements in the case of a conversion plant or a fabrication plant which has not been supplied wholly or substantially under a project agreement, submitted to safeguards under a safeguards agreement by the parties to a bilateral or multilateral arrangement or unilaterally submitted to

safeguards under a safeguards agreement, and in which safeguarded and unsafeguarded nuclear material are both present:

- (a) Subject to the provisions of sub-paragraph (b) below, the Agency shall restrict its safeguards procedures to the area in which safeguarded nuclear material is stored, until such time as all or any part of such nuclear material is transferred out of the storage area into other parts of the plant. Safeguards procedures shall cease to be applied to the storage area or plant when it contains no safeguarded nuclear material; and
- (b) Where possible, safeguarded nuclear material shall be measured and sampled separately from unsafeguarded nuclear material, and at as early a stage as possible. Where separate measurement, sampling or processing is not possible, any nuclear material containing safeguarded nuclear material shall be subject to the safeguards procedures set out in Part III.E of this Agreement. At the conclusion of processing, the nuclear material that is thereafter to be safeguarded shall be selected, in accordance with paragraph 96 of this Agreement when applicable, by agreement between India and the Agency, due account being taken of any processing losses accepted by the Agency.

Blending of Nuclear Material

- 95. When safeguarded nuclear material is to be blended with either safeguarded or unsafeguarded nuclear material, the State shall notify the Agency sufficiently in advance of the programme of blending to enable the Agency to exercise its right to obtain evidence, through inspection of the blending operation or otherwise, that the blending is performed according to the programme.
- 96. When safeguarded and unsafeguarded nuclear material are blended, if the ratio of fissionable isotopes in the safeguarded component going into the blend to all the fissionable isotopes in the blend is 0.3 or greater, and if the concentration of fissionable isotopes in the unsafeguarded nuclear material is increased by such blending, then the whole blend shall remain subject to safeguards. In other cases, the following procedures shall apply:

- (a) Plutonium/plutonium blending: The quantity of the blend that shall continue to be safeguarded shall be such that its weight, when multiplied by the square of the weight fraction of contained fissionable isotopes, is not less than the weight of originally safeguarded plutonium multiplied by the square of the weight fraction of fissionable isotopes therein, provided however that:
 - (i) In cases where the weight of the whole blend, when multiplied by the square of the weight fraction of contained fissionable isotopes, is less than the weight of originally safeguarded plutonium multiplied by the square of the weight fraction of fissionable isotopes therein, the whole of the blend shall be safeguarded; and
 - (ii) The number of fissionable atoms in the portion of the blend that shall continue to be under safeguards shall in no case be less than the number of fissionable atoms in the originally safeguarded plutonium;
- (b) Uranium/uranium blending: The quantity of the blend that shall continue to be safeguarded shall be such that the number of effective kilograms is not less than the number of effective kilograms in the originally safeguarded uranium, provided however that:
 - (i) In cases where the number of effective kilograms in the whole blend is less than in the safeguarded uranium, the whole of the blend shall be safeguarded; and
 - (ii) The number of fissionable atoms in the portion of the blend that shall continue to be under safeguards shall in no case be less than the number of fissionable atoms in the originally safeguarded uranium;
- (c) Uranium/plutonium blending: The whole of the resultant blend shall be safeguarded until the uranium and the plutonium constituents are separated. After separation of the uranium and plutonium, safeguards shall apply to the originally safeguarded component; and
- (d) Due account shall be taken of any processing losses agreed upon between the State and the Agency.

IV. AGENCY INSPECTORS

97. The provisions of paragraphs 1 to 10 and 12 to 14, inclusive, of the Inspectors Document shall apply to Agency inspectors performing functions pursuant to this Agreement. However, paragraph 4 of the Inspectors Document shall not apply with regard to any facility or to nuclear material to which the Agency has access at all times. The actual procedures to implement paragraph 60 of this Agreement shall be agreed to between the Agency and India.
98. The relevant provisions of the Agreement on the Privileges and Immunities of the Agency (INFCIRC/9/Rev.2) shall apply to the Agency, its inspectors performing functions under this Agreement and to any property of the Agency used by them in the performance of their functions under this Agreement.

V. PHYSICAL PROTECTION

99. India shall take all suitable measures necessary for the physical protection of the facilities and nuclear material subject to this Agreement, taking into account the recommendations made in Agency's document INFCIRC/225/Rev.4, as may be amended from time to time.

VI. SYSTEM OF ACCOUNTING AND CONTROL

100. India shall establish and maintain a system of accounting for and control of all items subject to safeguards under this Agreement, in accordance with provisions to be set out in the Subsidiary Arrangements.

VII. FINANCE

101. India and the Agency shall each bear any expense incurred in the implementation of their responsibilities under this Agreement. The Agency shall reimburse India for any special expenses, including those referred to in paragraph 6 of the Inspectors Document, incurred by India or persons under its jurisdiction at the written request of the Agency, if India notified the Agency before the expense was incurred that reimbursement would be required. These provisions shall not prejudice the allocation of expenses attributable to a failure by either India or the Agency to comply with this Agreement.

102. India shall ensure that any protection against third party liability, including any insurance or other financial security, in respect of a nuclear incident occurring in a facility under its jurisdiction shall apply to the Agency and its inspectors when carrying out their functions under this Agreement as that protection applies to nationals of India.

VIII. NON-COMPLIANCE

103. If the Board determines in accordance with Article XII.C of the Statute of the Agency that there has been any non-compliance by India with this Agreement, the Board shall call upon India to remedy such non-compliance forthwith, and shall make such reports as it deems appropriate. In the event of failure by India to take full remedial action within a reasonable time, the Board may take any other measures provided for in Article XII.C of the Statute. The Agency shall promptly notify India in the event of any determination by the Board pursuant in this regard.

IX. COOPERATION, INTERPRETATION AND APPLICATION OF THE AGREEMENT AND SETTLEMENT OF DISPUTES

104. The Agency and India shall cooperate to facilitate the implementation of this Agreement.
105. At the request of either India or the Agency, there shall be consultations about any question arising out of the interpretation or application of this Agreement. India and the Agency shall endeavour to settle by negotiation any dispute arising from the interpretation or application of this Agreement. India shall have the right to request that any question arising out of the interpretation or application of the Agreement be considered by the Board. The Board shall invite India to participate in the discussion of any such question by the Board.
106. In the event of any question or questions arising from the implementation of this Agreement, the Agency shall provide India with an opportunity to clarify and facilitate the resolution of such questions. The Agency shall not draw any conclusions in connection with the question or questions until India has had an opportunity to provide clarifications.

X. FINAL CLAUSES

107. India and the Agency shall, at the request of either of them, consult about amending this Agreement.
108. This Agreement shall enter into force on the date on which the Agency receives from India written notification that India's statutory and/or constitutional requirements for entry into force have been met.
109. This Agreement shall remain in force until, in accordance with its provisions, safeguards have been terminated on all items subject to this Agreement, or until terminated by mutual agreement of the parties to this Agreement.

XI. DEFINITIONS

110. "Agency" means the International Atomic Energy Agency.
111. "Board" means the Board of Governors of the Agency.
112. "Campaign" means the period during which the chemical processing equipment in a reprocessing plant is operated between two successive wash-outs of the nuclear material present in the equipment.
113. "Conversion plant" means a facility (excepting a mine or ore-processing plant) to improve unirradiated nuclear material, or irradiated nuclear material that has been separated from fission products, by changing its chemical or physical form so as to facilitate further use or processing. The term conversion plant includes the facility's storage and analytical sections. The term does not include a plant intended for separating the isotopes of nuclear material.
114. "Director General" means the Director General of the Agency.
115. "Effective kilograms" means:
 - (i) In the case of plutonium, its weight in kilograms;
 - (ii) In the case of uranium with an enrichment of 0.01 (1 %) and above, its weight in kilograms multiplied by the square of its enrichment;
 - (iii) In the case of uranium with an enrichment below 0.01 (1 %) and above 0.005 (0.5 %), its weight in kilograms multiplied by 0.0001; and

- (iv) In the case of depleted uranium with an enrichment of 0.005 (0.5 %) or below, and in the case of thorium, its weight in kilograms multiplied by 0.00005.
116. "Enrichment plant" means a plant for separating the isotopes of nuclear material.
117. "Facility" means, for the purposes of this Agreement:
- (i) A "principal nuclear facility", which means a reactor, a plant for processing nuclear material irradiated in a reactor, a plant for separating the isotopes of a nuclear material, a plant for processing or fabricating nuclear material (excepting a mine or ore-processing plant) or a facility or plant of such other type as may be designated by the Board from time to time, including associated storage facilities, as well as a critical facility or a separate storage installation;
 - (ii) A research and development facility as defined in paragraph 127 of this Agreement;
 - (iii) Any location where nuclear material in amounts greater than one effective kilogram is customarily used;
 - (iv) A plant for the upgrading of heavy water or a separate storage installation for heavy water.
118. "Fuel fabrication plant" means a plant to manufacture fuel elements or other components containing nuclear material and includes the plant's storage and analytical sections.
119. "Improved" means, with respect to nuclear material, that either:
- (i) The concentration of fissionable isotopes in it has been increased; or
 - (ii) The amount of chemically separable fissionable isotopes in it has been increased; or
 - (iii) Its chemical or physical form has been changed so as to facilitate further use or processing.
120. "Inspector" means an Agency official designated in accordance with the Inspectors Document.
121. "Inspectors Document" means the Annex to the Agency's document GC(V)/INF/39.

122. "Nuclear material" means any source or special fissionable material as defined in Article XX of the Statute.
123. "Produced, processed or used" means any utilization or any alteration of the physical or chemical form or composition, including any change of the isotopic composition, of nuclear material;
124. "Project agreement" means a safeguards agreement relating to an Agency project and containing provisions as foreseen in Article XI.F.4.(b) of the Statute.
125. "Reactor" means any device in which a controlled, self-sustaining fission chain-reaction can be maintained.
126. "Reprocessing plant" means a facility to separate irradiated nuclear materials and fission products, and includes the facility's head-end treatment section and its associated storage and analytical sections. This term is synonymous with the term "a plant for processing nuclear material irradiated in a reactor" which is used in paragraph 117 of this Agreement.
127. "Research and development facility" means a facility, other than a principal nuclear facility, used for research or development in the field of nuclear energy.
128. "Statute" means the Statute of the Agency.
129. "Throughput" means the rate at which nuclear material is introduced into a facility operating at full capacity.
130. "Unilaterally submitted" means submitted by India to Agency safeguards.

DONE at Vienna, on the day of 2008¹, in duplicate, in the English language.

For the Government of India

**For the International Atomic
Energy Agency**

¹ The draft was approved by the IAEA Board of Governors on August 1, by consensus, calling for application of IAEA safeguards to Indian civilian nuclear facilities. Termed an "umbrella" arrangement, it will allow India to add facilities over time to be placed under IAEA safeguards. The agreement is set to enter into force once the IAEA receives notification that India's statutory and/or constitutional requirements have been met. In his address to the Board, Dr. El Baradei stated that the IAEA would begin to implement

ANNEX

LIST² OF FACILITIES SUBJECT TO SAFEGUARDS UNDER THE AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE INTERNATIONAL ATOMIC ENERGY AGENCY FOR THE APPLICATION OF SAFEGUARDS TO CIVILIAN NUCLEAR FACILITIES

	FACILITY OFFERED FOR SAFEGUARDS BY INDIA	DATE OF RECEIPT OF NOTIFICATION

the new Safeguards Agreement in 2009, with the aim of bringing a total of 14 Indian reactors under Agency safeguards by 2014. The IAEA currently applies safeguards to six Indian nuclear reactors under safeguards agreements concluded between 1971 and 1994. The text of the safeguards agreement was finalized after several rounds of consultations conducted between India and the IAEA which began in November 2007. The draft agreement was circulated to Board Members last month. Dr. El Baradei also announced that the IAEA and India are currently in dialogue concerning an Additional Protocol Agreement.

Before the document became public, the Atomic Energy Commission Chairman Anil Kakodkar on July 10 told a press conference in Mumbai that the draft was a broad umbrella agreement that recognised India's "autonomous and indigenous" nuclear programme, free from any safeguard. The non-hindrance provision in the draft excluded from the safeguards any Indian activity using Indian research, know-how, material and components independently for its own purpose, Dr. Kakodkar pointed out. This was a de facto recognition of India as being a nuclear weapon state, free to pursue its own atomic weapons development with no interference from the IAEA. It was not a comprehensive safeguards agreement. But, as its title suggests, it was about safeguards to civilian nuclear facilities. Dr. Kakodkar clarified that the safeguards were applicable only to those facilities India would declare voluntarily as civilian. What was civilian and what was not would be the decision of the Government of India. India's three-stage nuclear power programme would be implemented and there would be no compromise on that. The new opportunities would bring in additional ties. He said that the agreement allowed India to stockpile nuclear material to meet the lifetime fuel requirement of imported reactors, reprocess the spent fuel and follow its closed fuel cycle programme to get the full benefit of the imported fuel.

2 India filed a copy of its plan for the separation of civilian and military nuclear facilities with the International Atomic Energy Agency as part of the process for getting its safeguards agreement approved by the nuclear watchdog's Board of Governors on August 1. The

document - as tabled in Parliament by Prime Minister Manmohan Singh on 11 March 2006 - was published on July 25 by the IAEA secretariat as Infirc/731 and circulated to all member states. In a 'note verbale' included with the plan, the Permanent Mission of India in Vienna said it was the "government of India's intention to move forward in accordance with the provisions of the [India-specific safeguards agreement] 85 after its entry into force." According to media reports the decision to file the plan was taken in view of the question raised by a number of IAEA members in briefings by India and the Secretariat about the fact that the draft safeguards agreement did not list any specific facilities to be safeguarded. As per the provisions of the draft, only those Indian facilities listed in the annex will be subject to Agency safeguards. The annex was left blank at the time of finalizing to be filled only after India negotiated fuel supply arrangements for each facility to be safeguarded and file a separate declaration and notification to that effect at some point in the future. During the briefing conducted by the Secretariat for IAEA members on July 25, countries such as Canada asked when and how this annex would be populated. The circulation of the Indian separation plan which listed 14 specific thermal power reactors to be offered for safeguards between 2006 and 2014 was intended to clear the air on this issue. The report quoted by daily *The Hindu* said that "the July 25 briefing was a "smooth affair" with Secretariat officials providing clarifications on a number of issues to a handful of member states. Among the countries which had queries were Canada, Norway, Ireland and Sweden. One of the clarifications sought was on the meaning of "corrective measures." According to officials, the Secretariat staff noted that these measures are meant to ensure the uninterrupted supply of fuel for the reactors India offers for safeguards "and are not to be confused with termination conditions, which are spelt out in paragraphs 29 and 32 of the safeguards agreement and which are standard." There were no separate queries on termination." The report further said the Pakistani representative asked only one question about the danger that the Indian agreement could "set a precedent" for other non-parties to the Nuclear Non-proliferation Treaty (NPT). The Secretariat replied that it would be a "good precedent," since the concept of an "umbrella agreement" for multiple facilities was an improvement over separate Infirc/66 agreements for standalone facilities.

118. Interview of Chairman, Atomic Energy Commission Anil Kakodkar with the fortnightly magazine Frontline.

August 2 - 15, 2008.

The DAE is putting reactors under safeguards in perpetuity as a reciprocal measure for uninterrupted fuel supply. How is uninterrupted fuel supply incorporated in the ISSA?

Basically, you should understand that this safeguards agreement has a background. The background is the civil nuclear cooperation that we have negotiated with the United States, Russia and France, particularly that part of the understanding with the U.S., where we have agreed that we will identify some of our facilities as civilian facilities and that they will be placed under safeguards with an India-Specific Safeguards Agreement with the IAEA. This also spells out that the facilities, which are not identified as civilian, will have no external hindrance of any sort.

So we are talking about an ISSA, which is an umbrella document that is restricted to facilities that India identifies as civilian. Our identifying any facility as civilian is conditional to that facility benefiting from full, civil, nuclear cooperation. This will mean that the reactors we identify as civilian and place under safeguards will receive full, assured fuel supply from outside. We have also incorporated provisions for building up a stockpile [of fuel] to last for the full operating life of the reactors and our own ability to take corrective measures. So our agreeing to permanent safeguards is on the basis of permanent supplies.

Why are the corrective measures unspecified in the ISSA? Why have you not spelt them out? What corrective steps will India take if the fuel supply is cut off?

The corrective measures are what I describe as unspecified sovereign actions. We can decide [them] at the appropriate point of time.

The corrective measures that we can take and the strategic fuel reserve that we can build up find mention only in the preamble to the ISSA. There is a fear that since this aspect is not mentioned in the operative part it will not be enforceable. Why was this not included in the operative part?

That is not correct. I think that if we go by international law, it specifies that any agreement has to be seen as a whole. More specifically, the ISSA preamble is tightly linked with the operative portion.

If India were to conduct a nuclear test, it would attract the provisions of the Hyde Act and the fuel supply for the reactors would be cut off. What are the corrective measures planned?

As far as we are concerned, we are governed by the bilateral civil nuclear cooperation that we have negotiated.

With Russia, the U.S. and France?

I am talking about the U.S. I am talking about the 123 nuclear agreement that we have negotiated with the U.S. There is no mention of [nuclear] tests in that text.

The ISSA does not grant us full, civil nuclear cooperation, which means that we will not get the technologies for reprocessing the spent fuel and for enriching uranium. How are you going to face this problem? Under the agreement with the U.S. for running the Tarapur reactors we had the right to reprocess the spent fuel. But we could never enforce that right.

The safeguards agreement is an agreement between India and the IAEA, established at India's request and will apply to facilities that India will identify as civilian and ask the IAEA to safeguard. The ISSA covers reactors as well as fuel cycle facilities, including reprocessing.

You have said that the indigenous reactors that we put under safeguards are entitled to receive fuel supplies from abroad and that they will be under permanent safeguards. If that fuel supply is cut off and we use our own fuel, will those reactors continue to be under safeguards in perpetuity?

No, no. First of all, we would have built up a stockpile. There is no chance of stoppage of reactors because the stockpile will be available. During that time [if the fuel supply stops], we can take necessary action.

You have told me that the safeguards agreement should recognise India as a nuclear weapon state. Does it recognise India as a nuclear weapon state?

First of all, the title of the ISSA is that it is an agreement for India's "civilian nuclear facilities". Further, the text of the agreement provides for non-hindrance to facilities and activities, which are not covered by the safeguards agreement.

This clearly means that while the safeguards agreement is only for civilian facilities, India is free to pursue its own domestic development, including the development of its strategic areas.

The Hyde Act makes the specific requirement of "safeguards to be in perpetuity... in accordance with the IAEA document of GOV/1621 of August 20, 1973". The ISSA also invokes GOV/1621, which makes it clear that the reactors we put under safeguards will be under safeguards in perpetuity even if we use domestic fuel...

GOV/1621 is about supplied materials and supplied facilities. As part of the cooperation agreement with other countries, we will ensure that the fuel is stockpiled to meet the life-time requirement of our reactors.

If the IAEA Board clears the ISSA, what do you expect from the Nuclear Suppliers Group? You had earlier said you wanted clean, unconditional exemptions from the NSG.

We expect clean, unconditional exemptions for nuclear commerce with India.

The DAE has agreed to put even research facilities and heavy water plants under safeguards. How are they different from the nuclear power reactors coming under safeguards?

As I told you, whatever we identify as civilian must also benefit from unrestricted, international cooperation. The research that we carry out in our institutions should benefit from an environment of unrestricted scientific collaboration. When we declare something as civilian, the condition for that is that it should benefit from civil nuclear cooperation. We should also recognise that the activities of these institutions are irrelevant from the point of view of safeguards.

You said in Bangalore recently that if India could import 40,000 MWe of nuclear power between 2012 and 2020, we can wipe out the gap between the demand for and the supply of power by 2050 by building more fast breeder reactors using the spent fuel arising from these imported reactors. But you also said that thorium does not have properties that allow for faster growth of power generation. Media commentators have alleged that this amounts to India abandoning its third stage of building thorium-fuelled reactors.

Right from the beginning all the way up to now, there is absolutely no contradiction between my statements on thorium utilisation strategies. These are based on detailed analyses and they remain valid. The three-stage nuclear power development programme based on domestic efforts remains a priority activity and would be implemented unhindered.

To optimise the benefits of thorium utilisation, the timing of the introduction of thorium has to be judiciously planned. In any case, it has to follow significant build-up of nuclear power generation capacity through the deployment of fast breeder reactors. The point to realise is that India's electricity requirements are growing fast. The gap between demand and supply that can be managed on indigenous resources is widening and it would exceed 400,000 MWe by 2050.

The question that one needs to address is how soon we can bridge this gap through the growth potential that is possible with fast breeder reactors. Clearly, this necessitates emphasis on deployment of fast breeder reactors with the shortest possible doubling time.

The timing of the introduction of thorium needs to be adjusted in such a way that the demand-supply gap is bridged at the earliest, and at the same time we derive full benefit of the vast energy potential of our thorium resources for centuries to come.

The import of 40,000 MWe of power as an additionality [to the domestic nuclear power programme] would bridge not only this gap by 2050 but would avoid the necessity of import of much larger fossil energy resources and at the same time enable earlier deployment of thorium, meeting the objectives stated above.

The point is, even after we pursue the domestic three-stage nuclear power programme, which we will pursue on a priority basis in any case, there will be a gap of 400,000 MWe. If we introduce thorium earlier, this gap will become larger and the three-stage programme will become smaller. On the other hand, if we can get this 40,000 MWe from outside [by importing reactors], we can bridge this gap, and at the same time, we can advance the deployment of thorium.

Is the DAE delaying the start of the construction of the indigenous 700 MWe Pressurised Heavy Water Reactors and the criticality of the three new PHWRs of 220 MWe each at Rajasthan and Kaiga for want of uranium?

It is true that at present there is a mismatch in the demand and supply of indigenous natural uranium. But things are about to start improving now. The capacity factor of the reactors is about to start improving. This is because the production [of yellow cake from uranium] from the mill at Turamdih in Jharkhand will start coming in now.

We are working on the uranium mining and milling project at Tummlapalle in Andhra Pradesh. I am hopeful about the Meghalaya uranium project. There are also other sites. Our efforts for increasing the domestic production of uranium are continuing.

What is your reaction to the UPA government winning the trust vote?

We can now take the next step. The safeguards agreement has to be discussed in the IAEA Board.

Are you confident that the IAEA Board of Governors will approve the ISSA?

Let us see.

If the IAEA Board approves the ISSA and the NSG relaxes its guidelines and permits its members to have nuclear commerce with India, what is the time-frame in which you expect to reap the benefits? When can you start importing the reactors?

I can't hazard a guess.

You mentioned that under international law, the preamble has the same force as the operative part. Could you explain?

It is the Vienna law. There is a particular section in that law which clearly talks about the preamble being part of the overall agreement and has to be taken into account. There is an explicit mention like that. Over and above that, the preamble in the ISSA is tightly coupled to the operative part. Towards the end of the preamble, it has words to the effect, "Now...therefore... taking into account the above..." and so on, and then the operative part starts. Even otherwise, if you go by the international law, there is an explicit mention that the preamble is integral to the main part.

You mentioned that India agreed to put some of its reactors under permanent safeguards on the basis of the reactors receiving permanent supplies of fuel from abroad. The first two units of the Rajasthan Atomic Power Station are using indigenous natural uranium

as fuel although they are under permanent safeguards. How do you explain this?

As part of the new framework, we do expect that RAPS 1 and 2 should start receiving fuel from outside because they are under safeguards.

Why is there no arbitration clause?

There are provisions that they will be discussed with the IAEA Board of Governors. There are built-in provisions where we can take them to the Board. If there is a disruption, we can report to the Board.

Disruption of fuel supply?

Any kind of disruption, we can report... to the Board of Governors. There is a provision that it will be implemented according to the international law.

Is it true that the 123 agreement was already on auto-pilot? So it did not matter even if the UPA government had lost the trust vote.

No. Nothing goes on auto-pilot. Every step has to be taken because we are, after all, a party to it.



119. Extract from the interview of National Security Advisor M. K. Narayanan with Karan Thapar in the TV programme Devil's Advocate on CNN-IBN channel.

New Delhi, August 31, 2008.

(Hello and welcome to Devil's Advocate. In a special two-part interview with the National Security Advisor M K Narayanan, I shall today discuss the the crisis in the Kashmir Valley and the Indo-US nuclear deal.)

* * * *

Indo-US Nuclear Deal

Karan Thapar: Do you believe that the last Nuclear Suppliers Group (NSG) meeting in Vienna represented a delay, a setback or a debacle for the Indo-US nuclear deal?

M K Narayanan: It is clearly not a debacle. I do not think it was a setback. It was a pause in the programme. But we were prepared for this because we had been told that it might be necessary to have two rounds before we could finalise something, which was mutually satisfactory.

Karan Thapar: As you prepare for the second meeting on September 4, which is just six days away, are you confident you can get clean exemption from the NSG, or have your confidence levels somewhat dipped?

M K Narayanan: We have gone through these efforts many times. There are periods when you are highly elated and sometimes you feel rather despondent. I think after the discussions on the India-specific safeguard agreement, which took place in Vienna, we have a good idea of where other countries stand vis-à-vis India. In the first round, many of the concerns were suitably dealt with but some still remain. I think our problem with the NSG is primarily that we are not members of the NSG and therefore, we have to depend entirely on other countries to put forward our case. But I must say that countries like the United States, Russia, France, the UK and a number of others have done Herculean efforts, and I think we are nearing the goal.

Karan Thapar: Are you optimistic? You don't sound it by your tone.

M K Narayanan: No, I am optimistic but I don't want to allow my optimism to override caution.

Karan Thapar: Now we are speaking on Friday evening. You are six days away from the next NSG meeting. Has India been shown the new amended draft exemption?

M K Narayanan: This is work in progress. I can't tell you exactly where we are on this question.

Karan Thapar: Except for the fact that you are here on Friday evening, then there is weekend coming up, then it will be Monday and then just three days will be left. If you haven't been shown the draft exemption, isn't it running very close?

M K Narayanan: No. We are running close but I don't think we have much of a problem on that.

Karan Thapar: So you are confident that your concerns will be taken care of even though you can't admit whether you've seen the draft exemption or not?

M K Narayanan: There is a constant dialogue that is going on between Delhi and Washington. So, we are fully aware of what is going on.

Karan Thapar: There are three principal concerns that have been flagged. The first is simply to do with how extensive will the rewrite of the exemption be. Are you anticipating a very comprehensive (review), or are you hoping for cosmetic changes or something in between the two?

M K Narayanan: We have sort of already flagged our concerns. Those concerns are well known. I think most of the countries recognised the validity of our concerns. There are some countries who, I think, are ideologically committed to the concepts or ideas of non-proliferation and hence tend to take a very hard-line position. I think it is really a question of convincing them that India, with its impeccable record of non-proliferation has always stood, if necessary, for the universal nuclear disarmament and is the right candidate for universal nuclear commerce.

Karan Thapar: That I fully understand. But are you saying that this means you will accept only cosmetic changes rather than anything more substantial?

M K Narayanan: There is no question of cosmetic or otherwise. What we are asking is that there are certain issues, which have been drawn in red lines by us because those are the commitments, which have been made by our Prime Minister.

Karan Thapar: And, on those red lines you can't give way?

M K Narayanan: On those red lines we can't because that's what we have told Parliament. These are sacrosanct. If these are not met we cannot endorse the agreement.

Karan Thapar: The press has highlighted three concerns. The first is the requirement that some NSG countries are talking about a condition wherein the exemption will terminate if India were to carry out further nuclear testing. Is there any way it could be reflected in the new, amended exemption, or would it be a deal breaker in any shape or form for India?

M K Narayanan: I think you should give some credit to creative diplomacy in these matters. I presume that we will find a way out of it. It is difficult to say but I think it should be possible for us to surmount some of these obstacles.

Karan Thapar: You mentioned creative diplomacy. Could you accept the form of language that is used in the 123 agreement, if it were to be used in this new NSG draft. In the 123 agreement, there is no actual mention of the specific word 'nuclear testing'. Could that formulation suffice for you?

M K Narayanan: We have always said that testing is a word that we find difficult to adjust with. Not because of anything else but because Parliament has mandated us to do so. Testing would be difficult for us. So, we will find ways around it.

Karan Thapar: Leave testing apart, but is the rest okay?

M K Narayanan: We are clear that whatever we finally agree to with the NSG countries, it will be something we can sell to Parliament.

Karan Thapar: I think you have hinted a sort of formulation, the 123 language which doesn't mention testing could be acceptable provided it is acceptable to others.

M K Narayanan: I hope that we can move forward on some of these issues.

Karan Thapar: Second condition mentioned by the NSG countries is that the exemption should exclude Enrichment and Reprocessing (ENR) technologies. Given that India has its own ENR technologies, can you live with that exclusion or would that be a deal break?

M K Narayanan: In case of the US, they have certain conditions about allowing the Enrichment and Reprocessing technologies to the countries but in the case of NSG, our case is different. We say that what we are asking the NSG does not have a ban on Enrichment and Reprocessing technologies. There is a broad ban, which the NSG has on many items with India, which includes any kind of nuclear commerce and related matters. What we are saying is that if you are giving us exemption on those items, please give us exemption because unlike the laws in the US none of the countries in the NSG have a ban imposed in their countries.

Karan Thapar: Don't introduce a specific ban for India in this exemption?

M K Narayanan: Definitely, we don't want ourselves to be singled out for this. What we have made clear - and this is what all of us talked about - is if any country does not wish to give us Enrichment and Reprocessing technologies and still wishes to have nuclear commerce, we'll draw up our guidelines according to that. What we don't want is each country's individual predilections forming a huge package of items in the NSG exemptions.

Karan Thapar: Quite right, let the NSG not take a position on this issue, let individual countries approach them to do it. Finally, there is also a demand for what is called a periodic review of India's compliance. Is that acceptable to you in any shape or form?

M K Narayanan: No, we believe this is uncalled for. We have put all our cards on the table. We have been as transparent as anyone else and are willing to make our case before the NSG. So we don't understand what is the need for a review. Principally not because of anything else, but this is a civil nuclear cooperation agreement. It involves commerce, it involves people investing money, and countries investing money; it is a long-term agreement. They are putting money for 30 to 40 years, so if you have a review at the end of three years and somebody says that oh well this shouldn't be done then nobody is going to invest in this agreement.

Karan Thapar: I understand, you make your position very clear on the testing issue, the ENR technology issue and the periodic review concern. But does America agree with your positions or do they have question marks or still do they have doubts about your positions?

M K Narayanan: This question should probably be addressed to the US, but we have carried conviction to them, to the maximum extent possible. They understand where we come from and that they would help us in the matter.

Karan Thapar: Let's focus little on the US' role. Do you believe that Washington did enough to prevent the naysayer from pushing amendments or do you think that in fact Washington did not take as hard line as you would have liked it to have taken?

M K Narayanan: This is a dangerous question you have asked me but let me make the point. When we were negotiating with the US, it was easier because the US knew what it could give and what it could not give. We recognised that the US is the world power. Militarily and economically it is one of the dominating countries in the world but even they have some limits. There is always a case of doing better. It is like preparing for examinations. Somebody could always say that you could have prepared more. I personally think that tremendous effort has been made by the US to help us in this matter, as have countries like France, Russia and others, where they could have done even more. But even after the first round is over, they are very actively involved. So frankly speaking, I have no complaints to make.

Karan Thapar: You are not criticising them, you are accepting that they made terrific efforts but you are holding up the possibility that they could have done more?

M K Narayanan: Like in everything else, could I have made a better case before all these people but I have just been cautious so that somebody would pick up and say x, y and z. In as much as they have done in most other cases, they have done here as well.

Karan Thapar: There is a view in the press that the American Ambassador's repeated assertion that India's requirement or insistence on unconditional exemption is both inappropriate and provocative. There has also been a position taken about how would Berman, the Chairman of the House Representatives, Foreign Affairs Committee actually telling Condoleezza Rice not to go ahead with exemptions that would in some way circumvent the Hyde Act. Has all of that been unhelpful?

M K Narayanan: No, I think the American ambassador in New Delhi has been an extremely positive factor.

Karan Thapar: So, the press has wrongly picked on him?

M K Narayanan: I think they have a love-hate relationship with prominent US diplomats. I have interacted with Ambassador Mulford for the last four years very closely and I think he has done a tremendous job. Few

ambassadors would have put as much effort as he has done. Yes, sometimes the statements he makes make people a little annoyed and upset but I think much the same can be said about me. So it's the part of the course.

Karan Thapar: Let me put it like this: if the NSG were to grant you a clean exemption on September 4 or 5, but if the chairman of the NSG alongside were to make a statement listing a prescriptive list of suggestions - they are not conditions but suggestions - could India live with that?

M K Narayanan: I presume it would be the Chairman's prerogative to make of what he says and what he likes but as long as they are not laid down as conditions, we have talked in terms of a clean exemption, an unconditional exemption. We have not said that there should be no whisper about what anybody wishes to say. We are not behaving like 16-year-olds and recognise that countries have problems. If the Chairman is making a statement, which reflects, to some extent, some of those points, may be. But as long as it does not inhibit us from what we believe is a clean and unconditional exemption, (it's okay).

Karan Thapar: Has India made it clear to countries like Austria, Switzerland, New Zealand, some of the Scandinavian countries (like) Ireland that if they insisted on imposing unacceptable conditions, it would have damaging impact on their bilateral relationships with New Delhi?

M K Narayanan: No, as far as I am aware, we have not done any arm-twisting in this case. For that matter, several countries - Russia for instance - has actually offered to help us with Austria. So they are doing most of the talking. I don't think we have tried what I would call unscrupulous or underhand methods to pressurise.

Karan Thapar: But you are not suggesting that the Austrians, the Irish or the Swiss could think they could impose conditions which you cannot accept and that there would be no damage to the bilateral relationships?

M K Narayanan: Then, you should ask them. But I don't think we are making that the touchstone for a relationship. It is important, I presume that if someone were friendly with us, they would certainly get a benefit over somebody who is less friendly with us.



120. Response by the Official Spokesperson in relation to the news item in *Washington Post*¹ of September 3, 2008 on the Civil Nuclear Energy Cooperation Agreement with the United States.

New Delhi, September 3, 2008.

- i) Government's attention has been drawn to this news report;
- ii) We do not, as a matter of policy, comment on internal correspondence between different branches of another government;
- iii) We will be guided solely by the terms of the bilateral agreement between India and the United States, the India Specific Safeguards Agreement and the clean waiver from the NSG, which we hope will be forthcoming in the meeting of the NSG on September 4-5, 2008;
- iv) Insofar as the issue of testing is concerned, our position is well known. We have a unilateral moratorium on testing. This is reflected in the India-US Joint Statement of July 18, 2005.



¹ *Washington Post* in its issue of September 3 carried a letter released by Chairman of the House Foreign Relations Committee of the US Congress from the State Department giving certain clarifications on the implementation of the India-US Civil Nuclear Energy Cooperation Agreement. (For text see Appendix-I to this Section) Separately in an interview with NDTV, Anil Kakodkar, Chairman of the Atomic Commission said "India knew of the existence of the document but not its contents, adding he said, "I didn't know it was going to be released." He said he had gone through the document. "To me, it seems to be specific responses to a set of specific questions. The quick reading tells me that it actually doesn't take away anything from what we have been saying here in India." He said the American document makes no difference to the 123 agreement. Standing by the deal he said it was a win-win preposition. "India's situation is quite unique: Large population, rapid growth, shortage of energy. Deal is good for India, good for the world."

121. Statement by External Affairs Minister Pranab Mukherjee reiterating India's position on the Civil Nuclear Initiative.

New Delhi, September 5, 2008.

To reiterate India's stand on disarmament and nonproliferation, EAM has made the following statement¹:

A Plenary meeting of the Nuclear Suppliers Group to consider an exception for India from its guidelines to allow for full civil nuclear cooperation with India is being held in Vienna from September 4 - 5, 2008.

India has a long-standing and steadfast commitment to universal, non-discriminatory and total elimination of nuclear weapons. The vision of a world free of nuclear weapons which Shri Rajiv Gandhi put before the UN in 1988 still has universal resonance.

We approach our dialogue with the Nuclear Suppliers Group and all its members in a spirit of cooperation that allows for an ongoing frank exchange of views on subjects of mutual interest and concern. Such a dialogue will strengthen our relationship in the years to come.

Our civil nuclear initiative will strengthen the international non-proliferation regime. India believes that the opening of full civil nuclear cooperation will be good for India and for the world. It will have a profound positive impact on global energy security and international efforts to combat climate change.

India has recently submitted a Working Paper on Nuclear Disarmament to the UN General Assembly, containing initiatives on nuclear disarmament. These include the reaffirmation of the unequivocal commitment of all nuclear weapon States to the goal of complete elimination of nuclear weapons; negotiation of a Convention on the complete prohibition of the use or threat of use of nuclear weapons; and negotiation of a Nuclear Weapons Convention prohibiting the development, production, stockpiling and use of nuclear weapons and on their destruction, leading to the global, non-discriminatory and verifiable elimination of nuclear weapons within a specified timeframe.

We remain committed to a voluntary, unilateral moratorium on nuclear

¹ The Statement of the EAM came in the background of discussions in the NSG at Vienna on September 4, where some countries expressed some doubts about India's commitment to non-proliferation.

testing. We do not subscribe to any arms race, including a nuclear arms race. We have always tempered the exercise of our strategic autonomy with a sense of global responsibility. We affirm our policy of no-first-use of nuclear weapons.

We are committed to work with others towards the conclusion of a multilateral Fissile Material Cut-off Treaty in the Conference on Disarmament that is universal, non-discriminatory and verifiable.

India has an impeccable non-proliferation record. We have in place an effective and comprehensive system of national export controls, which has been constantly updated to meet the highest international standards. This is manifested in the enactment of the Weapons of Mass Destruction and their Delivery Systems Act in 2005. India has taken the necessary steps to secure nuclear materials and technology through comprehensive export control legislation and through harmonization and committing to adhere to Missile Technology Control Regime and Nuclear Suppliers Group guidelines.

India will not be the source of proliferation of sensitive technologies, including enrichment and reprocessing transfers. We stand for the strengthening of the non-proliferation regime. We support international efforts to limit the spread of ENR equipment or technologies to states that do not have them. We will work together with the international community to advance our common objective of non-proliferation. In this regard, India is interested in participating as a supplier nation, particularly for Thorium-based fuel and in establishment of international fuel banks, which also benefit India.

India places great value on the role played by the IAEA's nuclear safeguards system. We look forward to working with the IAEA in implementing the India-specific Safeguards Agreement concluded with the IAEA. In keeping with our commitment to sign and adhere to an Additional Protocol with respect to India's civil nuclear facilities, we are working closely with the IAEA to ensure early conclusion of an Additional Protocol to the Safeguards Agreement.



122. Statement by Prime Minister Dr. Manmohan Singh on the final outcome of the meeting of the Nuclear Suppliers Group granting India the waiver to enable India to enter into full nuclear trade.

New Delhi, September 6, 2008.

We welcome the decision earlier today of the Nuclear Suppliers Group to adjust its guidelines to enable full civil nuclear cooperation with India. This is a forward-looking and momentous decision. It marks the end of India's decades long isolation from the nuclear mainstream and of the technology denial regime. It is a recognition of India's impeccable non-proliferation credentials and its status as a state with advanced nuclear technology. It will give an impetus to India's pursuit of environmentally sustainable economic growth.

I thank the United States and other member countries of the Nuclear Suppliers Group for the role they have played in ensuring this outcome. The opening of full civil nuclear cooperation between India and the international community will be good for India and for the world. We look forward to establishing a mutually beneficial partnership with friendly countries in an area which is important for both global energy security as well as to meet the challenge of climate change.



123. Statement by Minister of External Affairs Pranab Mukherjee on the final outcome of the meeting of the Nuclear Suppliers Group.

New Delhi, September 6, 2008.

I have requested all of you to gather here so that I can personally inform you about the latest developments and the final outcome of the meeting of the Nuclear Suppliers Group (NSG) which concluded in Vienna a short while ago.

2. You have all been monitoring the developments in Vienna very closely. I am happy to inform you that the NSG have adopted a statement on civil nuclear cooperation which will enable India to resume full civil nuclear cooperation with the international community to meet its energy and developmental requirements. We welcome this decision and thank the Members of the NSG. You will appreciate that this also constitutes a major landmark in our quest for energy security.
3. The process, which has culminated in the NSG adopting a clean waiver, commenced 3 years ago with the initiative of Prime Minister Dr. Manmohan Singh and President George Bush through the 18th July 2005 Joint Statement. The IAEA adopted an India Specific Safeguards Agreement on August 1 2008. For this, our deepest appreciation and thanks are due to the Director General of the IAEA, Dr. Mohammed El Baradei and all the Members of the IAEA.
4. This decision will open a new chapter in India's cooperation with other countries in peaceful uses of nuclear energy. We look forward to working with our international partners in realizing the full potential of mutually beneficial cooperation that this decision entails. It is a development of major significance to global energy security and would also be a contribution to meeting the challenges of climate change.
5. The journey has not only been long but required several steps to be taken sequentially including intense bilateral negotiations with the Members of the IAEA and NSG. I am happy to inform you that the final outcome fully meets our expectations and is consistent with Government policy and the national consensus on disarmament and non-proliferation. The NSG waiver is a unique development that has been achieved in accordance with commitments given to Parliament and the people of India, and is consistent with India's national interest.

6. I would like to take the opportunity to place on record Government's deep appreciation in particular for the untiring efforts of the United States, France, United Kingdom and Russia throughout this process, and also the support received from the present and previous Chairs of the NSG - Germany, South Africa and Brazil.
7. I would like to thank in particular President Bush and Secretary of State Rice for their personal commitment and contribution to this process.
8. My personal appreciation also for the untiring efforts of our negotiators and for all my colleagues in the Cabinet as well as in the Department of Atomic Energy and the Ministry of External Affairs who made this possible.
9. This landmark achievement is the direct outcome of the vision, personal commitment and guidance provided by Prime Minister Dr. Manmohan Singh.



Atomic Energy Commission (AEC) Chairman Anil Kakodkar described the Nuclear Suppliers Group's (NSG) waiver to India as "an acceptable arrangement which meets our requirements." In an interview from Mumbai on Sunday, he called the waiver "a breakthrough." Asked whether the waiver had any bar on India conducting nuclear tests, he said, "The point is our legal rights [to conduct nuclear tests] have been preserved. If you test, there will be reactions. But we have preserved our legal rights [to conduct a nuclear test]." Answering a question in what way the waiver was a breakthrough, he replied that first it opened up international civil nuclear commerce for the country and second, India had so far faced embargo regimes in accessing nuclear reactors and technology from other countries. (The embargoes would be lifted). "There is now the recognition that India, on the civilian nuclear side, can deal with the international community; and on the strategic side, we can maintain our strategic programmes. In terms of recognition, it is a breakthrough," he said. Third, the waiver would "very significantly contribute to India's nuclear power growth." To a query whether the nation received "a clean and unconditional waiver," which he always insisted on, he said, "There are no new conditions." Will the waiver lift the ban on India receiving enrichment and reprocessing technologies from other countries? "The NSG has policies and guidelines on export of enrichment and reprocessing technologies. There is no specific targeting of India." The entire exercise was about granting exemptions to India to have civil nuclear commerce with other countries. "I m glad it worked out ultimately," he said. Asked whether he was disappointed with China's attitude at the NSG meet in Vienna, he said, "We would have certainly expected a more positive approach [from China]. Ultimately, the question is we have to take into account all kinds of ...their policies. They have to deal with issues in a particular manner and we have to take them into account."

The Indian National Congress, the main party in the ruling United Progressive Alliance on September 7 hailed the NSG decision to provide a waiver to India stating that it is a unique development that confers de facto nuclear power status to the country. Terming it

as the "greatest event in the 20th-21st century," party chief spokesperson M. Veerappa Moily said countries that were hostile to India after New Delhi conducted nuclear tests and the P-5 (permanent five members of the U.N. Security Council) had agreed to the waiver. "We have become P-6. It is a historical event," he said. Mr. Moily said all the lobbies that worked against India had failed and said this was the best deal done ever by any country. He praised Prime Minister Manmohan Singh as the architect behind this agreement. Party president Sonia Gandhi gave steadfast support to the deal, he said. Senior leader and Union Minister Kapil Sibal said the waiver showed India's time had come. He said the development must also be seen as a ruling milestone for the advent of global solution for challenges the world faced in the form of energy security and global warming. Party spokesperson Manish Tiwari said 34 years after India conducted nuclear tests that it entered the nuclear club safeguarding its strategic autonomy. He said the deal would take the country forward and meet its growing requirements of energy, something that every person in every village related to.

Leading business chambers reacted positively to the Nuclear Suppliers Group (NSG) waiver. In a statement, the Federation of Indian Chambers of Commerce and Industry said it was confident that the nuclear deal with Washington would be beneficial to India in many ways. Foremost, it would enable India to get fuel for all its nuclear reactors, which have been running to almost half the capacity. Secondly, it would facilitate induction of latest technology in this sector. Thirdly, the country would witness massive investments in generation of nuclear power. Finally, this would go a long way in resolving India's massive need for power for its development.

The Associated Chambers of Commerce and Industry of India described the waiver as a resounding victory for India. Assocham president Sajjan Jindal said UPA chairperson Sonia Gandhi, Prime Minister Manmohan Singh and External Affairs Minister Pranab Mukherjee deserved praise. Chandrajit Banerjee, Director General of the Confederation of Indian Industry, said: "Today's development is a major confidence-building move for the international community to engage with India especially in high technology trade and will provide opportunity for Indian manufacturers to supply spares and components to the global manufacturers of nuclear power plants besides providing business opportunities for Indian power plant construction companies."

S.K. Jain, Chairman and Managing Director, Nuclear Power Corporation of India Limited (NPCIL), on September 6 said the NSG waiver would "definitely and clearly provide India with a level-playing field" in building nuclear power plants and obtaining the nuclear fuel, natural uranium, from abroad. "We will be equal partners in the global nuclear supply chain." Mr. Jain said: "We had always felt we did not have a level-playing field for the source of nuclear energy and there were constraints that dictated the pace of our nuclear power programme. We felt shackled and stifled. The initiatives taken by the Government of India for the past three years have now made us part of the international nuclear community. We can now speed up our nuclear power programme." He called the NSG waiver "a momentous event" for the entire nuclear industry in India. "Not only the NPCIL but also the nuclear industry were hoping expectantly for this day to arrive." With the NSG waiver, India could import Light Water Reactors (LWRs) and enriched uranium to fuel them. Besides, India could buy natural uranium for its indigenous Pressurised Heavy Water Reactors (PHWRs) of 220 MWe each that the country had agreed to put under the International Atomic Energy Agency's safeguards. "So we will be in a position to accelerate our own PHWR programme and set up imported LWRs with a capacity of 1,000 MWe each and above," Mr. Jain said. On the Kudankulam Nuclear Power Project in Tamil Nadu, where two LWRs of 1,000 MWe each from Russia are under construction, the NPCIL Chairman said work was progressing fast so that the procedure for the first unit's criticality including loading the enriched uranium fuel bundles into the reactor would start by 2008-end. "We are hoping that some electricity from the first unit will flow into the grid by March 2009. The second unit will also be started up in 2009."

Mr. Brajesh Mishra, former National Security Advisor said the waiver granted by the Nuclear Suppliers Group gives India "lots of advantages". His understanding of what was agreed upon at the NSG meeting in Vienna was that it was "based on the 123 draft agreement between India and the United States" and "there was nothing beyond this" in the waiver. The development would open up nuclear commerce which India had been denied for decades." It was "a good development" for India. Mr. Mishra categorically said the NSG waiver made "no prohibition on testing [of a nuclear weapon by India]." He differed with the Bharatiya Janata Party on this crucial issue. Besides giving India access to nuclear energy, the deal would bring India and the U.S. closer, he said. It would give India "many advantages" in terms of access to high technology and nuclear energy.

The Samajwadi Party, described the NSG waiver for India's nuclear commerce as a great victory for the country and said it would help in its development. "India needs development and not nuclear bombs," SP general secretary Amar Singh said soon after the NSG approved the waiver in Vienna. Mr. Singh criticised the Opposition parties for "beating about the bush." Quoting the former President, A.P.J. Abdul Kalam, he said India required no more nuclear tests as the previous two tests had proved that the country was a nuclear-capable state. Nationalist Congress Party spokesman D.P. Tripathi also welcomed the news, saying it was expected. "This consensus is going to be the basis for wider international consensus," he said.

There was discordant voice too. The Bahujan Samaj Party president and U.P. Chief Minister Mayawati accused the Congress-led UPA government of deliberately concealing facts and conditions relating to the nuclear deal. She expressed the apprehension that the nuclear deal with the U.S. would compromise the country's independent foreign policy and mean India's entry to the discriminatory Nuclear non-Proliferation Treaty (NPT) regime through the back door. The BSP leader alleged that the deal was being hurried through without taking the people and major political parties into confidence and asserted that it was against national interest. She said that the ground work for the deal had been done during the BJP regime at the Centre and charged the Congress with only following the footsteps of the BJP-led NDA government.

124. Press Release issued by the Ministry of External Affairs on the telephone conversation between Prime Minister Dr. Manmohan Singh and President Bush.

New Delhi, September 6, 2008.

Prime Minister Dr. Manmohan Singh and President Bush today spoke to each other on telephone. The Prime Minister thanked President Bush for his role in taking forward the civil nuclear initiative and the decision by the Nuclear Suppliers Group to adjust its guidelines to enable full civil nuclear cooperation between India and the international community. The two leaders expressed their belief that mutually beneficial relations between India and the United States were in the interest of their peoples, and were on a path of steady consolidation and multifaceted expansion, to which both leaders reiterated their commitment¹.



¹ Regarding the follow up action for ratification of the Agreement by the Congress, the Spokesperson for the National Security Council Gordon Johndroe said in Washington on September 8 that President George W. Bush was "hopeful" of being able to push the Indo-U.S. nuclear deal through Congress before his term ends in January next year, the White House said on September 8. "We will work with Congress to get this agreement approved. We are hopeful," he said. Terming the waiver granted to India by the 45-member Nuclear Suppliers Group (NSG) as a "huge step" in the relationship between the U.S. and India, U.S. Secretary of State Condoleezza Rice complimented the role played by the Indian government. Speaking to journalists in Algiers on September 6, Ms. Rice said India showed a lot of leadership skills in Vienna, where everybody took everyone else's concerns seriously and found the ways to bridge it. "I just wanted to come back and say how pleased I am to have received the news of the conclusion of the NSG discussions, and therefore, the passing of an exemption for India. This is an important step forward. I have to say that India showed a lot of leadership." "We got lot of help from the Indian government to make this possible, but also from a number of delegations that worked very closely with us. And I think that it is a really very big step forward for the non-proliferation framework."

125. Media Briefing by Spokesperson of the Chinese Ministry of Foreign Affairs on removal of nuclear trade restrictions on India by the Nuclear Suppliers' Group.

Beijing, September 8, 2008.

On September 6, the Nuclear Suppliers Group (NSG) adopted a statement on civilian nuclear cooperation with India, deciding to lift nuclear trade ban on the country. Do you have any comment?

China believes that all countries are entitled to make peaceful use of nuclear energy, and conduct international cooperation in this regard. Meanwhile, relevant cooperation should be conducive to safeguarding the integrity and efficacy of the international nuclear non-proliferation regime.

China has been taking part in relevant meetings within the Nuclear Suppliers Group in a responsible and constructive manner. On September 6, NSG discussed civilian nuclear cooperation with India and issued a statement on the basis of negotiated consensus, deciding to lift nuclear trade ban on the country.

China hopes that the decision will contribute to peaceful use of nuclear energy and international cooperation on nuclear non-proliferation¹.

1 It was widely known that there was reluctance on the part of China to facilitate an exemption for India at the NSG. Media reports said that this attitude of China ruffled feathers in New Delhi and the Indian side made its displeasure known through a demarche. Media report said that a senior government official from the Ministry of External Affairs spoke to the Chinese ambassador in India on September 6 to let the Chinese know that they had not kept their promise of playing a constructive role at the Nuclear Suppliers Group meeting. The Indian side believed that China, in a very subtle manner, egged on smaller countries to sabotage the India-US nuclear deal. "There was a definite attempt to delay the proceedings to another round of talks with full knowledge that any such move would scuttle the deal," said an official. Finally, as the smaller countries were weaned away one by one, China probably fell in line because it did not want to stand alone in denying India the waiver and also because of the pressure mounted by the US. While it has been suggested that President George Bush called up his counterpart Hu Jintao, the western media reported that it was actually secretary of state Condoleezza Rice's conversation with Chinese foreign minister Yang Jiechi which did the trick. Meanwhile, external affairs minister Pranab Mukherjee on September 7 ducked queries about whether or not the Indian side would convey its displeasure to Jiechi when the latter was due to arrive in New Delhi the next day on a 3-day visit. "I would not like to comment on what role was played by which country. This is their internal matter. Every country has a right to express its sovereign will. So far as Yang's visit to India is concerned, he is our distinguished guest. I welcome him," said Mukherjee. However the National Security Advisor M K

126. Remarks to the media by Official Spokesperson on developments relating to the civil nuclear initiative.

New Delhi, September 11, 2008.

In view of the public interest in developments relating to our civil nuclear initiative, I can inform you that following the NSG statement which enables civil nuclear cooperation by NSG members with India, Government is taking steps to realize commercial cooperation with foreign partners in this field. We have informed the USA about our intent to source state of the art nuclear technologies and facilities based on the provisions of the 123 Agreement from the US. Government is also moving towards finalizing bilateral agreements with other friendly partner countries such as France and Russia. While actual cooperation will commence after bilateral agreements like the 123 Agreement come into force, the Nuclear Power Corporation of India has already commenced a preliminary dialogue with US companies in this regard¹.



Narayanan said that India would convey its displeasure to China. Reporting the NSG waiver, 'People's Daily' said that Cheng Jingyem, head of the Chinese delegation, pointed out that it was Beijing's hope that the decision made by the NSG would stand the test of time and contribute to the goal of nuclear non-proliferation and peaceful use of atomic power. "It is also China's hope that NSG will equally address the aspirations of all parties for the peaceful use of nuclear power while adhering to the nuclear non-proliferation mechanism," the daily said. Media reports reporting the visit of the Chinese Foreign Minister to New Delhi said that during the talks New Delhi slammed Beijing for being unwilling to support its entry into the Nuclear Suppliers' Group (NSG), though there was no official word about the talks. However NSA Mr. Narayanan reportedly said: "We were rather disappointed because the Chinese suddenly jumped into the arena supporting -- they didn't say anything themselves -- the naysayers". "We will of course express some kind of disappointment... saying that we expected more from them," he said.

¹ The clarification became necessary because of speculation that India would like to wait for the signing of the 123 Agreement with the United States before entering into any nuclear commercial cooperation with any other country.

127. Response by Official Spokesperson to news report regarding the Civil Nuclear Initiative.

New Delhi, September 12, 2008.

The Government of India does not comment on domestic political processes in the US or other countries.¹

In working with the US in civil nuclear cooperation India will be guided by the 123 Agreement alone.

The text of the India-US 123 Agreement has been agreed upon by the Governments of India and the United States. It is a public document. The rights and obligations of both India and the US are clearly spelt out in the terms and provisions of the 123 Agreement. Once this Inter-Governmental Agreement enters into force, the Agreement would become a legal document in accordance with well-recognised principles of international law and the Law of Treaties.

India-US civil nuclear cooperation will be carried out on the basis of the respective rights and obligations of the two sides as contained in the Agreement. By doing so, the Government will ensure that India's rights are fully protected.



1. The spokesperson was responding to media reports that U.S. President George Bush had in his statement to the Congress said that the American commitment on reliable supply of nuclear fuel was not legally binding. Pointing out that the rights and obligations of both countries are clearly spelt out in the 123 Agreement, India maintained that once this Inter-Governmental pact entered into force, it would become a legal document in accordance with well-recognised principles of international law and the Law of Treaties. This implied that New Delhi believed that the political commitment for uninterrupted supply of fuel would then get translated into a legally binding commitment. "In Article 5 (6), the Agreement records certain political commitments concerning reliable supply of nuclear fuel given to India. Agreement does not, however, transform these political commitments into legal binding commitments because the agreement, like other U.S. agreements of this type, is intended as a framework agreement," said Mr. Bush's statement.

128. Information Circular Issued by the IAEA to Circulate the Communication dated 10 September 2008 received from the Permanent Mission of Germany to the Agency regarding a "Statement on Civil Nuclear Cooperation with India".

Vienna, September 19, 2008.

The Agency has received a communication dated 10 September 2008 from the Permanent Mission of Germany, forwarding a letter from the Chairman of the Nuclear Suppliers Group (NSG) to the Director General attached to which was a "Statement on Civil Nuclear Cooperation with India" adopted by the NSG.

As requested in the communication, the attachment is herewith circulated for information.

Communication of the Chairman of the Nuclear Suppliers Group to the IAEA on Waiver of Civil Nuclear Trade with India

1. At the extraordinary Plenary Meeting on 6th September 2008, the Participating Governments of the Nuclear Suppliers Group decided that they:
 - a. Desire to contribute to the effectiveness and integrity of the global non-proliferation regime, and to the widest possible implementation of the provisions and objectives of the Treaty on the Non-Proliferation of Nuclear Weapons;
 - b. Seek to avert the further spread of nuclear weapons;
 - c. Wish to pursue mechanisms to affect positively the nonproliferation commitments and actions of all states;
 - d. Seek to promote fundamental principles of safeguards and export controls for nuclear transfers for peaceful purposes; and
 - e. Note the energy needs of India.
2. Participating Governments have taken note of steps that India has voluntarily taken with respect to the following commitments and actions:

- a. Deciding to separate civilian nuclear facilities in a phased manner and to file a declaration regarding its civilian nuclear facilities with the IAEA, in accordance with its Separation Plan (circulated as INFCIRC/731);
 - b. Concluding negotiations with the IAEA and obtaining approval by the Board of Governors on 1 August 2008 for an "Agreement between the Government of India and the IAEA for the Application of Safeguards to Civilian Nuclear Facilities," in accordance with IAEA standards, principles, and practices (including IAEA Board of Governors Document GOV/1621);
 - c. Committing to sign and adhere to an Additional Protocol with respect to India's civil nuclear facilities;
 - d. Refraining from transfer of enrichment and reprocessing technologies to states that do not have them and supporting international efforts to limit their spread;
 - e. Instituting a national export control system capable of effectively controlling transfers of multilaterally controlled nuclear and nuclear-related material, equipment and technology.
 - f. Harmonizing its export control lists and guidelines with those of the Nuclear Suppliers Group and committing to adhere to the Nuclear Suppliers Group Guidelines; and
 - g. Continuing its unilateral moratorium on nuclear testing, and its readiness to work with others towards the conclusion of a multilateral Fissile Material Cutoff Treaty.
3. Based on the commitments and actions mentioned above, as reiterated by India on September 5, 2008, and without prejudice to national positions thereon.

Participating Governments have adopted and will implement the following policy on civil nuclear cooperation by Participating Governments with the IAEA-safeguarded Indian civil nuclear program:

- a. Notwithstanding paragraphs 4(a), 4(b) and 4(c) of INFCIRC / 254 / Rev.9 / Part 1, Participating Governments may transfer trigger list items and/or related technology to India for peaceful

purposes and for use in IAEA safeguarded civil nuclear facilities, provided that the transfer satisfies all other provisions of INFCIRC/254/Part 1, as revised, and provided that transfers of sensitive exports remain subject to paragraphs 6 and 7 of the Guidelines.

- b. Notwithstanding paragraphs 4(a) and 4(b) of INFCIRC/254/Rev.7/Part 2, Participating Governments may transfer nuclear-related dual-use equipment, materials, software, and related technology to India for peaceful purposes and for use in IAEA safeguarded civil nuclear facilities, provided that the transfer satisfies all other provisions of INFCIRC/254/Rev.9/Part 2, as revised.
 - c. At each Plenary, Participating Governments shall notify each other of approved transfers to India of Annex A and B items listed in INFCIRC/254/Part 1, as revised. Participating Governments are also invited to exchange information, including about their own bilateral agreements with India.
 - d. With a view to intensification of dialogue and cooperation with India, the Chairman is requested to confer and consult with India and keep the Plenary informed of these consultations.
 - e. Participating Governments will maintain contact and consult through regular channels, including the Consultative Group and Plenary, for the purpose of considering matters connected with the implementation of all aspects of this Statement taking into account relevant international commitments or bilateral agreements with India. In the event that one or more Participating Governments consider that circumstances have arisen which require consultations, Participating Governments will meet, and then act in accordance with paragraph 16 of the Guidelines.
4. In order to facilitate India's adherence to INFCIRC/254/ Part 1 and 2 and to remain current in its implementation of the Guidelines, the NSG Chair is requested to consult with India regarding changes to and implementation of the Guidelines and inform the Plenary of the outcome of the dialogue with India. Consultations with India

regarding proposed amendments will facilities their effective implementation by India.

5. Upon request by Participating Governments, the Chairman is requested to submit this Statement to the IAEA Director General with a request that it be circulated to all Member States.



129. Media Briefing by Foreign Secretary Shivshankar Menon on the visit of Prime Minister Dr. Manmohan Singh to the USA and France and by Secretary (West) on the India-EU Summit.

New Delhi, September 19, 2008.

Please see Document No.558.



130. Extract from the Interview of External Affairs Minister Pranab Mukherjee with the Chennai based daily *the Hindu*.

September 22, 2008

Will the Prime Minister be in a position to sign the 123 Agreement during his American visit?

It depends on the [U.S.] Congress. Whatever has to be done from our side we have done. Now it is for them to decide: How the President and the Administration will be able to get it done through the Congress. There is bipartisan support but the Congress has its own way of functioning. It is difficult to predict. It is possible, the Prime Minister will be there till the 26th. He is going to Washington on the 25th. So let us hope.

Regardless of its passage through the Congress, do we see a problem what President Bush said about fuel supplies not being legally binding and how do we get around this difference in interpretation?

Our position is very clear. We have some agreed texts, including the 123 Agreement. Of course, unless it is ratified by the U.S. Congress it is not a legal document. But we have presumed it to be a legal document, that is why we have sought the ratification of that document. We do not like any amendment because it was an agreed text. That is the way all international negotiations take place. That you agree upon the language, initial the text and thereafter it goes through the ratification process. We do hope it will be possible to have the ratification, as the language has been agreed upon and has been initialled - the 123 and two other documents, the India-specific safeguards agreement and the NSG clearance.

There is a view by some, including by Ambassador Lalit Mansingh, that now that the President has himself declared that these are not legally binding assurances, it would be demeaning for the Prime Minister to sign such an agreement.

I don't subscribe to that view. So far as we are concerned, we have made it quite clear that and it has been mentioned in the text of the agreement also. I would not like to go into this argument at this stage because this language has been initiated, debated, discussed and then agreed upon. It is just not that some draft has cropped up suddenly and somebody has initialled it. It is a negotiated draft and when it is approved, ratified by the

U.S. Congress, thereafter, our procedures are also there. The cabinet will have to ratify it. Depending on the "observations" is not sufficient; it is their internal matter. We do not comment on their internal matter. When we discuss in Parliament, many members express their views. Nobody is expected to make any comment. When we take a decision in the Cabinet, what transpires in the Cabinet is exclusively our matter, not of somebody else. Therefore, in what way their internal decision-making process takes place and what transpires between one wing of the administration and another wing of the administration, is as per their Constitutional practice. It is their process.

What would be the political and commercial value of an agreement where the other side is telling you in advance that fuel supply assurances are not legally binding?

I told you this is an enabling provision. After that when we buy the reactors, we will enter into the commercial agreement. These details will be worked out in framework of this agreement.

So we are not seeing it as an act of bad faith or good faith?

No. We are taking it as it is. Up to now there is the 123 Agreement language. In what form we will have the ratification, that will have to be seen.

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131. Extract from the Interview of External Affairs Minister Pranab MUKherjee with Ms. Kalyani Shankar for the All India Radio on the India - US Civil Nuclear Energy Cooperation.

New Delhi, September 22, 2008.

Interviewer (A): Welcome to this programme, Mr. Pranab Mukherjee. For the past two years, the entire focus of the government and all the political parties have been on the Indo-US nuclear deal. The deal is now at a very crucial stage with the NSG is discussing it now, 4th and 5th. By 5th I think we will know the results. So what do you think? Will the NSG clear it or how far is India ready to accommodate the changes?

Pranab Mukherjee (PM): Now NSG is meeting from tomorrow and the outcome of their meeting will be known to us at the end of the meeting on 5th. Therefore, there is no room of speculation. What to do with the outcome, we shall have to wait for the outcome. We have already stated what is our commitment. We cannot go beyond our commitment to Parliament, commitment made by the Prime Minister and commitment made by ourselves. Therefore, whatever we have committed to it, it will have to be achieved within that.

A: So what you mean is that if anything is suggested beyond that India will come with that?

PM: We have seen the draft for which amendment is sought for. Wherever is sought for, and that draft if it is agreed by the NSG is OK.

A: And could you tell us what is in the draft?

PM: No, how can I. It is being considered by them.

A: And how far India is ready to accommodate the changes? The changes which had been given to you in the draft and you are accepting those?

PM: We are committed to our commitment to Indian Parliament. Therefore, we have tried to meet our commitment made by our Prime Minister, made by me, in all the documents which we have entered into in connection with the Civil Nuclear Cooperation. Whether it is 123 agreement between India and USA or India's specific safeguards

agreement with IAEA and also in the draft which has been circulated by the United States of America to the NSG countries.

A: If the NSG clears which most probably might, is there enough time for the US Congress to clear it also because you have to go for the 123 also by that time?

PM: That will depend on the calander of the US Congress.

A: That will be in September end I think 26th or something.

PM: I don't know because what calander they will fix, it is for the US Congress to decide.

A: But, is there enough time suppose on 5th if it is cleared?

PM: It will depend on what type of calander and what time schedule they have. They are to decide, not we.

A: OK. The United States is in the midst of elections. And November 19th is their polling day. And after that, January 20th of next year the new President will take over. Where do you see the Indo-US relations going, whoever becomes President?.

PM: Our relationship with USA is strategic relationship. It is steadily improving irrespective of whoever occupies White House. Improvement of Indo-US relationship has a strong bipartisan support. Therefore, I do feel that whoever occupies the office of President after the election, our relationship between India and USA will steadily develop.

A: Even if by any chance, NSG doesn't clear it. Even then. That has nothing to do with the relationship with USA

PM: Our relationship is not uni-dimensional or uni-directional. We have relationship on many other area. It is a part of it.

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THANK YOU, VERY MUCH



132. Statement by Chairman of the Atomic Energy Commission Anil Kakodkar at the 52nd General Conference of the International Atomic Energy Agency.

Vienna, October 1, 2008.

Mr. President,

Allow me at the outset to congratulate you on behalf of my Government, and my own behalf, on your election as the President of the 52nd General Conference of the International Atomic Energy Agency. I am sure that under your able Presidentship, and with the support of your team and the Secretariat of the Agency, this General Conference will be able to accomplish the tasks before it.

I also take this opportunity to welcome the entry of the Sultanate of Oman, the Kingdom of Lesotho and Independent State of Papua New Guinea to the membership of the International Atomic Energy Agency (IAEA).

I would also like to compliment Dr. Mohamed ElBaradei, Director General on his able stewardship of the International Atomic Energy Agency for yet another year. Through his tireless efforts, he has guided the work of the Agency so that it can be better prepared to face contemporary challenges and also realize the immense opportunities that lie ahead.

Mr. President, this has been a remarkable year for India in the field of nuclear energy. The approval by consensus of the Agreement for the Application of Safeguards to Civilian Nuclear Facilities by the IAEA Board of Governors on 1st August, 2008 (GOV/2008/30), and the Statement on Civil Nuclear Cooperation issued by the Nuclear Suppliers Group (INFCIRC/734) on 6th September, 2008 have created conditions for India to make an even bigger contribution to the growth of international civil nuclear cooperation. Here we would like to acknowledge the contribution and assistance of our close friends in the international community who have made it possible.

While development of such cooperation will contribute to the strengthening of India's energy security, India is also looking forward to enhance its assistance to friendly countries. India has an ongoing programme on 220 MWe PHWRs, a reactor system that is competitive in terms of capital costs, safety performance and unit energy cost. This system is well suited to the needs of countries with small electricity grids, especially those in the developing world.

Today we have reached a critical point in global development efforts, which is marked by a huge increase in the energy requirements of emerging economies, unfulfilled developmental aspirations of a vast majority of the global population and the serious threat that our planet faces in terms of climate change. According to the Inter Governmental Panel on Climate Change, "warming of the climate system is unequivocal, as is now evident from observations of increases in the global average air and ocean temperatures, widespread melting of snow and ice and rising global average sea level". It is, therefore, clear that as we work towards meeting enhanced energy requirements, we need to realize this not in the business as usual mode but with much greater dependence on nonfossil energy sources. Such an approach is necessary as a part of climate change mitigation strategies, as well as for sustainability of available energy resources.

As an example here, I might mention that, as per the estimates made by our Planning Commission, India's share of incremental world supply of fossil fuels could rise from a low of 13% in the most energy efficient scenario to a high of 21% in the coal dominant scenario by 2031-32. India has, therefore, accorded high priority to realizing a significantly larger share for nuclear power in our overall electricity generation. Rapid development of nuclear energy has the viable potential for making the necessary energy available for sustainable development of the world at large.

India has been practicing a comprehensive programme in atomic energy covering the entire fuel cycle in respect of uranium, plutonium and thorium based fuels. While the three stage development of our nuclear programme is dictated by our prime longterm objective of realizing energy independence on the basis of our vast thorium resources, our understanding and experience with thorium clearly reveals several benefits of the thorium fuel cycle, particularly in heavy water reactors, in terms of proliferation resistant nuclear energy production as well as efficient fissile plutonium disposal which may also be of interest to other countries. We are organizing a side event this Friday that would highlight the role of Thorium in this regard in some detail.

Mr. President, I would now like to present a few highlights from Indian nuclear power programme, which has by now clocked 285 reactor years of safe and economic nuclear power generation. A new national record for continuous power operation was achieved by the Kaiga - 2 reactor by

registering 529 days of uninterrupted run during August 2006 to January 2008. In addition to the seventeen operating reactors, three 220 MWe Pressurised Heavy Water Reactors, two 1000 MWe Light Water Reactors and one 500 MWe Prototype Fast Breeder Reactor (PFBR) are currently in advanced stages of construction. An important milestone of erection of the 13.5m diameter safety vessel into the reactor vault of PFBR was reached in June 2008. I am also happy to inform you that the MoX fuel for PFBR, which is being irradiation tested in the Fast Breeder Test Reactor at Kalpakkam, has now reached a burn-up of 80,000 megawatt days per tonne of heavy metal. The initial construction activities related to Fast Reactor Fuel Cycle Facility that would recycle the PFBR fuel have commenced. The programme of development of metallic fuels that would enable shorter doubling time of fast reactor capacity is moving on course. We are also pursuing pre-project activities for four 700 MWe PHWRs and development of a new uranium mine at Tumallapalle.

A new critical facility for validating the physics design of the thorium based Advanced Heavy Water Reactor core, as well as for investigation of core lattices based on various fuels, moderator materials and reactivity control devices is now operational at the Bhabha Atomic Research Centre and is being used for various experiments for the purpose. The design of a new multi-purpose research reactor is progressing well and studies are currently underway to incorporate features in the design for its possible coupling to a lead-bismuth-eutectic spallation neutron source driven by a 650 MeV proton beam. The 3rd generation high level waste vitrification melter based on cold crucible technology has been in regular operation. Based on the operational feedback, a new melter has been designed and is under manufacture. An industrial electron beam irradiator based on 10 MeV RF-L1NAC has been commissioned. This machine is capable of delivering an electron beam over a 100 cm x 5 cm area in air for various materials processing applications. A 1:4 size model of our 540 MWe PHWR containment has been constructed to conduct experimental studies on various failure modes of the containment up to its ultimate load capacity. An international round-robin exercise has been organized using the results of these experiments that will enable bench marking of various computer codes for analysis of containment behaviour under accident conditions. Similarly, there are other major round robin exercise activities being pursued in India covering large RCC structures, tsunami effects, atmospheric dispersion, etc. We would welcome participation of interested research

groups in these exercises. INDUS II, the 2.5 GeV Synchrotron at Raja Ramanna Centre for Advanced Technology at Indore has reached its full energy level with a number of experimental beam lines operational. The Superconducting Cyclotron at Variable Energy Cyclotron Centre, Kolkata has also been commissioned with an internal beam.

India has also played an important role in several international projects that help further fundamental nuclear research. We are happy that the LHC has been completed and would start producing valuable experimental results as soon as the initial teething troubles are overcome. We value our participation in the ITER project which is important in terms of the long-term energy needs of the world. India is also participating in FAIR and many other mega-science projects.

Mr. President, I am also happy to inform this august gathering that in the area of cancer treatment, the indigenously developed telecobalt machine, Bhabhatron, is increasingly being sought after by cancer hospitals. Nine Bhabhatrons have already been installed and more are currently under manufacture. On the nuclear agriculture front, 8 new mutant varieties were notified by the Central Government for commercial cultivation during the year. This takes the total mutant varieties developed in BARC to 35.

As a member of the IAEA's INPRO activity right since its inception, we are glad to note the progress made during recent years. India is a participant in eight of the twelve Collaborative Projects under INPRO Phase - II. The collaborative projects, particularly in the fields of water cooled reactors, fast reactors, high temperature reactors, and thorium utilization, have been offering an unique opportunity for the participating Member States to jointly work towards taking these technological approaches forward, to fulfill the needs of the future and to cater to enhancement of the volume, reach and range of deployment of nuclear energy in the world. It is rather ironic that this important technological activity, which is at the core of a holistic solution to global access to nuclear energy in a safe, secure and sustainable manner, is still not a part of regular budget of the Agency. We once again stress on the need to provide full budgetary support to the INPRO activities, which we believe would be a most efficient and sustainable use of the Agency resources in meeting its objectives according to its Statute.

Mr. President, human development has primarily resulted from creative thinking and actions based on observations of things around us. Science

and Technology has played a major role in this evolution. At the current crucial juncture, when the ability to access the vast energy potential of the atom by all is the need of the hour to prevent widening of disparities, fears arising out of the destructive power of atom are preventing wider access. Several proposals for solutions are on the table. While one needs out of box ideas to make progress, it is clear that S&T based solutions are the ones that are likely to be most successful. Among all agencies in the UN family, the IAEA is uniquely placed in this respect as it has the necessary S&T resources with global representation. What we need is to emphasise S&T approaches to such solutions and INPRO is a case in point.

While we recognize the importance of nuclear power development world wide, we also need to take into account the factors that have constrained its growth. The number of countries that have taken up construction of a new power reactor has remained stagnant at 33 since the year 1985. However, there are ambitious plans now for expanding the nuclear power generating capacity in many countries and several countries have plans to build their first nuclear plant in the near future. Clearly, the required infrastructure needs to be in place in a timely manner to service this nuclear renaissance. One of the crucial elements of the infrastructure is the availability of trained human resources. Fortunately in India we have a robust programme for manpower development that is in existence for over five decades now. In keeping with the spirit of international cooperation, we would like to offer to train foreign young scientists in our Nuclear Training School, that regularly conducts a one-year orientation course for engineering graduates and science post-graduates, on mutually agreed terms.

As members of a responsible global community, we need to understand the issues that inhibit access to nuclear power and find solutions for their resolution. Clearly there are issues concerning human resources, capable infrastructure, safety regulation and security. What we need is a balanced approach which maximizes development and minimizes risks. The International Atomic Energy Agency, through its more than five decades of scientific and professional work, has established itself as a credible organization that fulfils its mandate as enshrined in its Statute. With its strong science base and rich experience, the Agency is in a unique position to identify and promote holistic technological solutions that are optimum,

that minimize constraints and are accessible to all.

The Director General's bold initiative last year to set up the Commission of Eminent Persons (CEP) for going into the nature and scope of IAEA's programme upto 2020 and beyond is highly commendable. The Report clearly brings out the need for a greater role for the Agency in piloting global development through the use of atomic energy which appears almost-inevitable today. While the Report does cover all relevant dimensions, especially the need for enhanced resources through regular budget, perhaps it could have been more balanced. The Report, however, does not provide many practical ideas and strategies to enable new entrants to access the benefits of nuclear energy. We would have been happier to see the focus of the Report on such and other related aspects within the scope of Agency Statute rather than on aspects outside. The CEP report alone, as it stands, cannot be the basis for IAEA's future. Clearly, more work needs to be done. However, we welcome this opportunity provided by the release of the Report to generate constructive and practical ideas as to how the renaissance of the nuclear industry could benefit all countries, the developing countries in particular.

Mr. President, on 30th October, 2008 we would enter the birth centenary year of the founder of atomic energy programme in India, the late Dr. Homi Jehangir Bhabha. I am also happy to inform that during this Bhabha Centenary Year, and also to mark the Silver Jubilee Celebrations of the Indian Atomic Energy Regulatory Board, we will be hosting the IAEA International Conference on Topical Issues in Nuclear Installation Safety, that is scheduled to be held in Mumbai during 17-21 November, 2008. As part of a year long Homi Bhabha Birth Centenary programme, we are planning to organize an international conference on "Peaceful Uses of Atomic Energy" and it will be our privilege if we can do this in cooperation with IAEA. As many of you are aware, Dr. Bhabha was among the early group that worked on shaping IAEA and in fact was instrumental in having its headquarters located in Vienna. Incidentally Dr. Homi Bhabha was also the President of the 1 st Geneva Conference on "Peaceful Uses of Atomic Energy"

Mr. President, in the march of human civilization every age and era is defined by a significant achievement; the use of fire, the invention of the wheel, locomotion through steam, the realization of power of the atom and the internet. We have now reached the final frontier. In this age we are at the threshold of the most exciting of possibilities - the power to understand

and manipulate matter in the service of mankind. But this possibility will become a reality only if the nations of the world, and in particular the scientific community, come together and join hands in a manner not seen in the past. We are hopeful that the international nuclear community working together as one family within the framework of the IAEA, will not let this opportunity pass and take giant leaps towards harnessing nuclear power for the benefit of the entire humanity.

Thank you, Mr. President



**133. Joint Press Interaction of External Affairs Minister
Pranab Mukherjee and US Secretary of State Dr.
Condoleezza Rice.**

New Delhi, October 4, 2008.

Please see Document No.573.



134. Remarks by U S Secretary of State Condoleezza Rice and External Affairs Minister Pranab Mukherjee at the signing of the U.S.-India Civilian Nuclear Cooperation Agreement.

Washington (D. C), October 10, 2008.

Moderator: Good afternoon, ladies and gentlemen. My name is Raymond Martinez. I am the U.S. Deputy Chief of Protocol. The United States Secretary of State and the External Affairs Minister of the Republic of India will be signing the Agreement for Cooperation between the Government of the United States of America and the Government of India Concerning Peaceful Uses of Nuclear Energy, also known as the 123 Agreement between the United States and India.

This document, the product of over a year of intense negotiations, is the capstone of an eight-year-long effort to take the bilateral relationship between the United States and India to a higher level. We welcome all of you to witness this historic event; in particular, our distinguished guests representing the Government of India.

Ladies and gentlemen, please welcome now the Secretary of State.

Secretary Rice: Thank you very much. Thank you. Ladies and gentlemen, this is truly an historic occasion, and I want to thank all of you for joining us here. But most of all, I want to thank my friend and colleague, Foreign Minister Mukherjee, who flew all the way here from New Delhi to do this signing. Thank you very, very much.

I also want to thank the members of the Indian delegation for traveling for this special day. I want to thank, obviously, the negotiators, the teams that have put this together, and our two very fine ambassadors. Thank you.

On behalf of President Bush and all of us here at the State Department, welcome to Washington, because without your personal dedication and relentless hard work, we would not be here today.

Many thought this day would never come, but doubts have been silenced now. The agreement we are about to sign is unprecedented and it demonstrates the vast potential partnership between India and the United States, a potential that, frankly, has gone unfulfilled for too many decades

of mistrust, and now potential that can be fully realized. The world's largest democracy and the world's oldest democracy, drawn together by our shared values and, increasingly, by our many shared interests, now stand as equals, closer together than ever before.

That we do so now is due to one factor and one factor alone: statesmanship; the courage in democratic statesmanship, both in New Delhi and in Washington. Prime Minister Singh literally risked his political future for this agreement, and then remade his government to gain the support that he needed. And President Bush first saw the potential and the need for transforming the U.S.-India partnership all the way back in 1999 when he was still the Governor of Texas, and he's made it one of his highest priorities.

That is what democratic leaders do. They deal with the world as it is, but they lay out a vision of the world as it could be, a vision of a new, better reality; and they lead their nations to expand the scope of the possible. I know I speak for my friend, Foreign Minister Mukherjee, when I say how honored we are to serve such leaders and to play the roles that we have in helping to shape this diplomatic triumph for both our nations.

Let no one assume, though, that our work is now finished. Indeed, what is most valuable about this agreement is how it unlocks a new and far broader world of potential for our strategic partnership in the 21st century, not just on nuclear cooperation but on every area of national endeavor.

And so today, we look to the future, a shared future in which both our nations together rise to our global responsibilities and our global challenges as partners. Let us use this partnership to shape an international order in which all states can exercise their sovereignty securely, responsibly, and in peace. Let us use this partnership to tackle the great global challenges of our time: energy security and climate change, terrorism and violent extremism, transnational crime and the proliferation of weapons of mass destruction. Let us use this partnership to protect and promote our common values: human rights and human dignity, democracy, liberty, and the rule of law for people who are diverse in background but joined together in spirit and aspirations. And let us use our partnership to drive a new social justice agenda for the 21st century by promoting good and uncorrupt governance, by expanding free and fair global trade, by advancing health and education, and supporting the millions and millions of people who are striving to lift themselves out of poverty.

India and the United States can do all of this and more together. There is so much that our two great nations will achieve in this new century. And with the conclusion of this civil nuclear agreement, our partnership will be limited

only by our will and our imagination. India and the United States have taken on an extremely difficult challenge. We've met it. We've succeeded together. Now, I believe there is nothing that we cannot do together.

Thank you.

Moderator: Ladies and gentlemen, please welcome the External Affairs Minister of the Republic of India.

Minister Mukherjee: Your Excellency, Dr. Condoleezza Rice, Secretary of State of the United States of America, honorable members of the U.S. Congress, distinguished secretaries of the U.S. Administration, excellencies, friends of India who have joined us today.

I thank the Secretary of State Dr. Condoleezza Rice for her gracious remarks.

Today is an important day for the India-U.S. relations, for global united security, and for our common endeavor to promote sustainable development while addressing environmental challenges. In signing the agreement between India and the United States of America for cooperation on peaceful uses of nuclear energy, we have brought to fruition three years of extraordinary effort by both our governments. This agreement is one more visible sign of the transformed relationship and partnership that our two countries are building together. In doing so, we implement a vision and understandings reached in July 2005, March 2006, by President George Bush and Prime Minister Dr. Manmohan Singh.

Both India and the United States have now completed all of our internal procedures to be able to sign this path-breaking agreement. We have particularly noted and welcome the strong bipartisan support which with the U.S. Congress endorsed the agreement. We see this bipartisan support as a vote for stronger India-U.S. cooperation to the mutual benefit of our people.

The signing of this agreement has also been preceded by the unanimous approval by the IAEA Board of Governors of the related safeguards arrangement and by the consensus decision of the 45-member Nuclear Suppliers Group to enable cooperation by its members in peaceful uses of nuclear energy with India.

The significance of the agreement is that it is the first step to civil nuclear cooperation and trade between India and the U.S. This is an agreement about civil nuclear cooperation, and reflects a careful balance of rights and obligations. The agreement has been passed by the U.S. Congress without any amendments. Its provisions are now legally binding on both sides once

the agreement enters into force. We look forward to working with the U.S. companies on the commercial steps that will follow to implement this landmark agreement.

It is also the first step to India's cooperation with the rest of the world in civil nuclear energy. By reinforcing and increasing the nuclear element in our country's energy needs, which is so vital to sustainable growth rate. Nuclear power will directly boost industrial growth, rural development, and help us to expand every vital sector of our economy.

It is also (inaudible) India to respond with her global partners to the challenges of climate and global warming by strengthening her economic growth and sustainable development. The wide-ranging initiatives announced by Prime Minister Dr. Manmohan Singh and the U.S. president in July 2005 and March 2006 have led to a transformed relationship between our two countries.

Our engagement and productive bilateral dialogue include clean and efficient energy, high technology, defense, space, education, agriculture, science and technology, civil aviation, infrastructure development, and information technology, to name just a few. These will, I am sure, again gain momentum with the signing of this agreement. We look forward to working with the U.S. in promoting nonproliferation, containing and fighting pandemic, climate change, ensuring food security, cooperating in disaster relief management, and other regional and global initiatives.

Excellencies, ladies and gentlemen, allow me to take this opportunity to express my deep appreciation and gratitude to each and every person who has made this day a reality. To the President George Bush of the United States of America, who steadfastly believed in this outcome and actually made it happen, to his Secretary of State Madame Condoleezza Rice who has spared no effort in working with my government on challenging details and who was instrumental in the positive outcome of the negotiations and the finalization of the text of the agreement - (applause) - and to the U.S. Congress, who gave this agreement with India their strong bipartisan support. The enthusiasm and support of the Indian-American community sustained us through this process and theirs was an invaluable cooperation.

Thank you, ladies and gentlemen.



134-A. The Agreement for Cooperation between The Government of India and The Government of the United States of America concerning peaceful uses of nuclear energy.

Washington (D.C.), October 10, 2008.

The Government of India and the Government of the United States of America, hereinafter referred to as the Parties,

RECOGNIZING the significance of civilian nuclear energy for meeting growing global energy demands in a cleaner and more efficient manner;

DESIRING to cooperate extensively in the full development and use of nuclear energy for peaceful purposes as a means of achieving energy security, on a stable, reliable and predictable basis;

WISHING to develop such cooperation on the basis of mutual respect for sovereignty, non-interference in each other's internal affairs, equality, mutual benefit, reciprocity and with due respect for each other's nuclear programmes;

DESIRING to establish the necessary legal framework and basis for cooperation concerning peaceful uses of nuclear energy;

AFFIRMING that cooperation under this Agreement is between two States possessing advanced nuclear technology, both Parties having the same benefits and advantages, both committed to preventing WMD proliferation;

NOTING the understandings expressed in the India - U.S. Joint Statement of July 18, 2005 to enable full civil nuclear energy cooperation with India covering aspects of the associated nuclear fuel cycle;

AFFIRMING their support for the objectives of the International Atomic Energy Agency (IAEA) and its safeguards system, as applicable to India and the United States of America, and its importance in ensuring that international cooperation in development and use of nuclear energy for peaceful purposes is carried out under arrangements that will not contribute to the proliferation of nuclear weapons or other nuclear explosive devices;

NOTING their respective commitments to safety and security of peaceful uses of nuclear energy, to adequate physical protection of nuclear material and effective national export controls;

MINDFUL that peaceful nuclear activities must be undertaken with a view to protecting the environment;

MINDFUL of their shared commitment to preventing the proliferation of weapons of mass destruction; and

DESIROUS of strengthening the strategic partnership between them;

Have agreed on the following:

ARTICLE 1 - DEFINITIONS

For the purposes of this Agreement:

- (A) “By-product material” means any radioactive material (except special fissionable material) yielded in or made radioactive by exposure to the radiation incident to the process of producing or utilizing special fissionable material. By-product material shall not be subject to safeguards or any other form of verification under this Agreement, unless it has been decided otherwise by prior mutual agreement in writing between the two Parties.
- (B) “Component” means a component part of equipment, or other item so designated by agreement of the Parties.
- (C) “Conversion” means any of the normal operations in the nuclear fuel cycle, preceding fuel fabrication and excluding enrichment, by which uranium is transformed from one chemical form to another - for example, from uranium hexafluoride (UF₆) to uranium dioxide (UO₂) or from uranium oxide to metal.
- (D) “Decommissioning” means the actions taken at the end of a facility’s useful life to retire the facility from service in the manner that provides adequate protection for the health and safety of the decommissioning workers and the general public, and for the environment. These actions can range from closing down the facility and a minimal removal of nuclear material coupled with continuing maintenance and surveillance, to a complete removal of residual radioactivity in excess of levels acceptable for unrestricted use of the facility and its site.
- (E) “Dual-Use Item” means a nuclear related item which has a technical use in both nuclear and non-nuclear applications.

- (F) "Equipment" means any equipment in nuclear operation including reactor, reactor pressure vessel, reactor fuel charging and discharging equipment, reactor control rods, reactor pressure tubes, reactor primary coolant pumps, zirconium tubing, equipment for fuel fabrication and any other item so designated by the Parties.
- (G) "High enriched uranium" means uranium enriched to twenty percent or greater in the isotope 235.
- (H) "Information" means any information that is not in the public domain and is transferred in any form pursuant to this Agreement and so designated and documented in hard copy or digital form by mutual agreement by the Parties that it shall be subject to this Agreement, but will cease to be information whenever the Party transferring the information or any third party legitimately releases it into the public domain.
- (I) "Low enriched uranium" means uranium enriched to less than twenty percent in the isotope 235.
- (J) "Major critical component" means any part or group of parts essential to the operation of a sensitive nuclear facility or heavy water production facility.
- (K) "Non-nuclear material" means heavy water, or any other material suitable for use in a reactor to slow down high velocity neutrons and increase the likelihood of further fission, as may be jointly designated by the appropriate authorities of the Parties.
- (L) "Nuclear material" means (1) source material and (2) special fissionable material. "Source material" means uranium containing the mixture of isotopes occurring in nature; uranium depleted in the isotope 235; thorium; any of the foregoing in the form of metal, alloy, chemical compound, or concentrate; any other material containing one or more of the foregoing in such concentration as the Board of Governors of the IAEA shall from time to time determine; and such other materials as the Board of Governors of the IAEA may determine or as may be agreed by the appropriate authorities of both Parties. "Special fissionable material" means plutonium, uranium-233, uranium enriched in the isotope 233 or 235, any substance containing one or more of the foregoing, and such other substances as the Board of Governors of the IAEA may determine or as may be agreed

by the appropriate authorities of both Parties. "Special fissionable material" does not include "source material". Any determination by the Board of Governors of the IAEA under Article XX of that Agency's Statute or otherwise that amends the list of materials considered to be "source material" or "special fissionable material" shall only have effect under this Agreement when both Parties to this Agreement have informed each other in writing that they accept such amendment.

- (M) "Peaceful purposes" include the use of information, nuclear material, equipment or components in such fields as research, power generation, medicine, agriculture and industry, but do not include use in, research on, or development of any nuclear explosive device or any other military purpose. Provision of power for a military base drawn from any power network, production of radioisotopes to be used for medical purposes in military environment for diagnostics, therapy and sterility assurance, and other similar purposes as may be mutually agreed by the Parties shall not be regarded as military purpose.
- (N) "Person" means any individual or any entity subject to the territorial jurisdiction of either Party but does not include the Parties.
- (O) "Reactor" means any apparatus, other than a nuclear weapon or other nuclear explosive device, in which a self-sustaining fission chain reaction is maintained by utilizing uranium, plutonium, or thorium or any combination thereof.
- (P) "Sensitive nuclear facility" means any facility designed or used primarily for uranium enrichment, reprocessing of nuclear fuel, or fabrication of nuclear fuel containing plutonium.
- (Q) "Sensitive nuclear technology" means any information that is not in the public domain and that is important to the design, construction, fabrication, operation, or maintenance of any sensitive nuclear facility, or other such information that may be so designated by agreement of the Parties.

ARTICLE 2 - SCOPE OF COOPERATION

1. The Parties shall cooperate in the use of nuclear energy for peaceful purposes in accordance with the provisions of this Agreement. Each Party shall implement this Agreement in accordance with its

respective applicable treaties, national laws, regulations, and license requirements concerning the use of nuclear energy for peaceful purposes.

2. The purpose of the Agreement being to enable full civil nuclear energy cooperation between the Parties, the Parties may pursue cooperation in all relevant areas to include, but not limited to, the following:
 - a. Advanced nuclear energy research and development in such areas as may be agreed between the Parties;
 - b. Nuclear safety matters of mutual interest and competence, as set out in Article 3;
 - c. Facilitation of exchange of scientists for visits, meetings, symposia and collaborative research;
 - d. Full civil nuclear cooperation activities covering nuclear reactors and aspects of the associated nuclear fuel cycle including technology transfer on an industrial or commercial scale between the Parties or authorized persons;
 - e. Development of a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of India's reactors;
 - f. Advanced research and development in nuclear sciences including but not limited to biological research, medicine, agriculture and industry, environment and climate change;
 - g. Supply between the Parties, whether for use by or for the benefit of the Parties or third countries, of nuclear material;
 - h. Alteration in form or content of nuclear material as provided for in Article 6;
 - i. Supply between the Parties of equipment, whether for use by or for the benefit of the Parties or third countries;
 - j. Controlled thermonuclear fusion including in multilateral projects; and
 - k. Other areas of mutual interest as may be agreed by the Parties.

3. Transfer of nuclear material, non-nuclear material, equipment, components and information under this Agreement may be undertaken directly between the Parties or through authorized persons. Such transfers shall be subject to this Agreement and to such additional terms and conditions as may be agreed by the Parties. Nuclear material, non-nuclear material, equipment, components and information transferred from the territory of one Party to the territory of the other Party, whether directly or through a third country, will be regarded as having been transferred pursuant to this Agreement only upon confirmation, by the appropriate authority of the recipient Party to the appropriate authority of the supplier Party that such items both will be subject to the Agreement and have been received by the recipient Party.
4. The Parties affirm that the purpose of this Agreement is to provide for peaceful nuclear cooperation and not to affect the unsafeguarded nuclear activities of either Party. Accordingly, nothing in this Agreement shall be interpreted as affecting the rights of the Parties to use for their own purposes nuclear material, non-nuclear material, equipment, components, information or technology produced, acquired or developed by them independent of any nuclear material, non-nuclear material, equipment, components, information or technology transferred to them pursuant to, this Agreement. This Agreement shall be implemented in a manner so as not to hinder or otherwise interfere with any other activities involving the use of nuclear material, non-nuclear material, equipment, components, information or technology and military nuclear facilities produced, acquired or developed by them independent of this Agreement for their own purposes.

ARTICLE 3 - TRANSFER OF INFORMATION

1. Information concerning the use of nuclear energy for peaceful purposes may be transferred between the Parties. Transfers of information may be accomplished through reports, data banks and computer programs and any other means mutually agreed to by the Parties. Fields that may be covered include, but shall not be limited to, the following:
 - a. Research, development, design, construction, operation, maintenance and use of reactors, reactor experiments, and decommissioning;

- b. The use of nuclear material in physical, chemical, radiological and biological research, medicine, agriculture and industry;
 - c. Fuel cycle activities to meet future world-wide civil nuclear energy needs, including multilateral approaches to which they are parties for ensuring nuclear fuel supply and appropriate techniques for management of nuclear wastes;
 - d. Advanced research and development in nuclear science and technology;
 - e. Health, safety, and environmental considerations related to the foregoing;
 - f. Assessments of the role nuclear power may play in national energy plans;
 - g. Codes, regulations and standards for the nuclear industry;
 - h. Research on controlled thermonuclear fusion including bilateral activities and contributions toward multilateral projects such as the International Thermonuclear Experimental Reactor (ITER); and
 - i. Any other field mutually agreed to by the Parties.
- 2. Cooperation pursuant to this Article may include, but is not limited to, training, exchange of personnel, meetings, exchange of samples, materials and instruments for experimental purposes and a balanced participation in joint studies and projects.
 - 3. This Agreement does not require the transfer of any information regarding matters outside the scope of this Agreement, or information that the Parties are not permitted under their respective treaties, national laws, or regulations to transfer.
 - 4. Restricted Data, as defined by each Party, shall not be transferred under this Agreement.

ARTICLE 4 - NUCLEAR TRADE

- 1. The Parties shall facilitate nuclear trade between themselves in the mutual interests of their respective industry, utilities and consumers and also, where appropriate, trade between third countries and either

Party of items obligated to the other Party. The Parties recognize that reliability of supplies is essential to ensure smooth and uninterrupted operation of nuclear facilities and that industry in both the Parties needs continuing reassurance that deliveries can be made on time in order to plan for the efficient operation of nuclear installations.

2. Authorizations, including export and import licenses as well as authorizations or consents to third parties, relating to trade, industrial operations or nuclear material movement should be consistent with the sound and efficient administration of this Agreement and should not be used to restrict trade. It is further agreed that if the relevant authority of the concerned Party considers that an application cannot be processed within a two month period it shall immediately, upon request, provide reasoned information to the submitting Party. In the event of a refusal to authorize an application or a delay exceeding four months from the date of the first application the Party of the submitting persons or undertakings may call for urgent consultations under Article 13 of this Agreement, which shall take place at the earliest opportunity and in any case not later than 30 days after such a request.

ARTICLE 5 - TRANSFER OF NUCLEAR MATERIAL, NON-NUCLEAR MATERIAL, EQUIPMENT, COMPONENTS AND RELATED TECHNOLOGY

1. Nuclear material, non-nuclear material, equipment and components may be transferred for applications consistent with this Agreement. Any special fissionable material transferred under this Agreement shall be low enriched uranium, except as provided in paragraph 5.
2. Sensitive nuclear technology, heavy water production technology, sensitive nuclear facilities, heavy water production facilities and major critical components of such facilities may be transferred under this Agreement pursuant to an amendment to this Agreement. Transfers of dual-use items that could be used in enrichment, reprocessing or heavy water production facilities will be subject to the Parties' respective applicable laws, regulations and license policies.
3. Natural or low enriched uranium may be transferred for use as fuel in reactor experiments and in reactors, for conversion or fabrication, or for such other purposes as may be agreed to by the Parties.

4. The quantity of nuclear material transferred under this Agreement shall be consistent with any of the following purposes: use in reactor experiments or the loading of reactors, the efficient and continuous conduct of such reactor experiments or operation of reactors for their lifetime, use as samples, standards, detectors, and targets, and the accomplishment of other purposes as may be agreed by the Parties.
5. Small quantities of special fissionable material may be transferred for use as samples, standards, detectors, and targets, and for such other purposes as the Parties may agree.
6. (a) The United States has conveyed its commitment to the reliable supply of fuel to India. Consistent with the July 18, 2005, Joint Statement, the United States has also reaffirmed its assurance to create the necessary conditions for India to have assured and full access to fuel for its reactors. As part of its implementation of the July 18, 2005, Joint Statement the United States is committed to seeking agreement from the U.S. Congress to amend its domestic laws and to work with friends and allies to adjust the practices of the Nuclear Suppliers Group to create the necessary conditions for India to obtain full access to the international fuel market, including reliable, uninterrupted and continual access to fuel supplies from firms in several nations.

(b) To further guard against any disruption of fuel supplies, the United States is prepared to take the following additional steps:
 - i) The United States is willing to incorporate assurances regarding fuel supply in the bilateral U.S.-India agreement on peaceful uses of nuclear energy under Section 123 of the U.S. Atomic Energy Act, which would be submitted to the U.S. Congress.
 - ii) The United States will join India in seeking to negotiate with the IAEA an India-specific fuel supply agreement.
 - iii) The United States will support an Indian effort to develop a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of India's reactors.
 - iv) If despite these arrangements, a disruption of fuel supplies to India occurs, the United States and India would jointly convene

a group of friendly supplier countries to include countries such as Russia, France and the United Kingdom to pursue such measures as would restore fuel supply to India.

- (c) In light of the above understandings with the United States, an India-specific safeguards agreement will be negotiated between India and the IAEA providing for safeguards to guard against withdrawal of safeguarded nuclear material from civilian use at any time as well as providing for corrective measures that India may take to ensure uninterrupted operation of its civilian nuclear reactors in the event of disruption of foreign fuel supplies. Taking this into account, India will place its civilian nuclear facilities under India-specific safeguards in perpetuity and negotiate an appropriate safeguards agreement to this end with the IAEA.

ARTICLE 6 - NUCLEAR FUEL CYCLE ACTIVITIES

In keeping with their commitment to full civil nuclear cooperation, both Parties, as they do with other states with advanced nuclear technology, may carry out the following nuclear fuel cycle activities:

- i) Within the territorial jurisdiction of either Party, enrichment up to twenty percent in the isotope 235 of uranium transferred pursuant to this Agreement, as well as of uranium used in or produced through the use of equipment so transferred, may be carried out.
- ii) Irradiation within the territorial jurisdiction of either Party of Plutonium, uranium-233, high enriched uranium and irradiated nuclear material transferred pursuant to this Agreement or used in or produced through the use of non-nuclear material, nuclear material or equipment so transferred may be carried out.
- iii) With a view to implementing full civil nuclear cooperation as envisioned in the Joint Statement of the Parties of July 18, 2005, the Parties grant each other consent to reprocess or otherwise alter in form or content nuclear material transferred pursuant to this Agreement and nuclear material and by-product material used in or produced through the use of nuclear material, non-nuclear material, or equipment so transferred. To bring these rights into effect, India will establish a new national reprocessing facility dedicated to reprocessing safeguarded nuclear material under IAEA safeguards

and the Parties will agree on arrangements and procedures under which such reprocessing or other alteration in form or content will take place in this new facility. Consultations on arrangements and procedures will begin within six months of a request by either Party and will be concluded within one year. The Parties agree on the application of IAEA safeguards to all facilities concerned with the above activities. These arrangements and procedures shall include provisions with respect to physical protection standards set out in Article 8, storage standards set out in Article 7, and environmental protections set forth in Article 11 of this Agreement, and such other provisions as may be agreed by the Parties. Any special fissionable material that may be separated may only be utilized in national facilities under IAEA safeguards.

- iv) Post-irradiation examination involving chemical dissolution or separation of irradiated nuclear material transferred pursuant to this Agreement or irradiated nuclear material used in or produced through the use of non-nuclear material, nuclear material or equipment so transferred may be carried out.

ARTICLE 7 - STORAGE AND RETRANSFERS

1. Plutonium and uranium 233 (except as either may be contained in irradiated fuel elements), and high enriched uranium, transferred pursuant to this Agreement or used in or produced through the use of material or equipment so transferred, may be stored in facilities that are at all times subject, as a minimum, to the levels of physical protection that are set out in IAEA document INFCIRC 225/REV 4 as it may be revised and accepted by the Parties. Each Party shall record such facilities on a list, made available to the other Party. A Party's list shall be held confidential if that Party so requests. Either Party may make changes to its list by notifying the other Party in writing and receiving a written acknowledgement. Such acknowledgement shall be given no later than thirty days after the receipt of the notification and shall be limited to a statement that the notification has been received. If there are grounds to believe that the provisions of this sub-Article are not being fully complied with, immediate consultations may be called for. Following upon such consultations, each Party shall ensure by means of such consultations that necessary remedial measures are taken immediately. Such measures shall be sufficient to restore the levels

of physical protection referred to above at the facility in question. However, if the Party on whose territory the nuclear material in question is stored determines that such measures are not feasible, it will shift the nuclear material to another appropriate, listed facility it identifies.

2. Nuclear material, non-nuclear material, equipment, components, and information transferred pursuant to this Agreement and any special fissionable material produced through the use of nuclear material, non-nuclear material or equipment so transferred shall not be transferred or re-transferred to unauthorized persons or, unless the Parties agree, beyond the recipient Party's territorial jurisdiction.

ARTICLE 8 - PHYSICAL PROTECTION

1. Adequate physical protection shall be maintained with respect to nuclear material and equipment transferred pursuant to this Agreement and nuclear material used in or produced through the use of nuclear material, non-nuclear material or equipment so transferred.
2. To fulfill the requirement in paragraph 1, each Party shall apply measures in accordance with (i) levels of physical protection at least equivalent to the recommendations published in IAEA document INFCIRC/225/Rev.4 entitled "The Physical Protection of Nuclear Material and Nuclear Facilities," and in any subsequent revisions of that document agreed to by the Parties, and (ii) the provisions of the 1980 Convention on the Physical Protection of Nuclear Material and any amendments to the Convention that enter into force for both Parties.
3. The Parties will keep each other informed through diplomatic channels of those agencies or authorities having responsibility for ensuring that levels of physical protection for nuclear material in their territory or under their jurisdiction or control are adequately met and having responsibility for coordinating response and recovery operations in the event of unauthorized use or handling of material subject to this Article. The Parties will also keep each other informed through diplomatic channels of the designated points of contact within their national authorities to cooperate on matters of out-of-country transportation and other matters of mutual concern.

4. The provisions of this Article shall *be* implemented in such a manner as to avoid undue interference in the Parties' peaceful nuclear activities and so as to be consistent with prudent management practices required for the safe and economic conduct of their peaceful nuclear programs.

ARTICLE 9 - PEACEFUL USE

Nuclear material, equipment and components transferred pursuant to this Agreement and nuclear material and by-product material used in or produced through the use of any nuclear material, equipment, and components so transferred shall not be used by the recipient Party for any nuclear explosive device, for research on or development of any nuclear explosive device or for any military purpose.

ARTICLE 10 - IAEA SAFEGUARDS

1. Safeguards will be maintained with respect to all nuclear materials and equipment transferred pursuant to this Agreement, and with respect to all special fissionable material used in or produced through the use of such nuclear materials and equipment, so long as the material or equipment remains under the jurisdiction or control of the cooperating Party.
2. Taking into account Article 5.6 of this Agreement, India agrees that nuclear material and equipment transferred to India by the United States of America pursuant to this Agreement and any nuclear material used in or produced through the use of nuclear material, non-nuclear material, equipment or components so transferred shall be subject to safeguards in perpetuity in accordance with the India-specific Safeguards Agreement between India and the IAEA [*identifying data*] and an Additional Protocol, when in force.
3. Nuclear material and equipment transferred to the United States of America pursuant to this Agreement and any nuclear material used in or produced through the use of any nuclear material, non-nuclear material, equipment, or components so transferred shall be subject to the Agreement between the United States of America and the IAEA for the application of safeguards in the United States of America, done at Vienna November 18, 1977, which entered into force on December 9, 1980, and an Additional Protocol, when in force.

4. If the IAEA decides that the application of IAEA safeguards is no longer possible, the supplier and recipient should consult and agree on appropriate verification measures.
5. Each Party shall take such measures as are necessary to maintain and facilitate the application of IAEA safeguards in its respective territory provided for under this Article.
6. Each Party shall establish and maintain a system of accounting for and control of nuclear material transferred pursuant to this Agreement and nuclear material used in or produced through the use of any material, equipment, or components so transferred. The procedures applicable to India shall be those set forth in the India-specific Safeguards Agreement referred to in Paragraph 2 of this Article.
7. Upon the request of either Party, the other Party shall report or permit the IAEA to report to the requesting Party on the status of all inventories of material subject to this Agreement.
8. The provisions of this Article shall be implemented in such a manner as to avoid hampering, delay, or undue interference in the Parties' peaceful nuclear activities and so as to be consistent with prudent management practices required for the safe and economic conduct of their peaceful nuclear programs.

ARTICLE 11 - ENVIRONMENTAL PROTECTION

The Parties shall cooperate in following the best practices for minimizing the impact on the environment from any radioactive, chemical or thermal contamination arising from peaceful nuclear activities under this Agreement and in related matters of health and safety.

ARTICLE 12 - IMPLEMENTATION OF THE AGREEMENT

1. This Agreement shall be implemented in a manner designed:
 - a) to avoid hampering or delaying the nuclear activities in the territory of either Party;
 - b) to avoid interference in such activities;
 - c) to be consistent with prudent management practices required for the safe conduct of such activities; and

- d) to take full account of the long term requirements of the nuclear energy programs of the Parties.
- 2. The provisions of this Agreement shall not be used to:
 - a) secure unfair commercial or industrial advantages or to restrict trade to the disadvantage of persons and undertakings of either Party or hamper their commercial or industrial interests, whether international or domestic;
 - b) interfere with the nuclear policy or programs for the promotion of the peaceful uses of nuclear energy including research and development; or
 - c) impede the free movement of nuclear material, non nuclear material and equipment supplied under this Agreement within the territory of the Parties.
- 3. When execution of an agreement or contract pursuant to this Agreement between Indian and United States organizations requires exchanges of experts, the Parties shall facilitate entry of the experts to their territories and their stay therein consistent with national laws, regulations and practices. When other cooperation pursuant to this Agreement requires visits of experts, the Parties shall facilitate entry of the experts to their territory and their stay therein consistent with national laws, regulations and practices.

ARTICLE 13-CONSULTATIONS

- 1. The Parties undertake to consult at the request of either Party regarding the implementation of this Agreement and the development of further cooperation in the field of peaceful uses of nuclear energy on a stable, reliable and predictable basis. The Parties recognize that such consultations are between two States with advanced nuclear technology, which have agreed to assume the same responsibilities and practices and acquire the same benefits and advantages as other leading countries with advanced nuclear technology.
- 2. Each Party shall endeavor to avoid taking any action that adversely affects cooperation envisaged under Article 2 of this Agreement. If either Party at any time following the entry into force of this Agreement does not comply with the provisions of this Agreement, the Parties shall promptly hold consultations with a view to resolving the matter

in a way that protects the legitimate interests of both Parties, it being understood that rights of either Party under Article 16.2 remain unaffected.

3. Consultations under this Article may be carried out by a Joint Committee specifically established for this purpose. A Joint Technical Working Group reporting to the Joint Committee will be set up to ensure the fulfillment of the requirements of the Administrative Arrangements referred to in Article 17.

ARTICLE 14 - TERMINATION AND CESSATION OF COOPERATION

1. Either Party shall have the right to terminate this Agreement prior to its expiration on one year's written notice to the other Party. A Party giving notice of termination shall provide the reasons for seeking such termination. The Agreement shall terminate one year from the date of the written notice, unless 'the notice has been withdrawn by the providing Party in writing prior to the date of termination.
2. Before this Agreement is terminated pursuant to paragraph 1 of this Article, the Parties shall consider the relevant circumstances and promptly hold consultations, as provided in Article 13, to address the reasons cited by the Party seeking termination. The Party seeking termination has the right to cease further cooperation under this Agreement if it determines that a mutually acceptable resolution of outstanding issues has not been possible or cannot be achieved through consultations. The Parties agree to consider carefully the circumstances that may lead to termination or cessation of cooperation. They further agree to take into account whether the circumstances that may lead to termination or cessation resulted from a Party's serious concern about a changed security environment or as a response to similar actions by other States which could impact national security.
3. If a Party seeking termination cites a violation of this Agreement as the reason for notice for seeking termination, the Parties shall consider whether the action was caused inadvertently or otherwise and whether the violation could be considered as material. No violation may be considered as being material unless corresponding to the definition of material violation or breach in the Vienna Convention on the Law of Treaties. If a Party seeking termination

cites a violation of an IAEA safeguards agreement as the reason for notice for seeking termination, a crucial factor will be whether the IAEA Board of Governors has made a finding of non-compliance.

4. Following the cessation of cooperation under this Agreement, either Party shall have the right to require the return by the other Party of any nuclear material, equipment, non-nuclear material or components transferred under this Agreement and any special fissionable material produced through their use. A notice by a Party that is invoking the right of return shall be delivered to the other Party on or before the date of termination of this Agreement. The notice shall contain a statement of the items subject to this Agreement as to which the Party is requesting return. Except as provided in provisions of Article 16.3, all other legal obligations pertaining to this Agreement shall cease to apply with respect to the nuclear items remaining on the territory of the Party concerned upon termination of this Agreement.
5. The two Parties recognize that exercising the right of return would have profound implications for their relations. If either Party seeks to exercise its right pursuant to paragraph 4 of this Article, it shall, prior to the removal from the territory or from the control of the other Party of any nuclear items mentioned in paragraph 4, undertake consultations with the other Party. Such consultations shall give special consideration to the importance of uninterrupted operation of nuclear reactors of the Party concerned with respect to the availability of nuclear energy for peaceful purposes as a means of achieving energy security. Both Parties shall take into account the potential negative consequences of such termination on the on-going contracts and projects initiated under this Agreement of significance for the respective nuclear programmes of either Party.
6. If either Party exercises its right of return pursuant to paragraph 4 of this Article, it shall, prior to the removal from the territory or from the control of the other Party, compensate promptly that Party for the fair market value thereof and for the costs incurred as a consequence of such removal. If the return of nuclear items is required, the Parties shall agree on methods and arrangements for the return of the items, the relevant quantity of the items to be returned, and the amount of compensation that would have to be paid by the Party exercising the right to the other Party.

7. Prior to return of nuclear items, the Parties shall satisfy themselves that full safety, radiological and physical protection measures have been ensured in accordance with their existing national regulations and that the transfers pose no unreasonable risk to either Party, countries through which the nuclear items may transit and to the global environment and are in accordance with existing international regulations.
8. The Party seeking the return of nuclear items shall ensure that the timing, methods and arrangements for return of nuclear items are in accordance with paragraphs 5, 6 and 7. Accordingly, the consultations between the Parties shall address mutual commitments as contained in Article 5.6. It is not the purpose of the provisions of this Article regarding cessation of cooperation and right of return to derogate from the rights of the Parties under Article 5.6.
9. The arrangements and procedures concluded pursuant to Article 6(iii) shall be subject to suspension by either Party in exceptional circumstances, as defined by the Parties, after consultations have been held between the Parties aimed at reaching mutually acceptable resolution of outstanding issues, while taking into account the effects of such suspension on other aspects of cooperation under this Agreement.

ARTICLE 15 - SETTLEMENT OF DISPUTES

Any dispute concerning the interpretation or implementation of the provisions of this Agreement shall be promptly negotiated by the Parties with a view to resolving that dispute.

ARTICLE 16 - ENTRY INTO FORCE AND DURATION

1. This Agreement shall enter into force on the date on which the Parties exchange diplomatic notes informing each other that they have completed all applicable requirements for its entry into force.
2. This Agreement shall remain in force for a period of 40 years. It shall continue in force thereafter for additional periods of 10 years each. Each Party may, by giving 6 months written notice to the other Party, terminate this Agreement at the end of the initial 40 year period or at the end of any subsequent 10 year period.
3. Notwithstanding the termination or expiration of this Agreement or withdrawal of a Party from this Agreement, Articles 5.6(c), 6, 7, 8, 9,

10 and 15 shall continue in effect so long as any nuclear material, non-nuclear material, by-product material, equipment or components subject to these articles remains in the territory of the Party concerned or under its jurisdiction or control anywhere, or until such time as the Parties agree that such nuclear material is no longer usable for any nuclear activity relevant from the point of view of safeguards.

4. This Agreement shall be implemented in good faith and in accordance with the principles of international law.
5. The Parties may consult, at the request of either Party, on possible amendments to this Agreement. This Agreement may be amended if the Parties so agree. Any amendment shall enter into force on the date on which the Parties exchange diplomatic notes informing each other that their respective internal legal procedures necessary for the entry into force have been completed.

ARTICLE 17 - ADMINISTRATIVE ARRANGEMENT

1. The appropriate authorities of the Parties shall establish an Administrative Arrangement in order to provide for the effective implementation of the provisions of this Agreement.
2. The principles of fungibility and equivalence shall apply to nuclear material and non-nuclear material subject to this Agreement. Detailed provisions for applying these principles shall be set forth in the Administrative Arrangement.
3. The Administrative Arrangement established pursuant to this Article may be amended by agreement of the appropriate authorities of the Parties.

IN WITNESS WHEREOF the undersigned, being duly authorized, have signed this Agreement.

DONE in Washington (D.C.) this 10th day of October, 2008 in duplicate.

For the Government of India

(Pranab Mukherjee)
Minister for External Affairs
Government of India

For the Government of the
United States of America:

(Condoleezza Rice)
Secretary of State, Government of
United States of America

AGREED MINUTE

During the negotiation of the Agreement for Cooperation Between the Government of India and the Government of the United States of America Concerning Peaceful Uses of Nuclear Energy ("the Agreement") signed today, the following understandings, which shall be an integral part of the Agreement, were reached.

Proportionality

For the purposes of implementing the rights specified in Articles 6 and 7 of the Agreement with respect to special fissionable material and by-product material produced through the use of nuclear material and non-nuclear material, respectively, transferred pursuant to the Agreement and not used in or produced through the use of equipment transferred pursuant to the Agreement, such rights shall in practice be applied to that proportion of special fissionable material and by-product material produced that represents the ratio of transferred nuclear material and non-nuclear material, respectively, used in the production of the special fissionable material and byproduct material to the total amount of nuclear material and non-nuclear material so used, and similarly for subsequent generations.

By-product material

The Parties agree that reporting and exchanges of information on by-product material subject to the Agreement will be limited to the following:

- (1) Both Parties would comply with the provisions as contained in the IAEA document GOV/1999/19/Rev.2, with regard to by-product material subject to the Agreement.
- (2) With regard to tritium subject to the Agreement, the Parties will exchange annually information pertaining to its disposition for peaceful purposes consistent with Article 9 of this Agreement.

For the Government of India

(Pranab Mukherjee)
Minister for External Affairs
Government of India

For the Government of the
United States of America:

(Condoleezza Rice)
Secretary of State, Government of
United States of America



135. Press Conference of External Affairs Minister Pranab Mukherjee.

Washington (D. C), October 10, 2008.

Opening Remarks by the External Affairs Minister:

Ladies and Gentlemen of the media,

Earlier today, Secretary of State Dr. Condoleezza Rice and I signed the Agreement between the Government of India and the Government of the United States of America for Cooperation on Peaceful Uses of Nuclear Energy, which is also known as the 123 Agreement. This is a historic occasion. It marks the beginning of resumption of India's civil nuclear cooperation and trade with the US and with the wider international community.

As you know, India attaches great importance to this Agreement and to civil nuclear commerce with the international community. The increased share of nuclear energy in our energy mix will make a major positive contribution to our sustainable development and to meeting our objective of eradicating poverty. We, therefore, see this as a critical development for our economic growth and development. The Agreement is also important for global energy security as well as a contribution to global efforts to meet the challenge of climate change.

We are happy that the Agreement was passed without any amendments by large bipartisan majorities in both Houses of the US Congress. This reflects strong support for stronger India-US relations and for the transformation that these relations have undergone in the last few years.

The significance of this Agreement is that it is the first step to civil nuclear co-operation and trade between India and the USA. The Agreement reflects a careful balance of rights and obligations for both parties. We intend to implement this Agreement in good faith and in accordance with the principles of international law and I am confident that the US will also do the same.

It is also the first step to India's cooperation with the rest of the world in civil nuclear energy. By reinforcing and increasing the nuclear element in our country's energy mix, which is vital to sustain our growth rate, nuclear power will directly boost industrial growth, rural development and help us

to expand every vital sector of our economy. It also enables India to respond with her global partners to the challenges of climate change and global warming by strengthening her own economic growth and sustainable development.

The signing of this agreement has also been preceded by the unanimous approval by the IAEA Board of Governors of the related safeguards arrangements, and by the consensus decision of the forty-five member Nuclear Supply Group to enable cooperation by its members in peaceful uses of nuclear energy with India.

Today's signing would not have been possible if it were not for the sustained support and effort of the US Administration led by President Bush. Secretary of State Condoleezza Rice has been a pillar of strength through this process of realizing the joint vision of Prime Minister Manmohan Singh and President Bush. I would also like to take this opportunity to thank the numerous supporters of the agreement, particularly the Indian-American community in the US, whose unstinting help contributed immensely to achieving this successful outcome.

Thank you for your attention. I would be happy to answer your questions.

MR. Rahul Chhabra: The minister will now take a few questions. I just request you to identify yourselves and the organization you represent before posing the question.

Q: Minister, I'm - **Chidanand Rajghatta - of Times of India.** For some odd reason today, I feel the same way I did on the day I graduated because it was three years - for those of us who are not experts - it was three years of learning about nuclear physics, about, you know, arcane ways in which treaties and agreements are formed. But my question is this, Minister: How much of this agreement rests on interpretation? And in your vast experience as cabinet minister, can foreign relations - can trust be the basis of conducting foreign relations?

Minister Mukherjee: We are bound by the agreed text of 123 agreement, which is negotiated by the negotiators of two countries. And it is on the basis of the joint statement issued by President Bush and prime minister on 18th July, 2005, and also the joint statement of March, 2006. It's not merely a question of the interpretation. It's the question of the agreed text on which we are depending.

Thank you.

Q: Can I just follow up, sir? That agreed text, is it open to interpretation? That's my question, sir. And secondly, the question of trust - can foreign relations - can trust be the basis of conducting foreign relations? Because you did say that you hope that - you hope to follow it - follow that agreement in good faith.

Minister Mukherjee: I've already stated that we will implement this agreement in good faith. That clearly implies that we trust each other.

Q: Parameswaran from Agence France-Presse. Mr. Minister, how do you view the timing of the deal's takeoff against the backdrop of the current financial crisis that obviously is going to slice investments and foreign investments? Thank you.

Minister Mukherjee: This agreement is the culmination of three years of talks. The agreement has been signed when all the necessary formalities have been completed, including the ratification by U.S. Congress as required, as per the US. Constitution, and finally, by the assent to this law by the U.S. president. In between, certain developments have taken place. No doubt it will have its impact on the overall economic situation, but this is not particularly related to the Indo-U.S. civil nuclear cooperation, which is the subject of this agreement.

Thank you.

Q: Mr. Minister, Viola Gienger from Bloomberg News. You said today at the signing that the Congress approved this agreement with no amendments. But, of course, you're aware that their resolution of approval did have some clauses in it that they felt very strongly about. Are you rejecting the Congress' intent and intending to stick to only the language of the 123 agreement itself?

And the second question is: what will be the process now for signing the International Convention on Compensation for Nuclear Damage?

Minister Mukherjee: So far the first question is concerned, I'm aware of the procedure followed by U.S. Congress in legislation. Every country has its own process of legislation, as we have. We are bound by the agreement negotiated between the two sovereign countries and in this case it is the 123 agreement.

So far the question of the international convention to mitigate the liabilities arising out of the nuclear issues, we are in the process of completing the

formalities in our country and I do hope it will be possible for us to participate in the international convention in due course of time.

Q: Sarah Jacob, New Delhi Television. You said today that this agreement reflects a careful balance of rights and obligations. Can you expand on what exactly you mean by that and have all your concerns - India's concerns about fuel supply assurances and reprocessing - have those been met?

MINISTER MUKHERJEE: The text of the agreement if you go through, it has entrusted responsibilities and obligations on both sides. In my observation, I have pointed out that there is a balance between the obligations and the rights which we will comply with. Text of 123 Agreement provides the fuel supply assurance to India and it has been reiterated by the president's signing statement.

Thank you.

Q: Hi, Daniel Horner from Platts. Actually, following up on that last question, in President Bush's signing statement, he said that it does not change the fuel assurances in the 123 Agreement, but since the agreement was initialed last year, there've been a number of administration statements to Congress indicating some limitations on the fuel assurances, specifically indicating that it would stop if India conducted a nuclear test and under such a scenario the U.S. would not work with other countries to provide fuel to India. So given that, are you satisfied with what President Bush said in his signing statement about the fuel assurances, or are you still confident that the fuel assurances would continue or what is your view on that? Thank you.

Minister Mukherjee: As I mentioned, every country has its own way of internal mechanism of fulfilling the constitutional obligations and also the process of legislation. I would not like to make any comment for the process of legislation in U.S. Congress and their obligations on it.

As I indicated the fuel supply assurance is being provided in the text of 123 Agreement itself, in Article 5.6.

Q: Sir, Lalit Jha from New Delhi Television, online edition, ndtv.com. Sir, during this last one and a half year, did at any point of time you felt that the deal could not go ahead and when was that?

Minister Mukherjee: Of course in this long three years, there have been many moments of suspicion. Even on this issue government have to - I

mean, government of India had to face a trust motion in our house of representatives, house of people, Lok Sabha, and we won that trust motion. Therefore, there have been occasions when many a people doubted whether the agreement will finally see the light of the day. But ultimately it has been possible to achieve this success.

Thank you.

Q: Paul Eckart from Reuters news agency. Historically, India's neighbor Pakistan has tended to view gains by India as losses to Pakistan. Should the Pakistanis be concerned about this agreement? Do you have words to assuage any concerns they might raise? That's my first question.

And my second question more broadly, you talked about the desire in both countries for closer cooperation and ties, do you have a wish list of other areas that you would like to work with the United States in the coming years?

Minister Mukherjee: So far as apprehension of Pakistan is concerned, I can assure you we are determined to build up good relationships with Pakistan and, in fact, we are doing so through the mechanism of composite dialogue. We are addressing all the outstanding issues between our two countries. The recent statement issued after the meeting between Prime Minister Dr. Manmohan Singh and President Zardari, the statement issued by President Zardari is really encouraging and there is no reason of any apprehension by Pakistan. India's commitment to nonproliferation is second to none and we have - in my statement on 5th of September, I reiterated our continuation of voluntary moratorium which we declared in 1998.

In respect of the second question, I would like to suggest we are already expanding our cooperation in many areas, not merely in civil nuclear cooperation - this is the first - but in defense, in agriculture, in education, in science and technology, in all areas of major economic activities, we are having expanding cooperation with USA, and I have no doubt it will be possible to expand it further as a result of this agreement.

Thank you.

Q: Good evening, Mr. Mukherjee. This is **Natasha Israni with Times Now.** Two quick questions. One is in terms of bids for contracts in India, will the Americans be competing with the French? Are there any reassurances to the Americans that there're certain contracts that they'll be able to win and get in terms of investments in India?

And the second question is Pakistan is now pursuing a civilian nuclear deal with the U.S. or China, or would like such a deal. If that happens in the future, would India object to such a deal with either the U.S. or China?

Thank you.

Minister Mukherjee: So far first question is concerned, we are entering into civil nuclear cooperation with USA, France, Russia and these are essentially the commercial contracts and surely the commercial aspect will be taken into account. But we are aware of our expanding relationship with USA.

In respect of civil nuclear cooperation between Pakistan and USA, we would like to encourage civil nuclear cooperation, peaceful use of nuclear energy, as we believe every country has its right to use nuclear energy for peaceful purposes.

Thank you.

Q: Brajesh Upadhyay, BBC News. Minister, will the U.S. companies - will they get the preferential treatment when the tenders are floated the nuclear reactors, and when will the trade process actually begin?

Minister Mukherjee: I will not use the word "preferential treatment." What I have used these are the commercial transactions as and when the commercial transactions take place only can we comment on them.

Mr. K.P. Nayar from the Telegraph. You have been finance minister, you have been commerce minister, you have been external affairs minister twice where economic diplomacy is a big part of your work. What are the lessons that India can draw from the current global economic crisis? What needs to change in Indian economic policies as a result of the current economic crisis?

Minister Mukherjee: We are fully aware of the developments which have taken place, but recently cabinet in its meeting has addressed this issue. As the global economies are closely linked, it might have impact on every economy. Keeping in view the appropriate measures have already been taken by Reserve Bank of India and even today the finance minister, Mr. Chidambaram, has issued a statement outlining the measures which has been taken. This is an event to which we shall have to respond in the appropriate manner. If you have noticed, economic policies of India have undergone change with the changing world situation, keeping pace with it. It is not static. It has an inherent dynamism in it.

Thank you.

Q: Specifically on India-U.S. economic relations, what impact will this have?

Minister Mukherjee: India-U.S. economic relationship is expanding very fast. USA as an individual country is the single largest trading partner. Technical collaboration - we have the largest number of technical collaboration with U.S. companies. Keeping that in view, we shall have to make a hard assessment what adverse impact, if at all, would have on this development. It is too early to make any comment on it.

Q: Rajesh Srivatsava - from Voice of America. Just an specification on the follow up question. American companies are already expecting 30 percent of the whole business, that is, \$40-45 billion of business after nuclear deal. Have you worked on any such numbers?

Minister Mukherjee: As I've told you earlier in response to other questions, these are all commercial transactions which will take place as and when the commercial contracts have finalized in terms of value, in terms of other ingredients it's too early. These are all estimates, and if and when it materializes, the actual figures will be available to us.

Thank you.

Q: V. Krishna, Hindustan Times. If I may go back to the fuel supply assurances. Are the assurances political or are they legal?

Minister Mukherjee: As I mentioned about the particular section of an agreement which is signed. Thank you.

Mr. Krishna: Thank you. Thank you so much.

Minister Mukherjee: Thank you.



136. Suo Motu Statement by External Affairs Minister Pranab Mukherjee on "India's Civil Nuclear Energy Initiative" in Parliament¹.

New Delhi, October 20, 2008.

I rise to inform this august House about recent developments in our civil nuclear initiative. In the three months since this matter was last considered in Parliament, we have made considerable progress.

2. The India-specific Safeguards Agreement with the IAEA was approved unanimously by the IAEA Board of Governors on 1st August 2008. As approved, the Safeguards Agreement reflects the key understandings upon which our civil nuclear initiative is based and enables their implementation. We will bring the agreement into force and offer facilities for safeguards in a phased manner in accordance with the provisions of the Safeguards Agreement and in keeping with our Separation Plan.
3. On 6th September 2008 the Nuclear Suppliers Group (NSG) adopted a decision by consensus which enables its members to engage in full civil nuclear cooperation with India. This decision opens the door for India to resume civil nuclear cooperation with the international community to meet its energy and development requirements. As I had mentioned in my statement in this House last July, the IAEA approval and the NSG decision provide us the passport which allows us to engage in civil nuclear cooperation with our international partners. We are now in the process of getting visas by engaging with our international partners to negotiate and finalise bilateral cooperation agreements.
4. On September 30, 2008 we signed an Agreement for Cooperation in Civil Nuclear Energy with France during PM's visit to France. On October 10, 2008 I signed the Agreement for Cooperation between the Government of India and the Government of the United States of America concerning Peaceful Uses of Nuclear Energy (also known as the 123 Agreement), with the US Secretary of State Dr. Condoleezza Rice in Washington. We hope to sign a cooperation

¹ The statement was made in the Lok Sabha on October 20 and in the Rajya Sabha on October 23.

agreement with Russia when President Medvedev visits India in December later this year.

5. These agreements represent a careful balance of rights and obligations. Cooperation with our international partners will be carried out on the basis of the terms and provisions of these agreements. The agreements that we have signed with the US and France and will be signing with Russia provide for cooperation in various aspects of nuclear fuel cycle. They include the fuel supply assurances which are the basis of our civil nuclear initiative as well as our right to build our strategic fuel reserves, to ensure the uninterrupted operation of our civil nuclear reactors under IAEA safeguards. These Agreements and the India-specific safeguards Agreement also provide for India to take corrective measures if necessary. These are interlocking provisions which protect our rights fully.
6. It has also been ensured in these agreements that we have the right to reprocess the nuclear material that we obtain from our international partners. We will also be setting up a new national reprocessing facility and taking other steps necessary to operationalise these agreements and realize the full potential of the civil nuclear initiative.
7. All these agreements are fully consistent with India's national interest, with the assurances that PM had given to Parliament and that Government has made to the people of India. Taken together the India-specific Safeguards Agreement, the NSG decision and the bilateral cooperation agreements provide the basis for us to engage in international cooperation in civil nuclear energy on a long term and sustainable basis with interested international partners. We regard these decisions as a vindication and recognition of India's impeccable non-proliferation credentials. When the enabling bilateral cooperation agreements are brought into force they will provide the legal framework to negotiate and finalise commercial arrangements to source nuclear fuel for our strategic fuel reserve as well as other nuclear equipment and technologies covering the nuclear fuel cycle. We will honour our commitments and implement these agreements in good faith and in accordance with the principles of international law and have no doubt that our partners will similarly discharge their commitments and obligations.
8. In achieving this result the Government has ensured that they only relate to cooperation in civilian nuclear energy and that our strategic

programme and our indigenous research are not affected. Our three stage indigenous nuclear programme will continue as envisaged by Pt. Jawaharlal Nehru and Dr. Homi Bhabha. The bilateral cooperation agreements that we have signed with the US and France as well as the India-specific Safeguards Agreement include specific provisions which ensure that there will be no hindrance to our strategic programme and that we retain the freedom to take action with regard to our strategic programme even as we engage in international cooperation in civil nuclear energy.

Hon'ble Speaker Sir,

9. Allow me to use this opportunity to elaborate why Government considers this initiative a historic contribution to our nation building effort, in respect of energy, sustainable development, technology and other aspects.

First, it enhances our development options. We are all aware that the availability of clean, affordable and sustainable sources of energy is a critical requirement if we hope to maintain healthy economic growth and abolish poverty. Today, the shortage of energy hampers our efforts to rapidly develop our economy. Hon'ble members are well aware of the strain put on our economy and on the daily lives of the people by the rise in the global prices of crude oil earlier this year. We must develop and utilize energy sources which are clean and do not contribute to climate change or global warming. We are and will continue to develop renewable sources of energy such as bio-fuels, solar and wind energy as well as other sources like hydel power. Nuclear energy offers us an economically and environmentally viable alternative. With the international cooperation that is now available, we will be in a position to bring additional generating capacity through nuclear power into our energy mix. It will also help our indigenous nuclear programme to grow rapidly. Today we have about 4000 MW of installed capacity in nuclear power. Even the existing plants are operating at a much lower level than their capacity due to a shortage of uranium. With the opening up of international nuclear trade and commerce we will have new opportunities to expand our nuclear power capacity.

Today, our total power generation capacity is about 1,45,000 megawatts. If we wish to sustain an annual GDP growth rate of 9-

10%, then by 2030, our projected energy deficit would be 1,50,000 megawatts. If we go a little more in future, that is by 2050, our energy deficit would be 4,12,000 megawatts. In working out these figures, we have taken into account thermal power, coal, petrol and diesel, hydel power, and non-conventional energy sources like wind, solar, etc. Even after their fullest exploitation, the projected deficit would remain. Nuclear power is the only effective way to bridge this gap. As per some studies, if we start work today on nuclear power, to produce 40,000 megawatts of energy in the period of eight years from 2012 to 2020, then within 22 years, that is by 2030, we will be able to reduce the deficit to only 50,000 megawatts as against the deficit of 1,50,000 megawatts. Thereafter, we will be able to reduce the energy deficit in 2050 from 4,12,000 megawatts to only 7,000 megawatts.

Second, this initiative marks the end of the technology-denial regimes which have restricted India for over three decades. These developments are the beginning of a new chapter for India - of engagement as equal partners in civil nuclear energy cooperation with other countries. As we move forward it will help us to expand high technology trade with technologically advanced countries.

Third, it is an acknowledgement of the scientific and technological achievements of our scientists whose tireless efforts in the face of adverse conditions laid the basis for this initiative. It is their efforts that have made it possible for the world today to recognize India as a state with advanced nuclear technology. Hon'ble members are aware that the embargoes in the nuclear field that were in place against us had hampered the efforts of our scientists to fully participate in international exchanges. With this initiative they will be able to engage with their counterparts in exchange of scientific ideas and technical know-how and contribute to the global effort to deal with the world-wide challenges of energy security and climate change; and

Finally, the initiative is an acknowledgement of India's role as a responsible power in international affairs on global stage. It is for us to utilize this opportunity with confidence as we pursue our national interests.

Hon'ble Speaker Sir,

10. During the course of negotiations on the civil nuclear initiative questions were raised whether we would be able to maintain the independence of our foreign policy. As I have said on earlier occasions, let me reiterate once again that we will never compromise on our independent foreign policy. Our foreign policy will be determined at all times by our own assessment of our national interest. This initiative in no way constrains our ability to pursue an independent foreign policy. It does not in any way affects our strategic autonomy. In fact it does the opposite by increasing our foreign policy options. The NSG decision by opening up the possibility for us to engage in civil nuclear cooperation with other countries actually enhances our choices to engage as an equal partner with the international community. The ultimate objective of our foreign policy is to create conditions conducive to our growth so that we can meet our developmental objectives. In this respect I can say emphatically that this initiative creates more space for us to pursue a foreign policy which serves our national interest.
11. In conclusion, the civil nuclear initiative is a landmark achievement which not only allows us to meet our future energy requirements in a sustainable manner but is also one which acknowledges India's growing role in global affairs. I am sure that you all will agree with me that it is time for us to look ahead and move forward with confidence to occupy our new and well deserved position in the Comity of Nations.



137. Question in the Lok Sabha: "Indo - US Civil Nuclear Deal".**New Delhi, October 22, 2008.**

Will the Minister of External Affairs be pleased to state:

- (a) the salient features of the Indo-US Civil Nuclear Agreement and its present status;
- (b) the adverse impact, if any, in the event of India deciding to go for nuclear test(s) for security interests of the country;
- (c) whether India has also signed agreements with Russia and France for civilian use of nuclear energy;
- (d) if so, the details thereof; and
- (e) the details of the benefits that are likely to accrue as a result thereof ?

The Minister of External Affairs (Shri Pranab Mukherjee)

(a)-(e) A statement is placed on the Table of the House.

STATEMENT

- (a)-(b) The "Agreement for Cooperation between the Government of India and the Government of the United States of America Concerning Peaceful Uses of Nuclear Energy" was signed by External Affairs Minister and US Secretary of State on October 10, 2008 at Washington. The purpose of the Agreement is to enable civil nuclear energy cooperation between India and the United States covering nuclear reactors and aspects of the associated nuclear fuel cycle including enrichment and reprocessing. The Agreement contains a full reflection of the key understandings of the July 18, 2005 and March 2006 Joint Statements and our Separation Plan. The agreement enables the creation of a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of India's reactors. The Agreement grants prior consent to reprocess nuclear material obtained through international cooperation, under IAEA safeguards. The Agreement specifically provides that India's strategic nuclear programme, three-stage Nuclear Programme and R&D activities will remain unhindered and unaffected.

There is no reference to testing in the bilateral agreement.

The Agreement provides for a multilayered consultation mechanism to protect our interests as regards uninterrupted operation of our reactors in case either party decides to terminate. The Agreement meets the concerns of both sides and fulfils all the assurances made by Prime Minister to Parliament on August 17, 2006.

- (c)-(d) Government have signed the "India-France Inter-Governmental Agreement on Civil Nuclear Cooperation" for cooperation in civilian use of nuclear technology with the Government of France, on September 30, 2008. The Government expect to sign a cooperation agreement with Russia later this year.
- (e) These agreements mark a resumption of nuclear trade and commerce with the international community. This will help us to increase the share of nuclear power in our energy mix, to reduce reliance on fossil fuels, and will contribute to our energy security. The conclusion of these agreements also marks an end to the technology denial regimes targetted against India, and will lead to an expansion of high technology trade in the future.



138. Speech of Prime Minister Dr. Manmohan Singh to mark the Birth Centenary of Dr. Homi Jahangir Bhabha.

Mumbai, October 30, 2008.

It gives me very great pleasure to launch the celebrations to commemorate the birth centenary of Dr Homi Bhabha. Over the next one-year, we will celebrate the far-sighted vision and scientific and intellectual legacy of Dr. Homi Bhabha. It was a vision that was shared and supported by Pandit Jawaharlal Nehru. These two great sons and intellectual giants of our country were the fathers of our atomic energy programme.

I thank Dr. Anil Kakodkar and all the scientists, engineers and officials of the Department of Atomic Energy for all the excellent work they have done. I congratulate the four distinguished scientists we are honouring today with Lifetime Achievement Awards. I wish each one of them still greater success in the years to come. They are truly role models for our future generations.

Dr. Bhabha's leadership of the atomic energy programme spanned 22 years. It began in 1944 with a letter he wrote to the Sir Dorabji Trust proposing the establishment of an institute devoted to fundamental research. He continued his work with passion and commitment right till his untimely death in an air accident in 1966.

Since the setting up of the Tata Institute of Fundamental Research in December 1945 we have come a long way. This has been possible because of the strong foundations laid by Dr Bhabha during his lifetime.

The three stage nuclear programme, based on a closed nuclear fuel cycle, was first outlined by Dr. Bhabha in a Conference on Development of Atomic Energy for Peaceful Purposes in India held as early as 1954 in New Delhi. It was based on self-reliance and sought to exploit our plentiful thorium reserves and our existing industrial capability.

The choice of Pressurised Heavy Water Reactors, PHWRs, for the first stage was guided by the industrial capability that existed in India at that particular time. The second stage is the Fast Breeder Reactor using plutonium fuel. The third stage is the development of advanced nuclear power systems for utilization of thorium.

Dr. Bhabha sought to achieve a balance between indigenous development and international cooperation. He negotiated the setting up of reactors at

Tarapur on a turnkey basis to demonstrate our willingness to take recourse to international trade in commercial nuclear power. But he also went ahead with the opening of uranium mines at Jadugoda in Singhbhum despite its seemingly unviable ore grade. That was at a time when uranium was available in the international market.

Thus we got a head start in nuclear power as well as our self-reliant three stage development with a robust and commercially successful first stage consisting of PHWRs that operated on natural uranium produced at Jadugoda.

The speed with which we can develop nuclear power is constrained by the availability of uranium. The initiative to open civil nuclear trade with the international community is a step towards accelerating the development of nuclear energy in the service of our country. This initiative will have far reaching effects on the growth of nuclear energy in India and I can say that it is a period of transition in our programme.

I warmly congratulate our scientists and diplomats on this spectacular achievement. It proves that when we put our mind to something, we can work unitedly and deliver the goods. It is with the same zeal and dedication that our scientific community has been working all along. The nation is proud of their impressive accomplishments.

The civil nuclear initiative is a good deal. It will open up new avenues of cooperation. The integrity of our 3rd Stage nuclear programme will not be affected. The autonomy of our Research and Development activity, including development of our fast breeder reactors and the thorium programme, in the nuclear field will remain unaffected. There will be no interference in any scrutiny of our strategic programme.

We are now working towards formalizing international cooperation with willing partners in the international community including the US, Russia, France, UK, Canada, Kazakhstan and others. The government will continue to provide its full support to continuation of all indigenous programmes.

As we develop and expand the nuclear power programme, I believe that we should redouble our efforts in promoting indigenous R&D and manufacturing capabilities and in the autonomous pursuit of the three stage nuclear programme and the strategic programme.

Ladies and Gentlemen,

We have mastered the PHWR technology through the efforts of our scientists and engineers. As we open up to new technologies from abroad, the Nuclear Power Corporation of India should continue to develop the market for these reactors both in India and abroad. I understand there is interest among a number of friendly countries in this regard. Our scientists and engineers have shown that they can compete with the very best in the world.

NPCIL will also play a major role in the rapid assimilation of Light Water Reactor technology and we expect that it will soon come to India.

It will be necessary for foreign energy firms to manufacture nuclear equipment in India. This will boost our manufacturing industry. Our industry has the capability to emerge as an important player in the global market for nuclear equipment.

The DAE should continue R&D on new reactor systems as well as the associated fuel cycle, including reprocessing of spent fuel. We look forward to the early start of the construction of the Advanced Heavy Water Reactor.

We should use the opportunities offered by international cooperation to accelerate our R&D programme. In the area of nuclear science and engineering, development in India has been taking place in isolation. Many innovations developed by our scientists may not have any parallels in other countries. Therefore, we can make an intellectual contribution to the global scientific community, benefiting ourselves from such exchanges.

India has contributed successfully towards the construction of the Large Hadron Collider built by CERN in Geneva. We are a party to the most advanced global project in the area of fusion science - ITER. India is also part of the advanced research reactor project being built in France, the Jules Horowitz Reactor. Clearly our capabilities particularly in nuclear science and engineering are being recognized the world over.

An expanded nuclear power programme cannot be sustained without high quality human resources. I recall coming to BARC on the occasion of the 50th Graduation Function of the BARC Training School set up by Dr. Homi Bhabha. I had said then that it is our scientists and engineers who have laid the building blocks of self-reliance in the field of nuclear science and technology and of India emerging as a knowledge economy. I sincerely

hope that the Homi Bhabha National Institute will carry forward the great intellectual legacy and vision of Dr Bhabha.

Ladies and gentlemen

In August 1955, Dr. Homi Bhabha said "For the full industrialization of the under-developed countries, for the continuation of our civilization and its further development, atomic energy is not merely an aid, it is an absolute necessity. The acquisition by man of the knowledge of how to release and use atomic energy must be recognized as the third epoch of human history."

Dr. Homi Bhabha spent his whole life in pursuit of this grand vision. He inspired a generation of scientists with his bold dreams and ambitions for the nation and his selfless service. He was a great scientific pioneer and a great builder of modern India.

We have now removed the restraints that have hindered the atomic energy programme in the past. If we show the same wisdom, pragmatism and foresight that Dr. Homi Bhabha did, I have no doubt that we will move ahead purposefully and substantially to realize his grand vision. I would like to assure the DAE fraternity of the full support of the Government of India in this very important national endeavour. I commend every one of you for your commitment to this great national enterprise.

Thank you.



139. Speech by Vice President M. Hamid Ansari at the Book Release Function of the book titled "India's Nuclear Policy" authored by Shri Bharat Karnad.

New Delhi, November 12, 2008.

This is a substantive book, authoritative and densely written with 158 pages of text and 875 end notes. Its subject can only be described as deadly serious. Professor Karnad, who needs no introduction to the strategic community, has done it with the same thoroughness that characterised his earlier tome, published in 2002. It will certainly provoke debate.

There has been and continues to be a good deal of informed, and even more uninformed, discussion on nuclear weapons in the global context. In the vocabulary of economics, a monopoly of possession gave way to an oligopoly. It resulted in a set of rules emanating from the game theory.

The assumptions and rules were disturbed when the nuclear weapons debate developed a regional context. The new arrivals, however, developed their own game theory. This, despite the sceptics, has held ground for over a decade.

The theological certitude of an earlier era has now given way to doubt in some quarters.

A third dimension however was bound to emerge, and did. It relates to cross-category interaction. What would happen when a player in the regional category has to interact in nuclear terms with a global player of the first category?

II

Prof. Karnad's focus is on 'the working of India's nuclear strategy and posture'. He takes on board India's doctrine of 'credible minimum deterrence' (CMD) and seeks to examine it in a 'militarily sustainable stance' and, as he puts it, 'with the nitty gritty of realising a credible, effective, and survivable thermonuclear force'. He develops this argument to show that the direction of India's nuclear strategy and posture, to quote him again, 'are headed clearly away from the minimalist notions of nuclear deterrence'.

Analysing this theorem in depth, he concludes that 'it is the indecisiveness and lack of will of the Indian political leadership to take hard national security decisions that is the weak link in the deterrence chain'.

Prof. Karnad's conclusion, based on scenario-building and war games in the strategic community, is even more specific: 'If India does not speedily close the gap in the size and quality of its strategic forces, which gap can

in a crisis be psychologically debilitating, China with its "stronger nuclear capability" will hold the whip hand'.

I find the scenario disturbing in terms of its assumptions.

The first of these relates to the doctrine of nuclear deterrence. There is a credible body of opinion that considers the doctrine a recipe for instability. Possession generates the impulse to further develop, and modernise, existing stock piles. This necessarily has a reaction leading to escalation.

Secondly, the emergence of actual or potential regional nuclear weapon powers is a reality. Each case has an impulse and a calculus of its own. Containment carries in itself the germs of a breakout, resulting in proliferation. It may thus result in the opposite of what is intended.

Thirdly, the conclusions about decision-making by the political leaders in a democracy are far too sweeping to be relevant. Competence or lack of it has a wider rationale and is not to be associated with a particular type of leadership. Democracies can be competent or incompetent; so can dictatorships including military dictatorships. Enough examples from recent and not-so-recent history can be cited for both types of situations. No segment of society has a monopoly of wisdom. Successful societies have invariably been examples of cooperative harmony.

Fourthly, the propensity to identify potential military adversaries has wider implications and, to my mind, should be eschewed. The world we live in is far too complex and far too rapid in its transformation to encourage definitive formulations. What Heraclitus said on flux has to be kept in mind. States have interests, not friends or enemies. These interests can be adjusted and reconciled.

Finally, the impact of globalisation on national security needs to be factored in. It affects state capacity and autonomy. We are currently witnessing the consequences of financial globalisation.

III

No discussion on national security can be uni-dimensional. The rationale for military security and weapons systems is one aspect of the matter. The real debate today is about human security and about non-military threats. Many of these are trans-national. The challenge is to develop both a psychological propensity and technological capability to respond to the latter. How would we develop a credible minimum deterrence to these? Would this not be a relevant priority for the strategist as the 21st century and its threats unfold?



APPENDICES

CIVIL NUCLEAR ENERGY COOPERATION

**STATEMENTS OF
THE UNITED STATES
OF AMERICA**

APPENDIX - I**Letter from the U.S. State Department to Chairman,
House Committee on Foreign Affairs.****Washington (D.C.), January 16, 2008.**

I am writing in response to your letter of October 5, '2007, concerning Congressional review of the recently initialed U.S.-India Agreement for peaceful nuclear cooperation (the "123" agreement).

The Department welcomes the opportunity to answer any questions that members of the Foreign Affairs Committee may have concerning the agreement. To that end, please find enclosed the Department's responses to the 45 Questions for the Record that you submitted with your letter.

Thank you for raising your concerns, as well as, those of the other members of your committee, on this important issue. Thank you also for your personal interest in, and support of, the overall Civil Nuclear Cooperation Initiative. We look forward to working with you to secure passage of the 123 Agreement when it is submitted to Congress.

(Jeffrey T. Bergner)

Assistant Secretary Legislative Affairs

**Questions for the Record submitted to Assistant Secretary Bergner
by Chairman Tom Lantos House Committee on Foreign Affairs October
5, 2007**

Question 1: What is the Administration's expectation regarding the likely economic benefits of this partnership, including India's purchase of U.S. nuclear fuel, reactors, and technology?

Answer : We are confident that this initiative will yield important economic benefits to the private sector in the United States. India currently has 15 operating thermal power reactors with seven under construction, but it intends to increase this number significantly. Meeting this ramp-up in demand for civil nuclear reactors, technology, fuel, and support services holds the promise of opening new markets for the United States. Indian officials indicate they plan to import at least eight 1000-megawatt power

reactors by 2012, as well as additional reactors in the years ahead. Studies suggest that if American vendors win just two of these reactor contracts, it could add 3,000-5,000 new direct jobs and 10,000-15,000 indirect jobs in the United States. The Indian government has conveyed to us its commitment to enable full U.S. participation in India's civil nuclear growth and modernization. At least 15 nuclear-related U.S. firms, including General Electric and Westinghouse, participated in a business delegation led by the Commerce Department in December 2006.

In addition, participation in India's market will help make the American nuclear power industry globally competitive, thereby benefiting our own domestic nuclear power sector. This initiative will permit U.S. companies to enter the lucrative and growing Indian market - something they are currently prohibited from doing. In addition, access to Indian nuclear infrastructure will allow U.S. companies to build reactors more competitively here and in the rest of the world - not just India.

Question 2: What scientific and technical benefits does the U.S. expect as a result of this agreement?

Answer : A successfully implemented civil nuclear cooperation initiative with India will allow scientists from both our nations to work together in making nuclear energy safer, less expensive, more proliferation-resistant, and more efficient. Newly forged partnerships in this area may also facilitate scientific advancement in the many facets of nuclear energy technology. Indian involvement in international for a such as the International Thermonuclear Experimental Reactor and the Generation-IV Forum can expand the potential for innovation in the future of nuclear energy, as well as the stake of emerging countries in developing cheaper sources of energy.

In addition, we could choose to allow India to participate in the future in the Department of Energy's Global Nuclear Energy Partnership and collaborate with other countries with advanced nuclear technology in developing new proliferation-resistant nuclear technology. Such interaction could only be contemplated subsequent to the completion of the civil nuclear cooperation initiative.

Question 3 : Does the Administration believe that the nuclear cooperation agreement with India overrides the Hyde Act regarding any apparent conflicts, discrepancies, or inconsistencies? Does this include provisions in the Hyde Act which do not appear in the nuclear cooperation agreement?

Answer : In his September 19 statement, Assistant Secretary Boucher twice made clear that "we think [the proposed 123 Agreement with India] is in full conformity with the Hyde Act." Indeed, the Administration is confident that the proposed agreement is consistent with the legal requirements of both the Hyde Act and the Atomic Energy Act. The proposed agreement satisfies the particular requirements of Section 123 of the Atomic Energy Act with the exception of the requirement for full-scope safeguards, which the President is expected to exempt prior to the submission of the agreement to Congress for its approval, as provided for in section 104 of the Hyde Act. The agreement is also fully consistent with the legal requirements of the Hyde Act.

Question 4 : Why are dual-use items for use in sensitive nuclear facilities mentioned in the proposed U.S.-Indian nuclear cooperation agreement, when such items are not transferred pursuant to an agreement for cooperation?

Answer : The Agreement provides for such transfers, consistent with the "full" cooperation envisaged by the July 18, 2005 Joint Statement. Article 5(2) of the 123 Agreement provides for such transfers by the Parties, however, only "subject to their respective applicable laws, regulations and license policies." It is not unusual for U.S. agreements for peaceful nuclear cooperation to provide for transfers of items that would in fact be transferred outside the agreement, if they are to be transferred at all. For example, many U.S. agreements, including the proposed U.S.-India Agreement, cover transfers of "components" and "information," even though such transfers would normally take place outside the agreement. Most importantly, it should be noted that while the proposed U.S.-India Agreement provides for transfer of the items-in question, as a framework agreement it does not compel any such transfers and as a matter of policy the United States does not transfer dual-use items for use in sensitive nuclear facilities.

Question 5 : Is it the intention of the U.S. government to assist India in the design, construction, or operation of sensitive nuclear technologies through the transfer of dual-use items outside the agreement? If so, how is this consistent with long-standing U.S. policy to discourage the spread of sensitive nuclear technology and with Section 103(a)(5) of the Hyde Act? Has the U.S. transferred such dual-use items to sensitive nuclear facilities in other cooperating parties and, if so, to which countries?

Answer : Consistent with standing U.S. policy, the U.S. government will not assist India in the design, construction, or operation of sensitive nuclear technologies through the transfer of dual-use items, whether under the Agreement or outside the Agreement. The United States rarely transfers dual-use items for sensitive nuclear activities to any cooperating party and no such transfers are currently pending.

Question 6: Does the Administration have any plan or intention to negotiate an amendment to the proposed U.S.-India agreement to transfer to India sensitive nuclear facilities or critical components of such facilities? If so, how would such transfers be consistent with the above-cited provision of the Hyde Act and the long-standing U.S. policy to discourage the spread of such technologies?

Answer : The Administration does not plan to negotiate an amendment to the proposed U.S.-India Agreement to transfer to India sensitive nuclear facilities or critical components of such facilities.

Question 7: Is it the intention of the Administration to transfer or allow the transfer of sensitive nuclear technology outside of the U.S.-India nuclear cooperation agreement? If so, how would such transfers be consistent with the Hyde Act and the long-standing U.S. policy to discourage the spread of such technologies?

Answer : Although the Hyde Act allows for transfers of sensitive nuclear technology under certain circumstances, it is not the intention of the Administration to transfer or allow the transfer of sensitive nuclear technology to India outside the U.S.-India Agreement for peaceful nuclear cooperation.

Question 8: What is the State Department's position regarding the manner by which an amendment to the proposed U.S.-India nuclear cooperation agreement would be submitted to the Congress? Because it would be an amendment to an exempted agreement, does the Administration agree that it would require a Joint Resolution of Approval before entering into force?

Answer: We would look at any future amendment on a case-by-case basis. Regarding the specific example discussed in the question, the Administration has no plan or intention to negotiate an amendment to the proposed U.S.-India agreement to transfer to India sensitive nuclear facilities or critical components of such facilities.

Question 9 : Would the U.S. limit any transfer of dual-use technology to India's enrichment and reprocessing facilities to those that were participants in a bilateral or multinational program to develop proliferation-resistant fuel cycle technologies?

Answer : As previously stated, it is not the intention of the U.S. government to assist India in the design, construction, or operation of sensitive nuclear technologies through the transfer of dual-use items, whether under the Agreement or outside the Agreement. India does not have any facilities that participate in a bilateral or multinational program to develop proliferation resistant fuel cycle technologies. If India were to develop such facilities, potential dual-use transfers could be considered only under the exceptions granted in the Hyde Act.

Question 10 : Why does Paragraph 4 of Article 10 of the U.S.-India agreement rely on an IAEA decision regarding the impossibility of applying safeguards rather than either party's judgment that the Agency is not or will not be applying safeguards? Would this permit a situation to arise in which there were a period of time during which safeguards might not be applied but the IAEA had not reached a conclusion that the application of safeguards was no longer possible?

Answer : Paragraph 4 of Article 10 addresses one situation - the same situation as is addressed in paragraph 4(a) of the Nuclear Suppliers Group Guidelines - in which fall-back, safeguards would be required because the International Atomic Energy Agency has decided that the application of Agency safeguards is no longer possible. It does not, however, constitute the fundamental basis provided by the Agreement for the application, if needed, of fall-back safeguards. That basis is provided by Paragraph 1 of Article 10, which states categorically that "[s]afeguards will be maintained with respect to all nuclear materials and equipment transferred pursuant to this Agreement, and, with respect to all special fissionable material used in or produced through the use of such nuclear materials and equipment, so long as the material or equipment remains under the jurisdiction or control of the cooperating Party."

This guarantee follows the formula prescribed by section 123(a)(1) of the U.S. Atomic Energy Act of 1954, as amended;. Taken together with paragraph 3 of Article 16 of the Agreement, it provides that safeguards in some form - International Atomic Energy Agency or other - must always be maintained with respect to all nuclear items in India subject to the Agreement

so long as they remain under the jurisdiction or control of India, irrespective of the duration of other provisions in the Agreement or whether the Agreement is terminated or suspended for any reason, precisely as section 123(a)(1) of the Atomic Energy Act requires.

Regarding the second part of the question, for the reasons just given, Paragraph 1 of Article 10 precludes there arising such a situation.

Question 11 : Why does the provision not call for rectifying measures, as in the Japan agreement? Why does it not call for the parties to immediately enter into arrangements which conform to safeguards principles and procedures of the Agency?

Answer : Different approaches to fall-back safeguards are possible, consistent with the requirement of section 123(a)(1) of the Atomic Energy Act. If for some reason International Atomic Energy Agency safeguards fail to be applied to nuclear items in India subject to the U.S.-India Agreement, the Parties of necessity must enter into arrangements for alternative measures to fulfill the requirement of paragraph 1 of Article 10.

Question 12: Have "appropriate verification measures" been discussed, defined, or otherwise outlined with Indian officials? If Indian officials have shared their views on appropriate verification measures, what are those views? Do U.S. and Indian views diverge and if so, how?

Answer : The United States has not discussed in detail with India what form "appropriate verification measures" might take if the International Atomic Energy Agency decides that it is no longer possible for it to apply safeguards as provided for by paragraph 2 of Article 10 of the U.S.-India Agreement. The United States has expressed its view to India that acceptable alternative measures in that case might range from an alternative safeguards arrangement with the International Atomic Energy Agency, to some other form of international verification. The Government of India has expressed its view that for purposes of implementing the U.S.-India Agreement, Agency safeguards can and should be regarded as being "in perpetuity." At the same time it fully appreciates that paragraph 1 of Article 10 of the Agreement does not limit the safeguards required by the Agreement to *Agency* safeguards.

Question 13 : In the U.S. view, how would potential appropriate verification measures provide effectiveness and coverage equivalent to that intended to be provided by safeguards in paragraph 1 of Article 10?

Answer : The "appropriate verification measures" referred to in paragraph 4 of Article 10 would be an alternative to International Atomic Energy Agency safeguards applied pursuant to the India-Agency safeguards agreement referenced in paragraph 2 of Article 10, the implementation of which in the normal course of events would satisfy the safeguards requirement of paragraph 1 of Article 10 with respect to India. If it were no longer possible for the Agency to apply safeguards to nuclear items subject to the U.S.-India.

Agreement in India, alternative verification measures agreed by the Parties would need to be carried out on some other international basis to maintain continuity of safeguards as required by paragraph 1 of Article 10. The United States would expect such measures to provide effectiveness and coverage equivalent to that intended to be provided by the India-Agency safeguards agreement referenced in paragraph 2 of Article 10, albeit without a necessary role for the international Atomic Energy Agency in their application.

Question 14: Which of the commitments that the United States made in Article 5 are of a binding legal character? Does the Indian Government agree?

Answer : The question quotes paragraph 6 of article 5, which contains certain fuel supply assurances that were repeated verbatim from the March 2006 separation plan. These are important Presidential commitments that the U.S. intends to uphold, consistent with U.S. law.

Question 15 : What is the definition of "disruption of supply" as used in Article 5? Do the U.S. and Indian governments agree on this definition?-

Answer : It is the understanding of the United States that the use of the phrase "disruption of fuel supplies" in Article 5.6 of the 123 Agreement is meant to refer to disruptions in supply to India that may result through no fault of its own. Examples of such a disruption include (but are not limited to): a trade war resulting in the cut-off of supply; market disruptions in the global supply of fuel; and the potential failure of an American company to fulfill any fuel supply contracts it may have signed with India. We believe the Indian government shares our understanding of this provision.

Question 16 : Would any of these commitments continue to apply if India detonated a nuclear explosive device? If so, under what circumstances?

Answer : As outlined in Article 14 of the 123 Agreement, should India detonate a nuclear explosive device, the United States has the right to cease all nuclear cooperation with India immediately, including the supply of fuel, as well as to request the return of any items transferred from the United States, including fresh fuel. In addition, the United States has the right to terminate the agreement on one year's written notice. (Notice of termination has to precede cessation of cooperation pursuant to Article 14). In case of termination, the commitments in Article 5.6 would no longer apply.

Question 17: Do the assurances in Article 5 require the United States to assist India in finding foreign sources of nuclear fuel in the event that the United States ceases nuclear cooperation with India?

Answer : Ceasing nuclear cooperation with India would be a serious step. The United States would not take such a serious step without careful consideration of the circumstances necessitating such action and the effects and impacts it would entail. Such circumstances would include, for example, detonation of a nuclear weapon, material violation of the 123 Agreement, or termination, abrogation, or material violation of International Atomic Energy Agency safeguards. The provisions in article 14 on termination of the agreement and cessation of cooperation would be available in such circumstances, and their exercise would render article 5.6 inapplicable. Moreover, such circumstances would likely be inconsistent with the political underpinnings of the U.S.-India Initiative upon which the commitments in article 5.6 were based.

Question 18 : How is this fuel supply assurance consistent with Section 103(a)(6) of the Hyde Act which states that it is U.S. policy to: "Seek to prevent the transfer to any country of nuclear equipment, materials, or technology from other participating governments in the Nuclear Suppliers Group or from any other source if nuclear transfers to that country are suspended or terminated pursuant to this title, the Atomic Energy Act, or any other United States "law"?

Answer : There is no inconsistency between the fuel supply assurances contained in Article 5 of the U.S.-India Agreement and section 103(a)(6) of the Hyde Act. Paragraph 6 of Article 5 of the U.S.-India Agreement records assurances given by the United States to India in March 2006. In particular, the United States conveyed its commitment "... to work with friends and allies to adjust the practices of the Nuclear Suppliers Group to create the

necessary conditions for India to obtain full access to the international fuel market, including reliable, uninterrupted and continual access to fuel supplies from firms in several nations," and "[i]f despite these arrangements a disruption of fuel supplies to India occurs, the United States and India would jointly convene a group of friendly countries ... to pursue such measures as would restore fuel supply to India."

These fuel supply assurances are intended to guard against disruptions of fuel supply to India that might occur through no fault of India's own. Instances of such a disruption might include, for example, a trade war resulting in the cut-off of supply, market disruptions in the global supply of fuel, or the failure of a company to fulfill a fuel supply contract it may have signed with India. In such circumstances the United States would be prepared to encourage transfers of nuclear fuel to India by other Nuclear Suppliers Group members.

The fuel supply assurances are not, however, meant to insulate India against the consequences of a nuclear explosive test or a violation of nonproliferation commitments. The language of Article 5.6(b), particularly in the context of Article 14, does not provide for any such insulation.

Question 19 : How are these provisions regarding a life-time strategic reserve for the operating life of India's safeguarded reactors consistent with subparagraph (10) of paragraph (a) of Section 103 of the Hyde Act, which states that: "Any nuclear power reactor fuel reserve provided to the Government of India for use in safeguarded civilian nuclear facilities should be commensurate with reasonable operating requirements?"

Answer : We do not read these provisions to be inconsistent. The parameters of the proposed "strategic reserve" and of India's capacity to acquire nuclear fuel for its reactors will be developed over time. Thus, it is premature to conclude that the strategic reserve will develop in a manner inconsistent with the Hyde Act.

Question 20 : Do the U.S. and India agree on the definition of reasonable reactor operating requirements for Indian reactors? If yes, what is it? If not, how do they disagree? Does the U.S. have an assessment of how much nuclear material would be required for a life-time strategic reserve for each safeguarded Indian power reactor that could receive fuel pursuant to the proposed agreement?

Answer : The U.S.-India Agreement does not define "reasonable operating

requirements," and the two governments have not discussed a definition. Any definition would have to take into account among other things the physical characteristics of the reactors, their expected operating cycles, their expected time in service, the likelihood of fuel supply disruptions over decades of operation, and many similar factors that are difficult to quantify in the abstract. We would expect that the actual amount of fuel put in the reserve would depend not only on the factors just mentioned, but also on such factors as availability of fuel in the market, price, Indian storage capacity, costs of storage, and similar practical considerations. The Agreement itself establishes neither a minimum nor a maximum quantity of nuclear material to be placed in India's reserve.

Question 21 : How are these assurances consistent with subparagraph (6) of paragraph (a) of Section 103 of the Hyde Act which states that it is U.S. policy to: "Seek to prevent the transfer to a country of nuclear equipment, materials, or technology from other participating governments in the Nuclear Suppliers Group or from any other source if nuclear transfers to that country are suspended or terminated pursuant to this title, the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), or any other United States law"?

Answer : Please see the response to Question 18.

Question 22 : What impact will these U.S. commitments of nuclear fuel supply to India have on the U.S. initiatives to discourage the spread of enrichment and reprocessing facilities?

Answer : We do not foresee any negative impact on these initiatives. India already possesses both types of facilities. We do not believe that the provision of fuel assurances to India will have any effect on our efforts to offer reliable access to nuclear fuel to persuade countries aspiring to develop civil nuclear energy to forgo enrichment and reprocessing capabilities of their own.

Question 23 : Have the Indians explained to the U.S. or to the International Atomic Energy Agency their definition of the term "an India-specific safeguards agreement?" If so, what is it?

Answer : The Indian government has not yet explained to the United States what it means by the term "India-specific" safeguards agreement. The Indian government has been in discussions with the IAEA regarding its safeguards agreement. However, these discussions have not concluded. The United

States remains confident that the safeguards agreement to be negotiated between India and the IAEA will address all of the concerns associated with the term "India-specific."

Question 24: Which provisions of INFCIRC/66/Rev.2 agreements provide for safeguards in perpetuity? Would these apply to civil nuclear reactors that a country such as India requests the IAEA to safeguard?

Answer : INFCIRC/66/Rev.2 is not a "model agreement" as is INFCIRC/153 (the basis for NPT safeguards agreements) - INFCIRC/66-type agreements are not as rigidly determined as Nuclear Nonproliferation Treaty safeguards agreements. Because INFCIRC/66-type agreements do not involve full-scope safeguards (safeguards applied to all nuclear material in a state), but have been aimed at the application of safeguards to specific supplied materials or facilities, the scope of safeguards application is delineated uniquely in each agreement.

This is generally done through the mechanism of a dynamic list of inventory items to which the agreement stipulates that safeguards must be applied. The main part of the inventory list contains facilities and material that are permanently under safeguards. The subsidiary part of the inventory list contains facilities that are temporarily under safeguards due to the presence of safeguarded material. There is a third section of the list that contains nuclear material on which safeguards are suspended or exempted (e.g., because the material has been diluted to the point where it is no longer usable, has been transferred out of the state, etc.). We would expect that the Indian safeguards agreement will be based on this general structure, and that the nuclear facilities India declares to be "civil" will be placed in the main (permanent safeguards) part of the inventory list. Also in the main part of the inventory would be nuclear material exported to India, and any nuclear material generated through the use of that material.

Consistent with International Atomic Energy Agency Board Document GOV/1621 (which is referenced in the Hyde Act, Sec. 104(b)(2)), the safeguards agreement should also contain language that ensures that: (1) the duration of the agreement is related to the period of actual use of the items in the recipient state; and (2) the rights and obligations with respect to safeguarded nuclear material shall apply until such time as the International Atomic Energy Agency terminates safeguards pursuant to the agreement (e.g. the material is no longer usable or has been transferred from the recipient state).

Question 25 : Has the Indian government provided U.S. officials with a definition of "corrective measures"? If so, what is it? Does it involve removing IAEA-safeguarded material from such safeguards in certain circumstances? If so, does the U.S. support the conclusion of an Indian agreement with the IAEA that provides for perpetuity of safeguards while at the same time making such perpetuity contingent on the invocation of "corrective measures?"

Answer : The Indian government has not provided the United States with a definition, of "corrective measures." Until a safeguards agreement is completed between India and the International Atomic Energy Agency and the issue of "corrective measures" is clarified, we cannot comment on the appropriateness of the agreement. However, we expect that the Indian government will implement in letter and in spirit its commitment to "safeguards in perpetuity," to which it agreed on March 2, 2006. As Secretary Rice stated during her testimony before the Senate Foreign Relations Committee on April 5, 2006, "We've been very clear with the Indians that the permanence of safeguards is the permanence of safeguards without condition."

Question 26 : Since India is not a party to the Nuclear Nonproliferation Treaty (NPT) and does not accept full-scope safeguards, does this long-term consent for reprocessing for India change U.S. policy for granting long-term consent to reprocessing and the use of plutonium? If so, what criteria will the U.S. now use to consider requests for reprocessing and the use of plutonium either on a case-by-case basis or for long-term advance programmatic arrangements?

Answer : The consent to reprocessing is contingent upon the construction of a new, dedicated reprocessing facility that will be under International Atomic Energy Agency safeguards. The criteria applied by the United States in considering the Indian request were the same as those applied in the earlier instances (EURATOM and Japan). They are that (1) the reprocessing will not be inimical to the common defense and security, and (2) the reprocessing will not result in a significant increase in the risk of proliferation beyond that which exists at the time the approval is requested, giving foremost consideration to whether the reprocessing will take place under conditions that will ensure timely warning to the United States of any diversion well in advance of the time at which the diverted material could

be transformed into a nuclear explosive device. These are the criteria for granting approval for reprocessing established by section 131 of the Atomic Energy Act.

Article 6(iii) of the Agreement provides that India and the United States must agree on "arrangements and procedures" under which the reprocessing will take place before India can physically reprocess any material subject to the Agreement. The Administration will ensure that the safeguards, physical protection and other measures to be set forth in the agreed "arrangements and procedures" will be both rigorous and consistent with the criteria described above.

Question 27 : What special challenges will the International Atomic Energy Agency (IAEA) face in safeguarding a reprocessing plant in a non-NPT state that does not have full- scope safeguards?

Answer : Assuming that, consistent with the terms of the 123 Agreement, India builds a new reprocessing plant dedicated to the processing of material under International Atomic Energy Agency safeguards, there would be little, if any, difference in the technical challenge of applying safeguards to such a facility as opposed to a comparable facility in a state with a comprehensive safeguards agreement. There are some differences under an INFCIRC/66 agreement in the state's record-keeping and material accounting reporting requirements, but these should not have an impact on safeguards effectiveness. The technical objectives and technical measures applied in the two cases would not differ in any significant way. In each case the International Atomic Energy Agency would seek to provide assurance that the declared material was not diverted, and that the facility was operated in the manner declared. The facility would be under uninterrupted safeguards, and the material entering, exiting, and resident in the facility would all be subject to safeguards. In the case of India, the Agency's safeguards conclusions would have to be limited to the civil facilities and materials under safeguards, and could not be extrapolated to apply to the nuclear program as a whole.

Question 28 : Will the U.S. insist that the safeguards agreement for the planned Indian reprocessing plant include all the safeguards procedures and approaches that the IAEA applies to the Rokkasho reprocessing facility in Japan, including state-of the-art, near-real-time accountancy and containment and surveillance?

Answer : U.S. policy is that safeguards should be applied to meet established technical standards of effectiveness, as efficiently as possible; that is the policy we pursue in the context of our bilateral agreements with other states such as Japan, and we would continue to pursue such a policy in discussions with India in connection with arrangements for reprocessing. The safeguards methods employed at the Rokkasho Reprocessing Plant are consistent with both International Atomic Energy Agency safeguards criteria, and with the results of a lengthy international cooperative effort to address the technical problems of safeguarding large reprocessing plants. We would expect the same approaches to apply to a new Indian reprocessing plant dedicated to processing safeguarded material. However, we cannot yet speculate that safeguards would be carried out in exactly the same manner, although containment, surveillance, and some sort of continuous material monitoring would certainly be involved. A new reprocessing plant may well be many years off, and safeguards technology constantly moves forward; by the time a new Indian plant is in operation, there will almost certainly be a new generation of surveillance and radiation measurement devices available, and lessons learned from Rokkasho safeguards.

Question 29 : Will the Administration submit any consent arrangements for Indian reprocessing to Congress as an amendment to the U.S.-India agreement for cooperation so that Congress will have a full 90 days to give adequate time to review its provisions? Or will the Administration submit these only as a subsequent arrangement under section 131 of the Atomic Energy Act, thereby allowing Congress only 15 days of continuous session for review of this complex issue?

Answer : Section 131 of the Atomic Energy Act provides explicitly for review and execution of subsequent arrangements related to the reprocessing of U.S. origin material. However, if proposed "arrangements and procedures" for reprocessing involved changes to provisions in the U.S.-India 123 Agreement, an amendment to the agreement would be required.

Question 30 : Why are the programmatic consent arrangements that the U.S. is proposing to India, a non-NPT signatory, much-less specific and rigorous than the procedures that the U.S. required of EURATOM and Japan?

Answer : The advance, long-term consent accorded to India in the U.S.-India Agreement by Article 6(iii) centers on a new Indian national

reprocessing facility that has not yet been designed, let alone built. Many relevant nonproliferation considerations that could readily be dealt with in the texts of the U.S.-Japan and U.S.-Euratom agreements (or in related documents) could not be dealt with immediately in the U.S.-India Agreement.

Nevertheless, the U.S.-India Agreement establishes as fundamental criteria that a new national reprocessing facility must be dedicated to reprocessing safeguarded nuclear material under International Atomic Energy Agency safeguards, and that any special fissionable material (i.e., plutonium) separated by the facility may only be utilized in national facilities under International Atomic Energy Agency safeguards. Further, it provides that the consent *does not become effective* until the United States and India consult and agree on arrangements and procedures under which activities at the new facility will take place.

Finally, Article 6(iii) provides that the arrangements and procedures must address nonproliferation considerations identical to those addressed in the procedures relating to the U.S.-Japan and U.S.-Euratom agreements (e.g. safeguards, physical protection, storage, environmental protection), as well as "such other provisions as may be agreed by the Parties." At the appropriate time the United States will consult with India for the purpose of agreeing on the requisite arrangements and procedures and will ensure that they are no less rigorous than those governing the U.S. consent arrangements with Japan and with EURATOM.

Question 31 : Why are there no notification procedures for adding new Indian facilities to the list of facilities that may use plutonium derived from U.S.-supplied fuel?

Answer : The procedures established by Article 7.1 of the U.S.-India Agreement whereby each Party records all facilities storing separated plutonium subject to the Agreement on a list and makes its list available to the other Party serve equally to notify to the other Party all facilities utilizing (or potentially utilizing) plutonium subject to the Agreement, since the plutonium-bearing fuel must first be located at the facility before it can be utilized. A similar approach is taken in the U.S.-EURATOM Agreement, where facilities formally notified as being added to a party's "Delineated Program" (Annex A) do not include utilization facilities; the latter are notified, as appropriate, when they are added to a "Storage" list as provided for by Article 8.3.

Question 32 : Will the United States insist that any plutonium and uranium recovered from the reprocessing of U.S.-origin fuel at the proposed dedicated Indian reprocessing facility be subject to IAEA safeguards and peaceful, non-explosive use assurances in perpetuity, including any such material recycled in Indian reactors?

Answer : Yes. Article 9, Article 10 and Article 16 of the U.S.-India Agreement guarantee this coverage.

Question 33 : Will the U.S. insist that any uranium or plutonium used in or produced through the use of U.S.-supplied material be subject to safeguards in perpetuity if such material is used in India's breeder reactors?

Answer : Yes, Article 10 of the US-India Agreement guarantees this coverage.

Question 34 : If India decides at some point in the future to reprocess spent breeder reactor fuel that contains U.S.-origin material, how will the U.S. ensure that it is subject to all the non-proliferation conditions and controls in the proposed agreement, including safeguards and consent rights?

Answer : Article 10.6 of the U.S.-India Agreement provides that "[e]ach Party shall establish and maintain a system of accounting for and control of nuclear material transferred pursuant to this Agreement and nuclear material used in or produced through the use of any material, equipment, or components so transferred." Article 10.7 provides that "[u]pon the request of either Party, the other Party shall report or permit the IAEA to report to the requesting Party on the status of all inventories of material subject to this Agreement." Thus, the United States will be able to track all nuclear material in India subject to the Agreement, including at India's breeder reactors (which would have to be brought under International Atomic Energy Agency safeguards before U.S. obligated nuclear material could be introduced to them), at India's new dedicated reprocessing facility (when built), and at any other Indian facility where U.S. obligated plutonium may be located. In tracking this material the United States will be able to ensure that all conditions and controls required by the Agreement, including International Atomic Energy Agency safeguards, are in fact being maintained.

Question 35 : In light of these requirements of U.S. law, why doesn't the proposed U.S.-Indian peaceful nuclear cooperation agreement contain an

explicit reference to the actions that would give the U.S. the right to terminate nuclear cooperation and to require the return of equipment and materials subject to the agreement, if India detonates a nuclear explosive device?

Answer : Article 14 of the proposed U.S.-India agreement for cooperation provides for a clear right for the U.S. to terminate nuclear cooperation and a right to require the return of equipment and materials subject to the agreement in all of the circumstances required under the Atomic Energy Act, including if India detonated a nuclear explosive device or terminated or abrogated safeguards (per section 123(a)(4) of the Act). Thus, it fully satisfies the relevant requirements of the Act.

Question 36 : Does the U.S. possess the right under Article 14, without any precondition or consent by India, to take back any and all U.S.-origin nuclear material or equipment provided to India pursuant to the nuclear cooperation agreement?

Answer : Under Article 14 of the proposed agreement, the U.S. would be able to exercise the right to require the return of material and equipment subject to the agreement after (1) giving written notice of termination of the agreement and (2) ceasing cooperation, based on a determination that "a mutually acceptable resolution of outstanding issues has not been possible or cannot be achieved through consultations." Thus, both of the actions that must be taken to exercise the right of return would be within the discretion of the U.S. Government, and both actions could be taken at once in the unlikely case that the U.S. believed that a resolution of the problem could not be achieved through consultations.

Article 14 does not require that the other party consent to the exercise of the right to terminate the agreement, the right to cease cooperation, or the right of return. Prior to the actual removal of items pursuant to the right of return, the parties would engage in consultations regarding, inter alia, the quantity of items to be returned, the amount of compensation due, and the methods and arrangements for removal. These consultations are a standard feature of right of return provisions and are included in all 123 agreements that the United States has signed with other cooperating parties.

Question 37 : Under what circumstances does the termination provision allow the United States to terminate cooperation with India? Does the U.S. have the unconditional right to cease cooperation immediately upon its determination that India has taken action that the U.S. believes constitutes grounds for termination of cooperation?

Answer : Like all other U.S. agreements for nuclear cooperation, the proposed U.S. India agreement is a framework agreement and does not compel any specific cooperation. Thus, a cessation of cooperation would not be inconsistent with the provisions of the agreement. Also, as in other agreements for cooperation, the proposed U.S.-India agreement provides specifically (in article 14) for a right to cease cooperation. Article 14 makes clear that the U.S. would have the right to cease cooperation immediately if it determined that India had taken actions that constituted grounds for such cessation and that a resolution of the problem created by India's actions could not be achieved through consultations. This is a reciprocal right that India enjoys as well. Article 14 does not elaborate the specific circumstances that might bring about such a formal cessation of cooperation. However, the provisions of article 14 underscore the expectation of both parties that termination of the agreement, cessation of cooperation, and exercise of the right of return would be serious measures not to be undertaken lightly.

Question 38 : Could the U.S. terminate cooperation pursuant to Article 14 of the nuclear cooperation agreement for reasons other than India's detonation of a nuclear explosive device or abrogating or violating a nuclear safeguards agreement? Does the government of India agree?

Answer : As noted in the previous answer, Article 14 of the U.S.-India Agreement does not elaborate the specific circumstances that might trigger a cessation of cooperation pursuant to that article. As explained in the answer to question 17, the Circumstances for possible termination would include, for example, detonation of a nuclear weapon, material violation of the 123 Agreement, or termination, abrogation, or material violation of a safeguards agreement. The provisions of Article 14 underscore the expectation of both parties that termination of the agreement, cessation of cooperation, and exercise of the right of return would be serious measures not to be undertaken lightly. We believe the language establishing these rights is clear and well understood by both countries.

Question 39 : Do the nonproliferation assurances and conditions in the proposed new agreement apply to the nuclear materials and equipment that the U.S. supplied for the Tarapur reactors, as well as the spent fuel from those reactors? If not, why?

Answer : The proposed U.S.-India Agreement would not apply retroactively to the spent fuel from the Tarapur reactors. The Atomic Energy Act does not require such retroactive application, but it does impose certain conditions

with respect to previously exported material before embarking on new cooperation (see section 127). The Administration believes it will be able to satisfy these requirements of the Atomic Energy Act.

Question 40: Does the U.S. continue to hold the position that India is legally obligated to adhere to the nonproliferation assurances and controls, including peaceful-use assurances, safeguards, consent to reprocessing and retransfer to their countries with respect to the nuclear equipment and materials that were subject to the expired 1963 agreement for cooperation? Does the Indian Government share the U.S. views?

Answer : The U.S. and India have maintained differing legal positions on the question of residual conditions and controls on nuclear material subject to the 1963 agreement following expiration of the agreement in 1993. However, India has agreed with the International Atomic Energy Agency on the application of safeguards to nuclear material from the Tarapur reactors. Moreover, the material is subject to the INFCIRC/66 Agreement. And the U.S. is confident that there would be consultations between the U.S. and India before any change in the status of the nuclear material (e.g., reprocessing).

Question 41: Will the Indian Government have any legal right to suspend or eliminate safeguards, reprocess U.S.-origin material, or otherwise take any action that would be prohibited under the proposed agreement after the termination by either party of the proposed?

Answer : Article 16 of the proposed U.S.-India Agreement expressly provides for the survival of essential rights and conditions on items subject to the agreement even after termination or expiration of the agreement, including inter alia with respect to the application of safeguards (article 10), reprocessing consent (article 6), and peaceful use (article 9).

Question 42 : Does the Administration agree with Prime Minister Singh that there will be no derogation of India's right to take corrective measure in the event of fuel supply interruption? Will any corrective measures that India might take involve any derogation of the U.S. nonproliferation assurances, rights, and controls that are set out in articles 5.6(c), 6, 7, 8, 9, and 10?

Answer : The language of article 16 clearly provides for the applicability of the referenced provisions to items subject to the proposed agreement even

after termination or expiration of the agreement. Until India has completed its safeguards agreement with the International Atomic Energy Agency and the parameters of "corrective measures" are known, we will not be in a position to speak definitively to the potential effect on other provisions of the proposed agreement. That said, it would not be consistent with the proposed agreement text for such corrective measures to detract from the applicability of the provisions referenced in article 16 to items subject to the proposed agreement, including after termination or expiration of the agreement.

Question 43 : What are the explicit linkages and interlocking rights and commitments that Prime Minister Singh was referring to? Do the U.S. and Indian governments agree on the definition of these linkages and interlocking rights and commitments? If not, how do they differ?

Answer : International agreements, by their nature, typically involve interlocking rights and commitments, and this is the case with our agreements for nuclear cooperation. The creation of a framework for nuclear cooperation is predicated on a set of rights and conditions that serve essential nonproliferation purposes. Beyond that, we can only say that the quoted statement is at a high level of generality, 'and we are not in a position to speak for the Indian government as to whether anything more specific was intended by these words.

Question 44 : What is the Administration's understanding of the Prime Minister's statement that India's reprocessing rights are "permanent"? Specifically, does it mean that the U.S. will not have the right to withdraw its consent to India's reprocessing of U.S. obligated nuclear material, even if the U.S. determines that the continuation of such activities would pose a serious threat to our national security or nonproliferation?

Answer : The U.S. has agreed to the reprocessing of U.S.-origin materials, to come into effect when the parties agree on "arrangements and procedures" and India establishes a new national reprocessing facility dedicated to reprocessing safeguarded material under IAEA safeguards. As with the arrangements governing reprocessing consents granted by the U.S. in connection with the Japan and EURATOM agreements, the proposed arrangements and procedures with India will provide for withdrawal of reprocessing consent. Such a right is also included in Article 14.9 of the U.S.-India Agreement.

Question 45 : In the conference report of the Hyde Act, Congress stated

that it intended for the United States to "seek agreement among Nuclear Suppliers Group members that violations by one country of an agreement with any Nuclear Suppliers Group member should result in joint action by all members, including, as appropriate, the termination of nuclear exports." Will the administration be seeking such a commitment when it proposes that the Nuclear Suppliers Group provide a nuclear trade rule exemption for India? If not, why not?

Answer : Paragraph 16 of the Nuclear Suppliers Group Guidelines for Nuclear Transfers (INFCIRC/254/Rev.8/Part 1) provides that suppliers should (1) consult if, inter alia, one or more suppliers believe there has been a violation of a supplier/recipient understanding; (2) avoid acting in a manner that could prejudice measures that may be adopted in response to such a violation; and (3) agree on "an appropriate response and possible action, which could include the 'termination of nuclear transfers to that recipient." Assuming the Nuclear Suppliers Group agrees by consensus to an exception for India, this guideline would apply in the case of any nuclear transfers by a Nuclear Suppliers. Group' supplier to India. The Administration believes that the existing provisions of paragraph 16 of the Guidelines serve the Congressional concerns expressed in the conference report on the Hyde Act, and therefore no further elaboration is needed in connection with the proposed exception for India.



APPENDIX - II

Draft Proposals of the United States for submission to the Nuclear Suppliers' Group for waiver of restrictions on nuclear trade by India: August 2008.

1. At the _____ plenary meeting on _____ the Participating Governments of the Nuclear Suppliers Group agreed that they:
 - a. desire to contribute to an effective non-proliferation regime and the widest possible implementation of the objectives of the Treaty on the Non-Proliferation of Nuclear Weapons
 - b. seek to limit the further spread of nuclear weapons
 - c. wish to pursue mechanisms to affect positively the non-proliferation commitments and actions of those outside the traditional nuclear non-proliferation regime
 - d. seek to promote fundamental principles of safeguards and export control for nuclear transfers for peaceful purposes
 - e. recognize the world's need for clean and reliable sources of energy for sustained growth and prosperity
2. In this respect, Participating Governments have taken note of steps that India has taken voluntarily as a contributing partner in the non-proliferation regime and they welcome India's efforts with respect to the following non-proliferation commitments and actions:
 - a. Deciding to separate its civilian nuclear facilities in a phased manner and file a declaration regarding its civilian nuclear facilities with the International Atomic Energy Agency
 - b. Conducting negotiations with the IAEA and obtaining approval of its Board of Governors regarding a Safeguards Agreement for application of safeguards to civilian nuclear facilities that is in accordance with IAEA standards, principles and practices (including Board of Governors document GOV/1621)
 - c. Committing to sign and adhere to an Additional Protocol with respect to India's civil nuclear facilities

- d. Refraining from transferring enrichment and reprocessing technology to states that do not already possess these
 - e. Having adopted a national export control system capable of effectively controlling transfers of multilaterally controlled nuclear and nuclear related material, equipment, and technology.
 - f. Harmonizing its export control lists with those of the Nuclear Suppliers Group and committing to adherence to NSG guidelines
 - g. Continuing its unilateral moratorium on nuclear tests and declaring its readiness to work with others towards conclusion of a multilateral Fissile Material Cut-off Treaty.
3. In view of the above, Participating Governments have adopted the following policy on civilian nuclear cooperation with the IAEA-safeguarded Indian civilian nuclear program
- a. Notwithstanding paragraphs 4(a), 4(b) and 4(c) of Infcirc/254 (Rev. 9) Part 1, Participating Governments may transfer trigger list items and/or related technology to India for peaceful purposes and for use in safeguarded civilian nuclear facilities provided that the transfer satisfies all other provisions of Part 1.
 - b. Notwithstanding paragraph 4(b) of the Part 2 guidelines, Participating Governments may transfer nuclear-related dual use equipment, etc. for peaceful purposes for use in civilian nuclear facilities under IAEA safeguards, provided that the transfer satisfies all other provisions of Part 2.
 - c. Participating Governments shall maintain contact and consult through regular channels on matters connected with the implementation of the Guidelines, taking into account relevant international commitments and bilateral agreements with India.
4. In order to facilitate the efforts of non-member adherents to Infcirc/254 Parts 1 and 2 to remain current in their implementation of the Guidelines, the NSG Chair is requested to review proposed amendments to the Guidelines with all non-member adherents on a non-discriminatory basis and solicit such comments on the amendments as a non-member adherent may wish to make.

Participation of India in the decisions regarding proposed amendments will facilitate their implementation by India.

5. The NSG Point of Contact is requested to submit this statement to the IAEA DG with a request that it be circulated to all Member States.



APPENDIX - III

Briefing by the Spokesperson of the US State Department on the publication of the State Department letter of January 16, 2008 to the Late Congressman Tom Lantos, Chairman of the Committee on Foreign Affairs of the House of Representatives on the civil nuclear cooperation with India.

Washington, September 4, 2008.

"I think, certainly, India's obligations under the ... 123 agreement are very clear and that the Indians have agreed to a moratorium on testing. And we expect that they will adhere to that commitment," State Department Deputy Spokesman Robert Wood said.

Asked if this response to the question whether a nuclear weapons test by India would trigger a suspension of supplies and technology from the US and other countries under the India-US nuclear deal did not indicate some ambiguity, he said: "What I'd encourage you to do is to read the agreement."

(The implementing 123 agreement which is awaiting Congressional approval does not mention nuclear testing at all. Article 14 does provide for termination for a material violation of the agreement itself or a violation an IAEA safeguards agreement, but it also provides for consultations to "consider carefully the circumstances that may lead to termination or cessation of cooperation".

The two sides have also "agreed to take into account whether the circumstances that may lead to termination or cessation resulted from a Party's serious concern about a changed security environment or as a response to similar actions by other States which could impact national security."

In the event of termination, the agreement gives the two sides "the right to require the return by the other Party of any nuclear material, equipment, non-nuclear material or components transferred under this Agreement and any special fissionable material produced through their use."

However, none of this is automatic and it would be for the US president of the day to determine how he chooses to exercise the right, US officials including Washington's then key negotiator for the deal, Nick Burns had explained following the finalisation of the agreement in July 2007.)

In reply to another question about concerns expressed by nuclear suppliers, Wood said: "... I don't want to get into all of the discussions that are ongoing about the agreement. Obviously, a number of countries have concerns about the agreement. And they've expressed those concerns. We have tried to give answers.

"The Indians have, as well. We'll continue to do so," he said noting that the Nuclear Suppliers Group (NSG) is currently meeting in Vienna to consider a revised US draft to exempt India from its bar on nuclear trade with countries that have not signed the nuclear Non-proliferation Treaty (NPT).

"But I don't think it serves the interests of any of us to talk about, you know, negotiations that are ongoing about it, except to say that this agreement is important," he said. "We think it contributes greatly to the global non-proliferation efforts."

"And we're going to continue to work with India and the other parties concerned with this agreement. And we hope to see, you know, coming out of the NSG an exception for India to its full-scope safeguards rule," he said, outlining the next steps.

"... I don't want to speculate on things, but if, you know, that agreement is approved by the Nuclear Suppliers Group, then I believe it has to go to India's parliament, it has to approve it, and we'll obviously go from there.

"But I really don't want to jump too far ahead, because we're still, again, in the Nuclear Supplier Group - that meeting is still going on. So we hope that there will be an exception made for India," he said.

Asked a second time if Washington did or did not have an agreement with

India that the supplies would be cut off in the event of a nuclear test by India, Wood repeated: "... India is engaged in a moratorium on testing. We want to see that moratorium continue. And that's our view with regard to that."

"I'm not saying that it's ambiguous, but I think it's very clear. The Indians understand what our views are with regard to nuclear testing. We've made them clear. And they understand those," he said, rejecting the suggestion that this is somehow ambiguous.

When pressed if Washington would cut off supplies, the senior State Department official said: "You're asking me to speculate on something, and I'm not going to do that. I'm just going to tell you exactly what our policy is. I'm just not going to speculate on anything."

Wood also answered a spate of questions over the release Wednesday of a Jan 16 "secret letter" by Howard L. Berman, Democratic chairman of the House Foreign Affairs Committee, suggesting the Bush administration had assured the US Congress that it would immediately terminate nuclear trade with New Delhi if it conducted a nuclear test.

The State Department's letter to Berman's predecessor, the late Tom Lantos, covered responses to 45 questions posed by members of Congress about the 123 agreement.

Denying a cover-up in seeking confidentiality for the letter, the spokesman said: "...our response to the Lantos letter was made public by Congressman Berman. And there was nothing...new in our response. It was basically a reiteration of US non-proliferation policy."

"There was no attempt to sort of, you know, cover up anything, if that's what you're implying. Not at all," Wood said, brushing off a suggestion that Washington took the confidentiality route to protect India's ruling coalition facing stiff opposition from its then Leftist allies.

"... I stand by what I just said. We've made very clear that, in that letter, what our non-proliferation is," the US official said. "... people have that interpretation, but that certainly was not the position of the United States government."



APPENDIX - IV

Press Conference of the U. S Ambassador David Mulford immediately after the NSG waiver.

New Delhi, September 9, 2008.

Ambassador Mulford: Good morning everybody, and thank you for coming to Roosevelt House.

This is one of these gatherings that we've had from time to time to keep you up to date with what's happening. As you all know, there's been a substantial shift by virtue of the fact that we've finally accomplished most of the goals that have been set since the civil nuclear deal was first declared by the President and the Prime Minister in July of 2005.

In fact, the initiative goes back to March of that year when Secretary Rice first indicated that the United States was willing to look at this initiative. As it was presented at that time, the President of the United States had indicated that the U.S. wished to help India in achieving its vision of becoming a world power and to that end would work to help remove some of the constraints on India's future growth, one of which was energy. An energy group was formed comprising five different segments. Among those was civil nuclear and that's where the original thrust came from. Then the declaration was made in Washington in July of '05, and you're well acquainted with all the steps that have been undertaken between then and now.

What I think is significant, first of all, is that this is a major accomplishment and triumph for India. It is a major accomplishment for the U.S. and India together. And it marks the end of India's years of isolation.

You've all seen now the full magnitude of the effort that was made in the Nuclear Suppliers Group, but that's only been the most visible aspect. Some weeks ago there were press reports that the United States wasn't doing enough, that it was sitting on its hands, all of which were completely false. More recently there have been press reports to the effect that when the Berman material was released that somehow the United States was working against this deal or subverting it. All of this is utterly and totally false, and I want to just underline it.

The effort that was made in the NSG goes back a long time. It's the biggest diplomatic effort I have witnessed during my years in government which go back to the early 1980s. The effort that was made at senior levels of the United States government later in the process is appropriate in a situation like this where you're working with 45 countries and you're gradually moving towards a consensus. The President of the United States, the Secretary of State, the National Security Advisor Mr. Hadley, Mr. Bill Burns, the Under Secretary for Political Affairs, the number three official in the State Department, all these people were hugely active in the final process and made direct phone calls and other contacts with many leaders around the world.

It was a subject of interest and discussion at the G8 in Japan. And there have been many other contacts over the months going back at least two or two and a half years in preparation for the ultimate need to accomplish this consensus. And a consensus of 45 countries in the kind of world in which we live is an extremely rare event, so I hope due respect is shown to this accomplishment.

We now are in the final phase where the 123 Agreement must be presented to the United States Congress. That process is ongoing at the moment, and we hope to get the legislation before the Congress in the next few days, and then we hope for action by the Congress in this Administration.

That concludes my opening remarks. I'd be happy to take questions.

Question: You were just discussing the second waiver that you will be seeking from the Congress before the 30 day limit. What are the chances of this passing? There have to be two amendments [Inaudible]. If you can also explain the process, to clarify it?

Ambassador Mulford: The legislation will be placed by the Administration before the Congress and only then will we begin to get a response out of the Congress about exactly how and whether in this session they will be willing to address this issue.

Question: Has it already been placed?

Ambassador Mulford: No, it has not yet been placed. That will happen very shortly, but it has not yet been placed.

Question: There has to be a Presidential Determination?

Ambassador Mulford: There are Presidential Determinations that need to be completed, and that work is going forward at the moment. As Minister Mukherjee mentioned, there are certain documents that are required to be done, and we're in the process of completing these, and we expect this to be accomplished in the next day or two.

Until the legislation is lodged with the Congress, we won't really have a definitive view of what their approach is going to be.

It is important to remember that in the United States form of government, the Congress is a separate and independent branch of government. The Congress is a sovereign body and it will decide itself how it is going to proceed.

You're aware that there is a rule in the Senate, a 30-day rule. That is a rule which traditionally can be waived, but if it is waived then it opens up the possibility of any single senator being able to filibuster against whatever the measure is, and that's not something that people want to open up to usually, so it's very seldom used. So, nobody knows at this point exactly what judgments will be forthcoming.

What one can say about the Congress is that it has a relatively small body of key leaders, and therefore it has been possible from time to time in the past for consultations with leadership that have resulted in quite flexible responses to things, and even changing rules or taking a special approach. So virtually anything is possible, but you have to begin the engagement process to find out exactly what might be.

That's as much as one can say about it until we've actually lodged the legislation. But an effort is already underway at senior levels in the Administration, once again, to dialogue with members of Congress on the leadership side to see what course may be adopted.

Question: The 123 Agreement that was agreed upon between the two countries, can it be amended?

Ambassador Mulford: No, in the Congress it's an up or down vote, so it will be on the basis of the 123 Agreement as it is. Again, nobody is quite able to judge yet what the attitude of Congressional leaders will be to an agreement which closely follows legislation that was voted on overwhelmingly by both parties in 2006. Will they want to review it in depth?

Will they say this meets the terms that were set out and therefore it will be a straight-forward process? It's hard to say until we get the legislation and have studied it.

Question: What is your view on China's role in this?

Ambassador Mulford: My view is that China in the end did the right thing. Period.

Question: Two questions. One, how confident is the administration that the Congress will approve? Second, I believe that the Government of India will take up the fuel supply issues with Washington. Have they done so yet?

Ambassador Mulford: On the first question, you'll have to await the judgment of Congress about whether and to what extent the 123 Agreement that actually is submitted in their view complies with the Hyde Act. That's a congressional judgment. It's their prerogative. It wouldn't be right for me to make their judgment for them. That's what they'll have to do in reaching an agreement about how they vote.

I'm confident and optimistic that the bipartisan majorities that we saw at the time of the votes are still intact. I think you could see that in the statements that Mr. McCain and Mr. Obama both made, so that would seem to still be a situation where the majorities are intact.

On the other question, I think it's important to go back on this fuel assurance question because one does keep reading about it in the newspapers here. It is a very straightforward issue. The fuel assurances are contained in the language of the 123 Agreement. Those words were negotiated by and signed off on by the President and the Prime Minister in March of 2006. They were employed word for word in the 123 Agreement. So those are the fuel assurances. There are no other fuel assurances. That is where you look to get your answer, and I don't know of anybody in New Delhi who is raising this issue with Washington.

Question: External Affairs Minister Mukherjee said yesterday that he would like to wait for the 123 Agreement before making bilateral agreements with other countries, but if the 123 doesn't make it through the U.S. Congress there are other countries like Russia, for example, or France, that are very keen to do nuclear business with India. How does the U.S. look at that?

Ambassador Mulford: You're asking me a speculative question. The situation is rather precisely as Mr. Mukherjee put it. So that's your answer.

Question: Could you give us the flavor of the conversation between President Bush and President Putin?

Ambassador Mulford: No. I'm not in a position to do that. We don't talk about the content of Presidential conversations with individual statesmen around the world.

Question: Was it the President who swung China's vote?

Ambassador Mulford: I wasn't there at the time, and I don't know the answer to that. I have already said they did the right thing in the end.

Question: Can you say who President Bush spoke to?

Ambassador Mulford: Maybe the White House would like to issue a long list, but I don't know that I would.

Question: The Prime Minister is going to Washington in September. Do you think the bilateral 123 agreement will be signed in Washington after the Congress acts if it goes through?

Ambassador Mulford: I don't know the answer to that. I'm presuming if it's passed by the Congress it's an opportunity certainly to sign it, but nothing has been decided and announced.

You can understand that, if you have worked and lived in Washington, to presume on the Congress is not something you do. The Congress is going to make its own decisions and move at its own pace and make its own decisions. Until they do that we're going to be respectfully waiting to see what their approach is, but there will be dialogue at senior levels in the administration with senior leadership in the Congress. It's already started.

Question: I wanted to ask you how you see overall U.S India political relations developing?

Ambassador Mulford: I see them as developing in a very positive fashion as they already have in the past four or five years. I think this development will continue. I think the civil nuclear accomplishment makes that easier and probably cements the relationship in a number of important ways.

Question: Will there be more defense cooperation?

Ambassador Mulford: I'm including that in the answer. I think we already have a very strong relationship in the defense area. It's been getting stronger. We expect that to continue. The Indian Defense Minister is in Washington today. We've seen all kinds of positive developments in that field since the visit of Mr. Mukherjee back in June of 2005 when he visited prior to a Prime Ministerial visit a few weeks later, and he signed the Defense Framework Agreement at that point. So developments over the last three years have been very positive and continue to be so.

Question: There is talk that China looking for a similar deal for Pakistan. How do you see this? Is there a possibility?

Ambassador Mulford: I don't think there is, no. No possibility.

Question: There has been, post NSG waiver, differing opinions about whether it's really got through with all that India and America wanted. Then you had the opposition in India saying it's look at the restrictions have been put on us, I think.

Can you just go over some of these things? What is it that makes you say it's clean?

Ambassador Mulford: The waiver that was granted is a clean waiver.

Question: When you say clean, what in your definition was that clean?

Ambassador Mulford: I never defined it. [Laughter].

Question: So how do you say it's clean?

Ambassador Mulford: It's a clean waiver. That's the great beauty of it.

Question: What were the key points that are put in that to make sure that wouldn't crimp the agreement that the U.S. and India have?

Ambassador Mulford: You have to ask the people who were involved. The consensus was achieved, the parties all agreed, and therefore I don't see that there's a problem. The waiver seems to me to be a straight forward, clean document. But as I've always said, I think you have to look at this deal not just in terms of that waiver, but in terms of all the surrounding elements of the deal.

There's the declaration that was made in July of 2005; there's the separation agreement that was negotiated between India and the United States. India's

separation agreement, I should say. There was the Hyde Act. There's the 123 Agreement. There's the IAEA Safeguards Agreement. There are elements of the presidential determinations that touch on various issues. There is the exemption itself. There will be a final vote in the U.S. Congress. One has to look at this thing, as indeed it is, which is a very large, broad-based initiative with many moving parts which has made it complex and difficult to manage over a long period of time.

But frankly, it's a great tribute to everybody who's been involved on both the Indian side and the U.S. side, and now more recently all the other countries that have been involved as well, that everybody has worked together to accomplish what is for India, and the world, a very significant event.

India is no longer isolated. India is able to deal with the United States in civil nuclear commerce as well as with the rest of the world. It has positive environmental implications for the world. It allows India to diversify its energy base. It permits India to develop energy sources that will promote its long-term growth. It will help India to become an increasingly important world power. It will provide electricity in a larger scale more efficiently, more cleanly and more cheaply to the people of India. It is a history-making event. I think one needs to keep it in that broad context.

Question: If this is still pending when the new government takes office how far back in the procedure do you have to go to resume that process, and how long will that take?

Ambassador Mulford: One cannot speak on behalf of a new Congress and a new Administration, but I think that having gotten to the point where the international consensus has been accomplished and the legislation has been presented to the U.S. Congress, the prospects for the content of this deal being preserved in its presentation to a new Congress are greatly enhanced.

Also because all the various steps have been accomplished now, there is very considerable prospect that the Congress would act much earlier than otherwise would have been the case if these things had not been done. I think one can at least take the view that as long as this level of accomplishment has been achieved and the legislation has been put before the Congress, there's every reason to think that in the new administration there would be a similar approach relatively early. But you cannot guarantee that.

Question: And how would you define relatively earlier?

Ambassador Mulford: I can't say exactly what the congressional schedule might be.

Question: Two to three months or two to three weeks?

Ambassador Mulford: I think it would be a longer period than that because it takes a long time for an administration to get set up, make its appointments, and deal with its first and most urgent business. I wouldn't want to comment.

Question: This is clearly a huge milestone for U.S.-India relations. What's next?

Ambassador Mulford: What's next? That's a good question, and I want to answer that in a very particular way because I have always tried to convey the vision of the United States that this relationship with India is a comprehensive relationship. It touches every aspect of life between the two countries. It's very heavily people to people. It's very heavily a civil, private sector relationship. And those elements of the relationship are growing on a regular basis. So if you look at things like health care cooperation, education, energy and various other areas besides civil nuclear. If you look at space cooperation, economic relations, foreign direct investment, USAID activities, you get some impression of the breadth of the interface.

Things have been going on in every single one of those fields. The United States Mission in India is now the largest Mission the United States has in the world. So while this has been going on every week, every month, with contacts and developments and programmatic cooperation, the civil nuclear issue has tended to take the oxygen out of most other things because there's been a sort of preoccupation with that.

What happens next is that we will now see a little more visibly the full breadth of the relationship, and I think and I hope there will be a focus on these things because they're so exciting and so much is being accomplished.

Question: Do you see more cooperation on the space technology?

Ambassador Mulford: I've always thought that in the areas where there are sensitive aspects of the relationship, usually high tech issues, defense

issues and other things, the civil nuclear relationship, once that is established, it is so central and so sensitive itself that it should have a knock-on effect that's positive into other areas.

I would expect that our capacity to move forward in other complex areas is enhanced because there is a continual building up of trust and confidence in each other, a willingness to change things, and relax old restrictions on both sides. Because it is really about building trust and cooperation on both sides of the ledger. This should enhance that process very significantly.

Question: Can you give some examples of restrictions, or objections which we had on both sides, which you'll see dissolving?

Ambassador Mulford: I think we will continue to see closer defense cooperation. There are a number of high tech issues that feature in that relationship. Those are presumably going to be easier to move forward and resolve with the confidence that's been built here. Compared, say, to if this deal had failed and everybody was unhappy about the fact that we hadn't completed it. That might have had a reverse affect. But I think the knock-on positive effect is going to be very significant.

Question: If the 123 Agreement is not approved in September, is there a likelihood of a special session in the next couple of months?

Ambassador Mulford: There is a history of what are called lame duck sessions of Congress in the United States, but they are strictly within the control of the leadership of the Congress to decide. Up until now, the leadership has not decided and announced that there will be a lame duck session. Quite the reverse, there have been rumors that there will not be. That's the present state of play.

The answer is, nothing has been said. Rumors say no, but it is a possibility and it could be announced at some point. So in a way it probably depends to some extent on how the election comes out.

But bear in mind that lame duck sessions of Congress in the past are usually called for fairly specific purposes, to deal with certain pieces of legislation. They are not simply open sessions. So if that happened, there would have to be both a decision to have a lame duck and also the understanding that this is something that would be considered.

Question: Two quick questions. Coming back to that Berman letter, you issued a statement after that letter came out saying that the Indian government always knew what was in it. Indian officials say that was not true. How would you respond to that? Secondly, if India wanted to begin civil nuclear trade with Russia or France right away, would that be okay with the U.S.?

Ambassador Mulford: I think Mr. Mukherjee answered that, and I already answered it. He's correct, that's the expectation as he's put it.

The other question was on the Berman letter. What I meant when I issued that statement was that there has been complete transparency between all the parties. I think it's important to understand that the letter that was produced was to Congressman Lantos, and it was at the request of Chairman Lantos and the committee. This is common. Whenever there's legislation in the U.S. or hearings or issues that come up, the Congress often asks the Executive Branch questions. Sometimes those are verbal questions in the form of testimony at hearings; or sometimes they're written requests. Often the written requests will come after testimony.

The answers to the questions that were produced by the State Department were not classified. They were not secret. One keeps reading in the press here they were secret. They were not secret. They were unclassified information. Under our form of government when we respond to questions to the Congress, that becomes the property of the committee. They decide if they're going to release it to the public or not. In this case Chairman Lantos decided not to at that time. Chairman Berman decided later that he would release it. But there is nothing in there that is new or unknown to the various parties who have been negotiating. The Indian government said so itself in its own statement.

Question: But Dr. Kokodkar also said they didn't know what was in those letters. My question is, your statement seemed to indicate that the government here did know what was in --

Ambassador Mulford: No, in a sense you're correct there. We did not take the questions at the time and give the material to the Indian government. What I meant to say is that the content of the material in there was known. There's nothing in there that isn't known to the Indian government. But the text of the answers was a matter between the State Department and the committee. It's strictly speaking a U.S. government

process, it's an internal process. It's not an external process. But the content of what was in there was nothing new for anybody.

Question: Will there be changes to the entities list with regard to India?

Ambassador Mulford: No. First of all you remember the NSSP initiative. That initiative had the affect through negotiations to remove the need for export licenses, as I remember, from being required on about 25 percent of the high tech items that were exported to India, to less than one percent. So a great deal has already been done there.

There are other areas of sophisticated technology involved in defense equipment where there is a releasability issue that is the subject of decisions in the U.S. administration over the specific type of equipment that's involved. And those are based partly on the laws, partly on procedures and policies. It's a very complex area. What I said before is I think you could see greater openness in that area going forward. That doesn't mean all the regulations disappear.

Thanks for coming.



APPENDIX - V

Message of U. S. President George W. Bush to the Congress seeking ratification of the Civil Nuclear Energy Cooperation Agreement with India.

Washington (D.C.), September 10, 2008.

I am pleased to transmit to the Congress, pursuant to section 123 of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153) (AEA), the text of a proposed Agreement for Cooperation Between the Government of the United States of America and the Government of India Concerning Peaceful Uses of Nuclear Energy. I am also pleased to transmit my written determination concerning the Agreement, including my approval of the Agreement and my authorization to execute the Agreement, and an unclassified Nuclear Proliferation Assessment Statement (NPAS) concerning the Agreement. (In accordance with section 123 of the AEA, as amended by title XII of the Foreign Affairs Reform and Restructuring Act of 1998 (Public Law 105-277), a classified annex to the NPAS, prepared by the Secretary of State in consultation with the Director of National Intelligence, summarizing relevant classified information, will be submitted to the Congress separately.) The joint memorandum submitted to me by the Secretary of State and the Secretary of Energy and a letter from the Chairman of the Nuclear Regulatory Commission stating the views of the Commission are also enclosed.

The proposed Agreement has been negotiated in accordance with the AEA and other applicable law. In my judgment, it meets all applicable statutory requirements except for section 123 a.(2) of the AEA, from which I have exempted it as described below.

The proposed Agreement provides a comprehensive framework for U.S. peaceful nuclear cooperation with India. It permits the transfer of information, non-nuclear material, nuclear material, equipment (including reactors) and components for nuclear research and nuclear power production. It does not permit transfers of any restricted data. Sensitive nuclear technology, heavy-water production technology and production facilities, sensitive nuclear facilities, and major critical components of such facilities may not be transferred under the Agreement unless the Agreement is amended. The Agreement permits the enrichment of uranium subject to it up to 20 percent in the isotope 235. It permits reprocessing and other alterations in

form or content of nuclear material subject to it; however, in the case of such activities in India, these rights will not come into effect until India establishes a new national reprocessing facility dedicated to reprocessing under IAEA safeguards and both parties agree on arrangements and procedures under which the reprocessing or other alteration in form or content will take place.

In Article 5(6) the Agreement records certain political commitments concerning reliable supply of nuclear fuel given to India Agreement does not, however, transform these political commitments into legally binding commitments because the Agreement, like other U.S. agreements of its type, is intended as a framework agreement.

The Agreement will remain in force for a period of 40 years and will continue in force thereafter for additional periods of 10 years each unless either party gives notice to terminate it 6 months before the end of a period. Moreover, either party has the right to terminate the Agreement prior to its expiration on 1 year's written notice to the other party. A party seeking early termination of the Agreement has the right immediately to cease cooperation under the Agreement, prior to termination, if it determines that a mutually acceptable resolution of outstanding issues cannot be achieved through consultations. In any case the Agreement, as noted, is a framework or enabling agreement that does not compel any specific nuclear cooperative activity. In the event of termination of the Agreement, key nonproliferation conditions and controls would continue with respect to material and equipment subject to the Agreement.

An extensive discussion of India's civil nuclear program, military nuclear program, and nuclear nonproliferation policies and practices is provided in the Nuclear Proliferation Assessment Statement (NPAS) and in a classified annex to the NPAS submitted to the Congress separately.

The AEA establishes the requirements for agreements for nuclear cooperation, some of which apply only to non-nuclear-weapon states (see AEA, section 123 a.). The AEA incorporates the definition of "nuclear-weapon state" from the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), which defines it to mean a state that has manufactured and exploded a nuclear weapon or other nuclear explosive device prior to January 1, 1967. Therefore India is a non-nuclear-weapon state for NPT and AEA purposes, even though it possesses nuclear weapons. The Agreement satisfies all requirements set forth in section 123 a. of the AEA except the requirement

of section 123 a.(2) that, as a condition of continued U.S. nuclear supply under the Agreement, IAEA safeguards be maintained in India with respect to all nuclear materials in all peaceful nuclear activities within its territory, under its jurisdiction, or carried out under its control anywhere (i.e., "full-scope" or "comprehensive" safeguards).

The Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006 (the "Hyde Act") established authority to exempt the Agreement from the full-scope safeguards requirement of section 123 a.(2) of the AEA, as well as certain other provisions of the AEA relating to supply under such an agreement, provided that the President makes certain determinations and transmits them to the Congress together with a report detailing the basis for the determinations. I have made those determinations, and I am submitting them together with the required report as an enclosure to this transmittal.

Approval of the Agreement, followed by its signature and entry into force, will permit the United States and India to move forward on the U.S.-India Civil Nuclear Cooperation Initiative, which Indian Prime Minister Manmohan Singh and I announced on July 18, 2005, and reaffirmed on March 2, 2006. Civil nuclear cooperation between the United States and India pursuant to the Agreement will offer major strategic and economic benefits to both countries, including enhanced energy security, an ability to rely more extensively on an environmentally friendly energy source, greater economic opportunities, and more robust nonproliferation efforts.

The Agreement will reinforce the growing bilateral relationship between two vibrant democracies. The United States is committed to a strategic partnership with India, the Agreement promises to be a major milestone in achieving and sustaining that goal.

In reviewing the proposed Agreement I have considered the views and recommendations of interested agencies. I have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved it and I urge that the Congress also approve it this year.

GEORGE W. BUSH
THE WHITE HOUSE,
September 10, 2008.



APPENDIX - VI**Memorandum by U. S. President George W. Bush for the Secretary of State and the Secretary of Energy regarding the India - US Civil Nuclear Cooperation Agreement.****Washington (D. C.), September 10, 2008.**

SUBJECT: Proposed Agreement for Cooperation Between the Government of the United States of America and the Government of India Concerning Peaceful Uses of Nuclear Energy

I have considered the proposed Agreement for Cooperation Between the Government of the United States of America and the Government of India Concerning Peaceful Uses of Nuclear Energy, along with the views, recommendations, and statements of interested agencies.

I have determined that the performance of the Agreement will promote, and will not constitute an unreasonable risk to, the common defense and security. Pursuant to section 123 b. of the Atomic Energy Act of 1954, as amended (42 U.S.C. 2153(b)), I hereby approve the proposed Agreement and authorize the Secretary of State to arrange for its execution.

In addition, pursuant to the authority vested in me by the Constitution and the laws of the United States of America, including the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006 (Public Law 109-401), I hereby determine that:

1. India has provided the United States and the IAEA with a credible plan to separate civil and military nuclear facilities, materials, and programs, and has filed a declaration regarding its civil facilities and materials with the IAEA;
2. India and the IAEA have concluded all legal steps required prior to signature by the parties of an agreement requiring the application of IAEA safeguards in perpetuity in accordance with IAEA standards, principles, and practices (including IAEA Board of Governors Document GOV/1621 (1973)) to India's civil nuclear facilities, materials, and programs as declared in the plan described in paragraph (1), including materials used in or produced through the use of India's civil nuclear facilities;
3. India and the IAEA are making substantial progress toward concluding an Additional Protocol consistent with IAEA principles, practices, and

policies that would apply to India's civil nuclear program;

4. India is working actively with the United States for the early conclusion of a multilateral treaty on the cessation of the production of fissile materials for use in nuclear weapons or other nuclear explosive devices;
5. India is working with and supporting United States and international efforts to prevent the spread of enrichment and reprocessing technology to any state that does not already possess full-scale, functioning enrichment or reprocessing plants;
6. India is taking the necessary steps to secure nuclear and other sensitive materials and technology, including through (A) the enactment and effective enforcement of comprehensive export control legislation and regulations; (B) harmonization of its export control laws, regulations, policies, and practices with the guidelines and practices of the Missile Technology Control Regime (MTCR) and the Nuclear Suppliers Group (NSG); and (C) adherence to the MTCR and the NSG in accordance with the procedures of those regimes for unilateral adherence; and
7. The NSG has decided by consensus to permit supply to India of nuclear items covered by the guidelines of the NSG.

I therefore hereby (1) exempt the proposed Agreement for Cooperation Between the Government of the United States of America and the Government of India Concerning Peaceful Uses of Nuclear Energy arranged pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) from the requirement of subsection 123 a.(2) of such section; (2) waive the application of section 128 of the Atomic Energy Act of 1954 (42 U.S.C. 2157) with respect to exports to India; and (3) waive with respect to India the application of:

- (A) subsection 129 a.(1)(D) of the Atomic Energy Act of 1954 (42 U.S.C. 2158(a)(1)(D)); and
- (B) section 129 of the Atomic Energy Act of 1954 (42 U.S.C. 2158) regarding any actions that occurred before July 18, 2005.

The Secretary of State is authorized and directed to publish this determination in the Federal Register.

GEORGE W. BUSH



APPENDIX - VII**Approval of the India - US Civil Nuclear Energy Cooperation Agreement by the U. S. President George W. Bush.****Washington (D. C.), September 11, 2008.**

The President is pleased to approve the U.S.-India Agreement for Peaceful Nuclear Cooperation (also known as the 123 Agreement). The conclusion of this agreement, which completes the U.S-India Civil Nuclear Cooperation Initiative, has been a priority for both President Bush and Prime Minister Singh, and strengthens the U.S.-India Strategic Partnership.

This historic achievement will bolster international nonproliferation efforts, provide economic and business opportunities in both countries, and help India address its growing energy needs in an environmentally responsible manner. The President looks forward to working with Congress to ensure passage on the agreement this year.

The President also looks forward to welcoming Prime Minister Singh to the White House on September 25, 2008, to strengthen the Strategic Partnership and build upon our progress in other areas of cooperation, such as agriculture, education, trade, and defense.



APPENDIX - VIII

Nuclear Proliferation Assessment Statement Pursuant to Section 123a of the Atomic Energy Act of 1954, as Amended, With Respect to the Proposed Agreement for Cooperation Between The Government of the United States of America and The Government of India Concerning Peaceful Uses of Nuclear Energy and submitted to the US Congress for Ratification of the 123 Agreement.

This Nuclear Proliferation Assessment Statement ("NP AS") relates to the proposed Agreement for Cooperation Between the Government of the United States of America and the Government of India Concerning Peaceful Uses of Nuclear Energy (the "Agreement"). The Agreement is being submitted to the President jointly by the Secretary of State and the Secretary of Energy for his approval.

Section 123a. of the Atomic Energy Act, as amended (the "Atomic Energy Act" or "the AEA"), provides that an NP AS be submitted by the Secretary of State to the President on each 'new or amended agreement for cooperation concluded pursuant to that section. Pursuant to section 123a., the NPAS must analyze the consistency of the text of the proposed agreement with all the requirements of the AEA, with specific attention to whether the proposed agreement is consistent with each of the criteria set forth in that subsection, and address the adequacy of the safeguards and other control mechanisms and the peaceful use assurances contained in the agreement for cooperation to ensure that any assistance furnished thereunder will not be used to further any military or nuclear explosive purpose.

With this statutory mandate in mind, this NPAS: (a) provides background information on India's civil nuclear program and the military nuclear program from which it is being separated (Part I); (b) describes the nature and scope of the cooperation contemplated in the proposed Agreement (Part II); (c) reviews the applicable substantive requirements of the AEA and the Nuclear Non-Proliferation Act of 1978 ("NNP A") and details how they are met by the proposed Agreement (Part III); (d) addresses additional relevant policy issues (Part IV); and (e) sets forth the net assessment, conclusions, views and recommendations of the Department of State as contemplated by section 123a of the AEA (Part V).

Introduction: The U.S.-India Civil Nuclear Cooperation Initiative

The U.S.-India Civil Nuclear Cooperation Initiative, of which the proposed U.S.-India Agreement for Peaceful Nuclear Cooperation is the central element, was announced in a Joint Statement by President Bush and Indian Prime Minister Manmohan Singh in Washington on July 18, 2005 ("Joint Statement"). For the United States the Initiative is premised on its contribution to U.S. national security interests by establishing a broad strategic partnership with India that encourages India's emergence as a positive force on the world scene. India is a rising global power and an important democratic partner for the United States. The United States and India are bound together by a strong congruence of interests and values. For example, the United States is seeking to work with India to win the global War on Terrorism, to prevent the spread of weapons of mass destruction and the missiles that could deliver them, to enhance peace and stability in Asia, and to advance the spread of democracy. In the context of this growing partnership, the United States and India issued a landmark Joint Statement in July 2005 to work toward full civil nuclear cooperation while at the same time strengthening global nonproliferation efforts.

India believes, and the United States agrees, that it needs nuclear power to sustain dynamic economic growth and to address its growing energy requirements in an affordable and environmentally responsible manner. The U.S. goal in the context of the Joint Statement is to provide India access to the technology it needs to build a safe, modern and efficient infrastructure that will provide clean, peaceful nuclear energy.

At the same time, India has clearly demonstrated over the past several years its desire to work with the United States and the international community to fight the spread of sensitive nuclear and other technologies. As part of an effort launched with India during the Administration's first term - the Next Steps in Strategic Partnership - India took a number of significant steps to strengthen export controls and to ensure that Indian companies would not be a source of future proliferation. Not only did India pledge to bring its export control laws, regulations, and enforcement practices in line with international export control standards, but it also passed an extensive export control law and issued an upgraded national control list that will help it achieve this goal. India is a signatory to the Biological and Toxin Weapons Convention and the Chemical Weapons Convention, and reports annually to the UN Register of Conventional Arms. In addition, India has become a party to the Convention on the Physical Protection of

Nuclear Material, ratified the International Convention for the Suppression of Acts of Nuclear Terrorism, and supports the IAEA Code of Conduct on Safety and Security of Radioactive Sources. India is also a partner in the Global Initiative to Combat Nuclear Terrorism. With respect to its UNSCR 1540 obligations, India has submitted a national report and two addenda to the Committee and currently is represented on the UNSCR 1540 Experts Committee.

With respect to strategic trade enforcement, India has bilateral customs cooperation agreements in place with a number of countries, including with the United States, and has announced its intent to join the Department of Homeland Security's Container Security Initiative. In addition, India participates in the Department of Energy's Megaports Initiative radiation portal monitor program and has deployed advanced scanners at seaports to screen container cargo for arms, explosives, WMD, and other contraband. India also has participated as an official observer of Proliferation Security Initiative regional interdiction exercises.

The additional nonproliferation commitments India has made as part of the Joint Statement go even further and will bring it into closer conformity with international nuclear nonproliferation standards and practices. While the United States will continue to work with India to encourage it to do more over time, India's implementation of its commitments will, on balance, enhance global nonproliferation efforts. The United States expects that the international nuclear nonproliferation regime will emerge stronger as a result.

Through the Joint Statement, India publicly committed to take the following important nonproliferation steps:

- Identify and separate its civilian and military nuclear facilities and programs and file a declaration with the International Atomic Energy Agency (IAEA) regarding its civilian facilities;
- Place voluntarily its civilian nuclear facilities under IAEA safeguards;
- Sign and adhere to an Additional Protocol with the IAEA with respect to its civilian nuclear facilities;
- Continue its unilateral moratorium on nuclear testing;
- Work with the United States for the conclusion of a multilateral Fissile Material Cut-Off Treaty (FMCT) to halt production of fissile material for nuclear weapons;

- Refrain from the transfer of enrichment and reprocessing technologies to states that do not have them, and support efforts to limit their spread; and
- Secure nuclear and missile materials and technologies through comprehensive export control legislation and through harmonization and adherence to the Missile Technology Control Regime (MTCR) and the Nuclear Suppliers Group (NSG) guidelines.

India's commitment to separate its civil and military facilities and place its civil facilities and activities under IAEA safeguards demonstrates its willingness to assume full responsibility for preventing proliferation from its civil nuclear program. It will also help protect against diversion of nuclear material and technologies to India's nuclear weapon program.

By adopting an Additional Protocol with the IAEA, India will commit to reporting to the IAEA on exports of all NSG Trigger List items. This will help the IAEA track potential proliferation elsewhere, and bolster U.S. efforts to encourage all states to adopt an Additional Protocol as a condition of supply.

By committing to adopt strong and effective export controls, including adherence to NSG and MTCR Guidelines, India will help ensure that its companies do not transfer sensitive weapons of mass destruction and missile-related technologies to countries of concern.

In July 2005, India took an important step by harmonizing its national control list with the NSG Guidelines and by adding many items that appear on the MTCR Annex.

India has also committed to work with the United States toward the conclusion of a multilateral FMCT, which, if successfully negotiated and ratified, will ban the production of fissile material for use in nuclear weapons or other nuclear explosive devices.

India's pledge to maintain its nuclear testing moratorium contributes to nonproliferation efforts by making its ending of nuclear explosive tests one of the conditions of full civil nuclear cooperation. Since to date Pakistan has test exploded nuclear weapons only in response to Indian nuclear tests, this commitment may help diminish the prospects for future nuclear testing in South Asia.

By committing not to export enrichment and reprocessing technology to states that do not already have such fully-functioning capabilities, India

will help the United States achieve its goal of preventing the further spread of such proliferation sensitive equipment and technology.

Each of these steps is significant. Together, they constitute a substantial shift in moving India into closer conformity with international nonproliferation standards and practices. Their successful implementation will help to strengthen the global nonproliferation regime.

On a reciprocal basis with India's commitments, the United States committed to work to achieve full civil nuclear cooperation with India. The proposed U.S.-India Agreement for Peaceful Nuclear Cooperation constitutes a core element of that commitment.

I. INDIA'S NUCLEAR PROGRAMS AND POLICIES

India's Energy Needs

India, a nation of more than one billion people today, with an economy growing in the range of 8 percent per year, faces real and growing energy needs. Substantial population growth, expanding industrial production, economic development, urbanization, and growth in transportation sector energy consumption are all driving strong energy demand. Between 1980 and 2001, demand increased by 208 percent. By contrast, China, often thought of as the world's next big energy consumer, saw a 130 percent increase over the same period. In 2003, India was the sixth largest consumer of energy in the world behind only the United States, China, Russia, Japan, and Germany.

To meet these growing demands, the Indian Government plans to double its capacity to produce electricity within the next seven years. At present, almost 55 percent of India's 127 gigawatt (GW) total installed energy generating capacity is derived from coal; roughly 26 percent from hydro-electric power; 11 percent from natural gas; and almost 5 percent from renewable sources. Just 3 percent of India's total power generation comes from nuclear energy.

Indian energy officials project that by 2031-32, roughly a quarter century from now, India will have a total energy requirement of 700 GW, of which the nuclear component is expected to comprise 63 GW, or approximately nine percent. India will also require large-scale infrastructure investments and upgrades, including transmission and distribution, as a result of a five-fold increase in electrical power consumption.

Nuclear Energy In India

India has a substantial and growing nuclear infrastructure. Its current capabilities span the nuclear fuel cycle. Indian nuclear facilities include various uranium processing capabilities (uranium mining and milling, copper mine tailing extraction, uranium conversion, fuel fabrication, enrichment); thermal and breeder reactors; research reactors; heavy water production facilities; and spent fuel reprocessing facilities. As of early 2007, the Nuclear Power Corporation of India, Ltd. (NPCIL) operated 16 power reactors, and an additional six are currently under construction. Bharatiya Nabhikiya Vidyut Nigam, Ltd. (Bhavini) operates a 40 MWe fast breeder test reactor and is currently building a 500 MWe prototype fast breeder reactor.

India's operating civil nuclear power plants currently have approximately 3,900 megawatts (MWe) of installed electricity generation capacity, based on the 14 pressurized heavy water reactors (PHWRs) and two boiling water reactors (BWRs) currently on-line. An additional four PHWRs, two light water reactors (LWRs), and the prototype fast breeder reactor (FBR) currently under construction should add an additional 3,380 MWe when operational, bringing the total installed nuclear energy generating capacity to approximately 7,280 MWe. Indian officials have stated their intent to increase the installed nuclear capacity to 20,000 MWe by 2020-a five-fold increase over present output and a goal that cannot be obtained absent substantial foreign assistance.

Over time, the Indian Government intends to increase the nuclear component of its energy output to approximately 20 percent of India's total energy production, thus significantly decreasing the growth in its reliance on fossil fuels. Senior officials in India's atomic energy establishment have indicated their desire to exceed the 20,000 MWe target through the accelerated import of high-unit capacity foreign reactors.

To this end, Indian officials have begun to discuss their long-term plans with American, Russian, French, and other potential vendors. In early 2007, India and Russia announced a statement of intent to field an additional four LWRs at Kudankulam, one of three planned "nuclear parks" set aside for international supply. While Russia is already supplying two LWRs at Kudankulam - a "grandfathered" arrangement dating to a time prior to establishment of the Nuclear Suppliers Group (NSG) full-scope safeguards export guideline - the expanded deal is predicated on positive NSG action to enable civil nuclear cooperation with India. American companies would

similarly like the chance to compete, on a level playing field, to supply India's civil nuclear program. The recent NSG decision by consensus to except India from the full-scope safeguards export condition is a principal enabling step for potential suppliers. Positive Congressional action on the proposed U.S.-India Agreement for Peaceful Nuclear Cooperation is an additional step necessary to open the Indian civil nuclear market to U.S. industry.

India's Three Stage (Thorium) Program

India has long sought to implement a three-stage nuclear power program to meet its growing energy needs. The Department of Atomic Energy (DAE) argues that in the context of India's "modest" uranium reserves but substantial thorium reserves, large scale deployment of nuclear energy is best realized through eventual use of thorium. According to a report issued by the IAEA, India has limited uranium reserves, consisting of approximately 54,636 tons of "reasonably assured resources," 25,245 tons of "estimated additional resources," 15,488 tons of "undiscovered conventional resources," and 17,000 tons of "speculative" resources.

India's known and recoverable uranium resources are insufficient to generate, on a sustainable basis, a capable civil nuclear energy program. According to NPCIL, India's uranium reserves are sufficient to generate perhaps 10,000 MW of electricity for 40 years. Together with India's current installed capacity, once the seven reactors currently under construction come on-line India's total installed nuclear capacity will rise to more than 70 percent of this sum. This is inadequate to meet India's energy requirements.

By contrast, India has roughly one-third of the world's known thorium reserves. Natural uranium is a source material that can be used in a nuclear reactor to produce energy through nuclear fission. Thorium must first be converted to a fissile material, uranium-233, in a reactor. For more than four decades DAE has sought to develop the capability to use thorium, based on a closed nuclear fuel cycle, for large-scale nuclear energy production. The three-stage program it has sought to implement involves: (1) natural uranium-fueled pressurized heavy water reactors (PHWRs); (2) fast breeder reactors using plutonium-based fuel; and (3) advanced nuclear power systems based on a thorium-uranium-233 cycle. In theory, DAE argues, breeder reactors, using plutonium produced through domestic uranium sources, could generate perhaps 500 GW of electricity.

Despite years of effort, however, India's three-stage program has advanced, slowly. India's Atomic Energy Commission projected in 1954 that India would achieve a target of 3 GWe by 1975 and 8 GWe by 1980; instead it hit 540 MWe through 1980, and produces roughly 3 GWe today. As noted above, India is also far short of achieving its goal of 20 GWe of installed capacity by 2020 or its projections that upwardly revise this target. While Indian officials continue to seek the long-term energy independence that, in principle, could be achieved through successful implementation of its three-stage nuclear program, in practice it is clear that India must import fuel, reactors, and other technologies that it has been denied for more than three decades under international export control policies to meet its nuclear electricity-generating targets. With the NSG decision to enable supply of Trigger List items to India, prospective international suppliers now have the ability to supply nuclear-related items to India for peaceful uses.

Civil vs Military

India's existing nuclear infrastructure is today largely unsafeguarded: only four (rising to six, once Kudankulam-1 and -2 come on-line) power reactors and related nuclear material are currently under International Atomic Energy Agency safeguards. This accounts for approximately 19 percent of India's total current nuclear energy output. India's existing nuclear infrastructure is today fundamentally intertwined, serving both civil and military or strategic purposes; the Indian government states that its strategic program is an "offshoot" of its research on civil nuclear power, and consequently "it is embedded in a larger undifferentiated programme." In the July 2005 U.S.-India Joint Statement, India committed to identify and separate its civil and military nuclear facilities and programs in a phased manner, placing the civil aspects under safeguards and an Additional Protocol with the IAEA. In this context, India has undertaken to ensure that any international civil nuclear cooperation would not be diverted from civil purposes or transferred to third countries without safeguards or on an otherwise unauthorized basis.

Overview of India's Separation Plan

The Indian government released its plan to separate India's civil and military nuclear facilities on March 7, 2006; it updated this document on May 11, 2006 and asked the IAEA to circulate it to Member States on July 25, 2008 (IAEA document INFCIRC/731). Because India's existing nuclear infrastructure is intertwined, identification of purely civil facilities and programs that have no strategic implications proved a significant

challenge. As its plan developed, the Indian government decided that the nature of the facility concerned, the activities undertaken in it, the national security significance of materials, and the location of the facilities were critical factors in determining what to declare as civilian. (In this context, India did not define or distinguish "military" from "strategic" facilities. The latter may include those having a military role, but also those having a role in India's three stage nuclear energy program.) Similarly, issues relating to fuel resource sustainability, technical design, economic viability, and smooth reactor operation were notable Indian decision criteria. The final plan released by the Indian government notes that India's approach to the separation of its facilities would be guided by the following principles:

- Credible, feasible, and implementable in a transparent manner;
- Consistent with the understandings of the July 18, 2005 Joint Statement;
- Consistent with India's national security and research and development requirements, as well as not prejudicial to India's three-stage nuclear program;
- Must be cost-effective in its implementation; and
- Must be acceptable to India's Parliament and public opinion.

Derived from these principles, India's plan:

- Includes in the civilian list "only those facilities to be offered for safeguards that, after separation, will no longer be engaged in activities of strategic significance";
- Requires a judgment on the overarching criterion of whether subjecting a facility to IAEA safeguards would impact adversely India's national security;
- Excludes a facility from the civilian list if it is located in a larger hub of strategic significance, even if it does not engage in activities of strategic significance; and accordingly
- Identifies only those facilities that India has determined not to be relevant to its strategic program.

Specifically, India parses its existing and developmental nuclear infrastructure as follows:

- **Thermal reactors:** India identifies as civil 14 thermal reactors, which according to the March 2006 Separation Plan were scheduled to be offered for safeguards between 2006 and 2014. These include the four existing foreign-supplied reactors (TAPS-I and -2 (the U.S.-supplied Tarapur reactors), RAPS-I and -2) and the two foreign-supplied reactors under construction (KK-I and -2). These also include eight indigenous PHWRs, each with a generating capacity of 220 MWe: RAPS-3, -4, -5 and -6, KAPS 1 and -2, and NAPS-I and -2. India further notes that safeguards will be applied in a phased manner consistent with its agreement with the IAEA. Eight indigenous PHWRs (TAPS-3 and -4, MAPS-I and -2, Kaiga- I, -2,-3 and -4) are to remain outside of safeguards.
- **Fast breeder reactors:** India opted to continue unsafeguarded operations at its operating fast breeder test reactor and also to exclude its prototype fast breeder reactor from safeguards. The fast breeder program is currently at the research and development stage and will take time to reach an advanced stage of development, according to India. India seeks to ensure that it does not face any external "encumbrances" in this process, and so chooses to exclude them from safeguards at this time. India and the United States could not engage in the type of nuclear fuel cycle cooperation authorized by the Hyde Act, the Atomic Energy Act, and the U.S.-India Agreement for Peaceful Nuclear Cooperation with regard to India's breeder reactors until India declared them "civil" and placed them under safeguards.
- **Future reactors:** India states that it will place under IAEA safeguards "all future civilian thermal power reactors and civilian breeder reactors," retaining for itself the right to determine such reactors as civilian. The United States and other potential suppliers to India have international, and in many cases domestic, legal and policy requirements to ensure that the types of items supplied under their agreements for peaceful nuclear cooperation serve exclusively the civil sector. All reactors, and the material that passes through them, supplied by the United States or by India's other international partners will by definition be "civil" and be subject to IAEA safeguards in perpetuity. While India retains the right to develop indigenous facilities

for either civil or military purposes in the future, the separation plan notes that all future thermal and breeder reactors declared "civil" will also be placed under safeguards. Because India seeks the maximum benefit from international cooperation, as a result of India's enduring and expanding energy requirements, and based on bilateral discussions, the United States expects the vast majority of future nuclear program growth to occur in India's civil sector.

- **Research reactors:** India will permanently shut down the CIRUS plutonium production reactor in 2010. It will also place the foreign-supplied fuel core from the APSARA reactor under safeguards in 2010. India has not declared as civil the Dhruva research reactor, the Advanced Heavy Water Reactor, and activities relating to naval nuclear propulsion at Kalpakkam.
- **Upstream facilities:** India's separation plan designates as civil the following specific facilities associated with the Nuclear Fuel Complex: the Uranium Oxide Plant (Block A); both the Palletizing and the Assembly Ceramic Fuel Fabrication Plants (Block A); the Enriched Uranium Oxide Plant; the Enriched Fuel Fabrication Plant; and the Gadolina Facility. The heavy water production plants at Thal, Tuticorin, and Hazira will also be designated as civil. While India does not consider them as "relevant for safeguards purposes", at a minimum India's Additional Protocol is expected to include them. India decided not to designate for civilian uses three additional heavy water production plants, as well as other Nuclear Fuel Complex facilities.
- **Downstream facilities:** India plans to continue the current policy of possible "campaign-mode" safeguards with respect to the Tarapur Power Reactor Fuel Reprocessing Plant (PREFRE). Moreover, both the Tarapur and Rajasthan "Away from Reactor" spent fuel storage pools will be made available for safeguards. India decided not to declare as civil its other spent fuel reprocessing facilities, as well as its indigenous uranium enrichment capability. Subsequent to India's March 2006 separation plan, the Indian government decided to pursue development of a new civil facility dedicated to reprocessing material under safeguards. Development of this facility (and agreement with the United States on arrangements and procedures related thereto) will be required to bring into effect the "programmatic consent" in Article 6 of the Agreement.

- **Research facilities:** Finally, India plans to declare as civil nine research facilities: the Tata Institute of Fundamental Research; the Variable Energy Cyclotron Centre; the Saha Institute of Nuclear Physics; the Institute for Plasma Research; the Institute of Mathematics Science; the Institute of Physics; the Tata Memorial Centre; the Board of Radiation and Isotope Technology; and the Harish Chandra Research Institute. India expects these civil facilities to play a "prominent role" in international cooperation. Other Indian nuclear and nuclear-related facilities-such as those in the Bhaba Atomic Research Center (BARC) or in the Indira Gandhi Center for Advanced Research (IGCAR)-were not declared as civil, presumably because they retain a military or strategic role.

The United States assesses India's plan to be credible, transparent, and defensible from a nonproliferation standpoint. When implemented, the total installed nuclear capacity under safeguards will rise from 19 percent today to 65 percent, a percentage that will increase to more than 80 percent as India further expands its civil infrastructure through foreign supply and indigenous development. Based on India's safeguards agreement with the IAEA (discussed below), appropriate safeguards will cover India's civil nuclear fuel cycle and provide strong assurances to supplier states that material and technology provided or generated through civil nuclear cooperation will not be diverted either to the military sphere or for unauthorized purposes. In addition, the total portion of India's spent fuel and plutonium stockpiles under safeguards will rise substantially over time (although the reprocessing consent in Article 6 of the U.S.-India Agreement for Peaceful Nuclear Cooperation, if and when the consent comes into effect, could increase modestly the quantity of separated civil plutonium stored in India).

II. NATURE AND SCOPE OF THE COOPERATION CONTEMPLATED BY THE PROPOSED AGREEMENT

Article 2(2) of the Proposed Agreement describes in general terms the kinds of cooperative activities envisaged. These are to take place in accordance with the provisions of the Agreement and each Party's applicable treaties, national laws, regulations, and license requirements and may include, but are not limited to, the following areas:

- Advanced nuclear energy research and development in areas agreed by the Parties;

- Nuclear Safety Matters.
- Facilitation of exchange of scientists for visits, meetings, symposia and collaborative research;
- Full civil nuclear cooperation activities covering nuclear reactors and aspects of the associated nuclear fuel cycle including technology transfer on an industrial or commercial scale between the Parties or authorized persons;
- Development of a strategic reserve to guard against any disruption of supply over the lifetime of India's reactors;
- Advanced research and development in nuclear sciences including biological research, medicine, agriculture and industry, environment and climate change;
- Supply between the Parties, whether for use by or for the benefit of the Parties or third countries, of nuclear material;
- Alteration in form or content of nuclear material as provided for in Article 6 of the Agreement;
- Supply between the Parties of equipment, whether for use by or for the benefit of the Parties or third countries;
- Controlled thermonuclear fusion including in multilateral projects; and
- Other areas of mutual interest as may be agreed by the Parties.

In Article 2(4) of the Agreement the Parties further delimit the scope of cooperation by affirming that the purpose of the Agreement is to provide for peaceful nuclear cooperation and not to affect the unsafeguarded nuclear activities of either Party. Nothing in the Agreement is to be interpreted as affecting the rights of the Parties to use for their own purposes nuclear material, non-nuclear material, equipment, components, information or technology produced, acquired or developed by them independent of any nuclear material, non-nuclear material, , equipment, components; information or technology transferred to them pursuant to the Agreement. The Agreement is to be implemented in a manner so as not to hinder or otherwise interfere with any other activities involving the use of nuclear material, non-nuclear material, equipment, components, information or technology and military nuclear facilities produced, acquired or developed

by them independent of the Agreement for their own purposes.

Article 2(3) of the Agreement specifically provides that the Parties may undertake transfers between themselves or their authorized persons of nuclear material, non-nuclear material, equipment, components and information.

Article 3(1) of the Agreement again specifically provides that information may be transferred between the Parties, and that such information may cover, but need not be limited to, the following fields:

- Research, development, design, construction, operation, maintenance and use of reactors, reactor experiments, and decommissioning;
- The use of nuclear material in physical, chemical, radiological and biological research, medicine, agriculture and industry;
- Fuel cycle activities to meet future world-wide civil nuclear energy needs, including multilateral approaches to which they are parties for ensuring nuclear fuel supply and appropriate techniques for management of nuclear wastes;
- Advanced research and development in nuclear science and technology;
- Health, Safety and environmental considerations related to the foregoing;
- Assessments of the role that nuclear power may play in national energy plans;
- Codes, regulations and standards for the nuclear industry;
- Research on controlled thermonuclear fusion including bilateral activities and contributions toward multilateral projects such as the International Thermonuclear Experimental Reactor (ITER); and
- Any other field mutually agreed by the Parties.

Article 3(2) provides that the above cooperation may include training, exchange of personnel, meetings, exchange of samples, materials and instruments for experimental purposes and a balanced participation in joint studies and projects.

Article 3(3) states that the Agreement does not require the transfer of any information outside the scope of the Agreement, or information that the Parties are not permitted under their respective treaties, national laws or regulations to transfer.

Article 3(4) provides that Restricted Data, as defined by each Party, shall not be transferred under the Agreement.

Article 4(1) provides *inter alia* for the Parties to facilitate nuclear trade between themselves in the mutual interests of their respective industry, utilities and consumers and also, where appropriate, trade between either Party and a third country of items obligated to the other Party.

Article A(2) provides *inter alia* that authorizations, including export and import licenses as well as authorizations or consents to third parties relating to trade, industrial operations or nuclear material movement, should be consistent with the sound and efficient administration of the Agreement and should not be used to restrict trade.

Article 5(1) provides that nuclear material, non-nuclear material, equipment and components may be transferred for applications consistent with the Agreement. Article 5(3) provides that natural or low enriched uranium may be transferred for use as fuel in reactor experiments and in reactors, for conversion or fabrication, and for other purposes as may be agreed to by the Parties. Article 5(1) provides also that any special fissionable material transferred shall be limited to low enriched uranium, except for "small quantities," which may be transferred pursuant to Article 5(5) for use as samples, standards, detectors and targets, and the accomplishment of other purposes as agreed by the Parties.

Article 5(4) provides that the quantity of nuclear material transferred under the Agreement shall be consistent with any of the following purposes: use in reactor experiments or the loading of reactors, the efficient and continuous conduct of such reactor experiments or operation of reactors for their lifetime, use as samples, standards, detectors and targets, and other purposes as the Parties may agree.

Article 5(6) records verbatim certain political assurances relating to reliable supply of nuclear fuel given to India by the United States in March 2006. The Agreement language does not have the effect of converting these political assurances into legally binding commitments because the

Agreement, like other U.S. agreements of its type, is intended as a framework agreement that does not compel specific exports.

Articles 5(2), 6-10, and 14 address the specific requirements of section 123a. of the AEA and are discussed in detail in part III below.

Article 11 provides that the Parties shall cooperate in following the best practices for minimizing the impact on the environment from any radioactive, chemical or thermal contamination arising from activities under the Agreement and in related matters of health and safety.

Article 12 contains additional provisions with regard to implementation of activities falling within the scope of the Agreement.

Article 13 provides for consultations at the request of either Party regarding implementation of the Agreement and the development of further cooperation in the field of peaceful uses of nuclear energy on a stable, reliable and predictable basis. It further provides that the Parties shall endeavor to avoid taking any action that adversely affects cooperation under Article 2, which is the general "Scope of Cooperation" Article.

Article 15 provides for dispute settlement through negotiations between the Parties.

Article 16 provides for the Agreement to have an initial duration of 40 years and to continue in force for additional periods of 10 years each, subject to a proviso that either Party may terminate the Agreement by giving written notice to the other Party six months prior to the close of a period. It also provides for continuation in effect of key nonproliferation provisions of the Agreement in the event of its termination.

Article 17 provides for the establishment of agreed-upon procedures to implement the terms of the Agreement.

The statutorily mandated nonproliferation conditions and controls contained in the Agreement are detailed and analyzed in the following section.

III. SUBSTANTIVE CONDITIONS

The proposed Agreement meets the applicable requirements of the Atomic Energy Act and the NNP A. Section 123a. of the Atomic Energy Act sets forth nine specific requirements that must be met in agreements for

cooperation. Sections 402 and 407 of the NNP A set forth supplementary requirements. The provisions contained in the proposed Agreement satisfy those requirements as follows:

(1) Application of Safeguards

Section 123a (1) requires a guaranty from the cooperating party that safeguards as set forth in the agreement for cooperation will be maintained with respect to all nuclear materials and equipment transferred pursuant thereto and with respect to all special nuclear material used in or produced through the use of such transferred nuclear materials and equipment, so long as the material or equipment remains under the jurisdiction or control of the cooperating party, irrespective of the duration of the other provisions in the agreement or whether the agreement is terminated or suspended for any reason.

This requirement is satisfied by Articles 10 and 16(3) of the Agreement. Safeguards are mandated by Article 10(1) on "all nuclear material and equipment transferred pursuant to this Agreement and with respect to special fissionable material used in or produced through the use of such nuclear material and equipment, so long as the material or equipment remains under the jurisdiction or control of the cooperating party." Article 10(2) provides that nuclear material and equipment transferred from the U.S. to India and "any nuclear material used in or produced through the use of nuclear material, non-nuclear material, equipment or components so transferred shall be subject to safeguards *in perpetuity* in accordance with" the India-IAEA safeguards agreement, which was recently approved by the IAEA Board of Governors.

Article 16(3) provides the assurance that, notwithstanding the termination or expiration of the Agreement or the withdrawal of a Party from the Agreement, the safeguards required under Article 10 shall "continue in effect so long as any nuclear material, non-nuclear material, by-product material, equipment or components subject to [Article 10] remains in the territory of the Party concerned or under its jurisdiction or control anywhere, or until such time as the Parties agree that such nuclear material is no longer usable for any nuclear activity relevant from the point of view of safeguards." In addition, Article 10(4) provides that both countries shall consult regarding appropriate verification measures in the event that the application of IAEA safeguards is no longer possible.

(2) Full-Scope Safeguards

The requirement for full-scope safeguards as a condition of cooperation mandated by section 123a.(2) is to be exempted pursuant to section 104 of the Hyde Act (the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006, Public Law 109-401).

(3) Peaceful Use

The requirement of-section 123a.(3) of the AEA for a guaranty against explosive or military uses of nuclear materials and equipment transferred and special nuclear material produced through the use of such items is met by Article 9 of the Agreement, which provides that:

Nuclear material, equipment and components transferred pursuant to this Agreement and nuclear material and by-product material used or produced through the use of any nuclear material, equipment, and components so transferred shall not be used by the recipient Party for any nuclear explosive device, for research on or development of any nuclear explosive device or for any military purpose.

(4) Right of Return

Section 123a.(4) of the AEA requires a stipulation that, in the event of a nuclear detonation by a non-nuclear weapon state cooperating party or termination or abrogation of an IAEA safeguards agreement by such a party, the United States shall have a right to the return of any nuclear materials and equipment transferred pursuant to the agreement for cooperation and any special nuclear material produced through the use of such transferred items. This requirement is met by Article 14 of the Agreement, which provides a right of return regarding "any nuclear material, equipment, non-nuclear material or components transferred under this Agreement and any special fissionable material produced through their use" (Article 14(4)). The procedure for exercising this right of return is as follows:

- Pursuant to Article 14(1), either Party has the right to terminate the Agreement on one year's written notice to the other Party;
- The Party seeking termination has the right to cease further cooperation if it determines that "a mutually acceptable resolution of outstanding issues has not been possible or cannot be achieved through consultations" (Article 14(2));

- Either party may exercise the right of return "following the cessation of cooperation" as provided for in Article 14(2) and "on or before the date of termination" as provided for in Article 14(1).

Thus, the right of return provided for in Article 14 of the Agreement fully satisfies the requirements of section 123a.(4) in terms of the items subject to the right of return and the circumstances under which it may be exercised.

(5) Retransfer Consent

Section 123a.(5) of the AEA requires a guaranty by the cooperating party that any material, Restricted Data, and production or utilization facility transferred pursuant to the agreement "or any special nuclear material produced through the use of any such [facility or material] will not be transferred to unauthorized persons or beyond the jurisdiction or control of the cooperating party" without prior U.S. consent. This requirement is met by Article 7(2) of the Agreement. (The transfer of Restricted Data is precluded by Article 3(4) of the Agreement.)

(6) Physical Security

The requirement of section 123a.(6) of the AEA for a guaranty that adequate physical security will be maintained with respect to any nuclear material transferred pursuant to an agreement of cooperation and any special nuclear material used in or produced through the use of nuclear material, production facility or utilization facility transferred pursuant to the agreement is met by Article 8 of the Agreement.

(7) Enrichment / Reprocessing / Alteration Consent Right

Section 123a.(7) of the AEA requires a guaranty that "no material transferred pursuant to the agreement for cooperation and no material used in or produced through the use of any material, production facility, or utilization facility transferred pursuant to the agreement will be reprocessed, enriched or (in the case of plutonium, uranium 233, or uranium enriched to greater than 20 per cent in the isotope 235, or other nuclear materials which have been irradiated) otherwise altered in form or content without the prior approval of the United States."

In Article 6, the Parties provide mutual consent for enrichment up to 20 percent in the isotope 235 of uranium subject to the Agreement. The Parties also provide mutual consent to reprocessing and alteration in form or content of nuclear material subject to the Agreement, except that to bring this right

into effect in the case of India, India must establish a new national reprocessing facility dedicated to reprocessing safeguarded nuclear material under IAEA safeguards *and* both Parties must agree on arrangements and procedures under which the reprocessing or other alteration in form or content will take place in the new facility, including provisions with respect to the application of IAEA safeguards to all facilities concerned with these activities, as well as provisions relating to physical protection, storage, environmental protection, and use of any separated special fissionable material only in national facilities under IAEA safeguards. Article 14(9) provides that the above "arrangements and procedures" are subject to suspension by either Party in exceptional circumstances, as defined by the Parties, after consultations as specified in that paragraph. (Since Article 14 is not among those continuing in effect if the Agreement as a whole were to be terminated (Article 16(3)), a Party intending to suspend the "arrangements and procedures" under Article 6 would need to do so, prior to termination of the Agreement itself.)

Article 6 also satisfies section 402(a) of the NNPA, which states that, except as specifically provided in any agreement for cooperation, no source or special nuclear material exported from the United States after the date of the NNPA may be enriched after export without the prior approval of the United States for such enrichment.

(8) Storage Consent Right

The requirement of section 123a.(8) of the AEA for a guaranty of a right of prior U.S. approval over facilities for the storage of specified nuclear materials is met by Article 7(1).

(9) Sensitive Nuclear Technology

The requirement of section 123a.(9) pertains to situations that may result when sensitive nuclear technology is transferred pursuant to a section 123 agreement for cooperation. Article 5(2) of the Agreement provides that sensitive nuclear technology shall only be transferred under the Agreement if provided for by an amendment to the Agreement, and Article 5(2) further provides that sensitive nuclear facilities and major critical components thereof shall only be transferred under the Agreement if provided for by an amendment to the Agreement. Accordingly, the requirement in section 123a.(9) is not relevant to the proposed Agreement, and the requirement in section 402(b) of the NNPA precluding the transfer of major critical components of facilities for uranium enrichment, nuclear fuel reprocessing,

or heavy water production unless an agreement for cooperation "specifically designates such components as items to be exported pursuant to [such] agreement" is also satisfied.

Environmental: Article 11 of the proposed Agreement provides that the Parties "shall follow the best practices for minimizing the impact on the environment from any radioactive, chemical or thermal contamination arising from peaceful activities under this Agreement," thereby satisfying section 407 of the NNPA.

Proportionality: For the purpose of implementing rights specified in Articles 6 and 7 of the proposed Agreement, "produced" special nuclear material is defined in terms of proportionality in the Agreed Minute to the Agreement. Thus, if U.S. nuclear material is used in a non-U.S. reactor, the special nuclear material produced will be attributed to the U.S. in the proportion of the U.S. nuclear material to the total amount of nuclear material used, and similarly for subsequent generations. It has been our consistent view that sections 123 and 127 of the AEA allow this concept of proportionality to be used in determining the reasonable application of U.S. consent rights. Indeed, all of the agreements negotiated since the enactment of the NNPA in 1978 contain a similar proportionality provision.

The proposed Agreement thus satisfies all the substantive requirements specified for agreements for cooperation by the AEA and the NNPA, with the exception of section 123a.(2), from which it is to be exempted.

IV. OTHER NONPROLIFERATION POLICY ISSUES

1. Safeguards

Full-Scope versus INFCIRC/66 safeguards

A non-nuclear weapons state party to the NPT is required to have in place a "full-scope" safeguards agreement, applicable to all nuclear material and activities in the state. Such an agreement, based on IAEA document INFCIRC/153, has historically been considered the gold standard of safeguards. Such full-scope safeguards, in conjunction with an assessment that a state's political situation was consistent with adherence to nonproliferation norms, was seen as meeting the safeguards standard for the NPAS. More recently, the United States and others have indicated that they consider that the new safeguards standard should be a full scope safeguards agreement with an Additional Protocol. Whereas the 153-based safeguards agreement focuses on declared material and facilities, the

Additional Protocol provides the IAEA with additional information and access, to provide increased assurance of the absence of *undeclared* activities.

For a non-nuclear weapon state party to the NPT, safeguards are required to be able to detect in a timely manner, and thereby deter, the diversion of one weapons-quantity (called by the IAEA a "significant quantity") of nuclear material from declared facilities. Clearly, the diversion of even one weapons-quantity of material by a NNWS NPT party would have very serious implications, both in terms of regional stability and damage to the nonproliferation regime. The IAEA has therefore adopted standards for timeliness of detection consistent with the detection of one weapons-quantity of material within a time approximately equal to that needed to convert that material into weapons-usable form; this was deemed to provide time for political action. There are no such quantitative standards for implementation of the Additional Protocol, as activities related to detecting undeclared activities do not lend themselves to quantification and are somewhat dependent on external sources of information.

Because India is not an NPT signatory, the Indian safeguards agreement is not based on INFCIRC/153, but on another document, INFCIRC/66, discussed further below. The context in which safeguards will be applied in India differs importantly from that of a NNWS NPT signatory. India has already acquired nuclear weapons, has a fully capable nuclear weapons complex, all of the technical expertise necessary to produce weapons-grade materials, and a large stockpile of nuclear material that is outside of the safeguards agreement. The facilities retained by India outside the agreement constitute the full nuclear fuel cycle, including heavy water reactors, advanced reactors, uranium and plutonium fuel fabrication plants, and reprocessing plants.

In short, India's non-civil facilities already include every capability likely to exist among the facilities declared as civil; indeed, it is unlikely that India would chose to offer a facility as civil if it were needed for military purposes. India thus would have no apparent incentive to divert material, equipment, or technology from its declared civil sector to military uses. Its non-civil sector already possesses the necessary capabilities, and a diversion would risk a strong reaction from the U.S. and other nuclear cooperation partners.

India has committed to negotiating an Additional Protocol "with respect to its civilian facilities" with the IAEA. The IAEA's standard "Model Additional Protocol" (INFCIRC/540) was designed as an enhancement of an INFCIRC/

153-type safeguards agreement, and to apply to the state as a whole. Thus there are bound to be important differences between the Indian AP and the Model AP. It is not clear yet what the provisions of the Indian AP will be, but it will probably provide some additional information or access to the facilities declared as civil, enhancing somewhat the effectiveness of safeguards at civil facilities. Because India will obviously have undeclared activities that are outside the scope of the safeguards agreement, the primary function of its Additional Protocol will not in general be the same as that of the Model Additional Protocol (that of detecting undeclared nuclear activities).

The safeguards agreement between India and the IAEA is based on INFCIRC/66, the Agency's approved safeguards system for states not party to the NPT. INFCIRC/66 predated the NPT and is entitled "the Agency's Safeguards System." It is not, like INFCIRC/153, a model safeguards agreement, but contains language that 66-based safeguards agreements draw on, either verbatim or by reference. These agreements can be seen as comprising two components.

One component includes the sections on the mechanics of safeguards such as procedures, reports, inspections, exemptions, termination, transfers, and procedures for various facility types. These are generally drawn from INFCIRC/66 itself; this is the case with the Indian agreement. The technical safeguards methods provided for under an INFCIRC/66-based agreement are based on this standard language, and will be no different than those used in other safeguards agreements. We would expect that safeguards would be applied to an Indian heavy water reactor, for example, using the same technology and techniques applied to a heavy water reactor elsewhere. Some states, including Canada and Japan, are under the regime the IAEA calls "integrated safeguards" because they have an Additional Protocol in force, and because the IAEA has drawn a formal conclusion regarding the absence of undeclared activities in those states. Integrated safeguards allow the IAEA some additional flexibility in its safeguards activities, and some reductions in the intensity of inspections. We do not anticipate that such integrated safeguards would be applicable to India, because the IAEA will not be in a position to draw the relevant conclusion regarding undeclared activities. In particular, safeguards goals for timeliness and significant quantity described above are expected to apply to India, with no reductions in the frequency or extensiveness of inspections.

Safeguards on Facilities

There are also sections in the safeguards agreement identifying the scope of application of safeguards: what items the IAEA will actually inspect. This section is necessarily unique to each INFCIRC/66-based agreement; generally it names specific facilities being offered for safeguards; and describes how safeguards obligations follow material and subsequent generations of material used in or produced by that facility. In the case of the Indian safeguards agreement, no facilities or materials are offered for safeguards initially. The agreement provides that India will place a facility under safeguards in a two-step process:

- First, after entry into force of the agreement, India must "file with the Agency a Declaration, based on its sovereign decision to place voluntarily its civilian nuclear facilities under Agency safeguards in a phased manner" (para. 13); and
- Second, "India, on the basis of its sole determination, shall notify the Agency in writing of its decision to offer for Agency safeguards a facility identified by India in the Declaration referred to in paragraph 13, or any other facility to be determined by India. Any facility so notified by India to the Agency will be included in the Annex" (para. 14).

In the first step, the facilities in the declaration are expected to be those in the Indian Separation Plan, circulated to the IAEA Board of Governors as INFCIRC/73I. The Separation Plan indicates that India will identify and offer for safeguards in a phased manner a number of facilities, including 14 power reactors and other facilities listed in the document. The declaration under paragraph 13 does not allow the Agency to start inspections. This can only happen after a subsequent notification under paragraph 14.

Once such a facility is notified and placed in the Annex, safeguards cannot terminate on it without a joint determination by the IAEA and India (para. 32):

"Safeguards shall be terminated on a facility listed in the Annex after India and the Agency have jointly determined that the facility is no longer usable for any nuclear activity relevant from the point of view of safeguards."

Although the safeguards agreement includes preambular language noting India's ability to take "corrective measures" to ensure uninterrupted operation of India reactors, both the U.S. and the IAEA have concluded that the preambular language establishes the historical context of the agreement and does not affect the obligations quoted above, which are contained in the agreement's operational provisions.

The safeguards agreement allows for the possibility that safeguards could be temporarily placed on a facility not on the Annex by virtue of the fact that safeguarded material was placed in the facility (para. 11f). This is foreseen in the Indian separation plan, which indicates that an Indian reprocessing plant could be safeguarded "in campaign mode." The proposed U.S.-India agreement for cooperation stipulates that reprocessing of U.S.-obligated material will take place only in a new reprocessing facility dedicated to processing material under IAEA safeguards, subject to "arrangements and procedures" that must be agreed upon by the United States; such a facility would have to be subject to safeguards in perpetuity. It is U.S. policy not to allow export to facilities temporarily under safeguards.

Safeguards on Material

The safeguards agreement requires safeguards on material as provided for in paragraph 11:

11. The items subject to this Agreement shall be:
 - (a) Any facility listed in the Annex to this Agreement ...
 - (b) Any nuclear material, non-nuclear material, equipment and components supplied to India which are required to be safeguarded pursuant to a bilateral or multilateral arrangement to which India is a party;
 - (c) Any nuclear material, including subsequent generations of special fissionable material, produced, processed or used in or by the use of a facility listed in the Annex or in or by the use of any nuclear material, nonnuclear material, equipment and components referred to in paragraph 11 (b);

As in all safeguards agreements, there is standard termination and suspension language that allows for material to cease being safeguarded under certain conditions; for example, if it has been diluted in a way that makes it no longer usable. The termination provision includes standard

language (paragraph 30(d)) that would allow India to remove from safeguards the *Indian indigenous* uranium in spent fuel that had been used to fuel a reactor that was under safeguards in the Annex. In order to do so, India would have to separate out (by reprocessing) the plutonium in the spent fuel, which *would* remain subject to safeguards because it was produced in a reactor listed in the Annex (11 (c) above). The uranium remaining after irradiation and reprocessing would be lower in U-235 than the fresh fuel that went into the reactor to begin with, and thus less attractive for any nuclear purpose. It is unlikely that India would go to such extraordinary lengths to remove from safeguards material less attractive than what it voluntarily placed under safeguards in the first place. India's ability to withdraw such material in the situation described is, however, in accordance with Agency standards, principles, and practices.

Other Safeguards Considerations

One difference between a full-scope safeguards agreement under INFCIRC/153 and an INFCIRC/66-based agreement is that substitution of non subject material for subject material by India is allowed (paras. 11(d), 27, 30(d)), provided the Agency agrees, and provided the amount and quality of the substituted material is at least equivalent to that of the material being substituted for. The obligations on the original material transfer to the substituted material, so there is no net impact from a nonproliferation perspective. Substitution provisions are a standard element of INFCIRC/66 and substitution is widely used in nuclear commerce.

A second difference is that the agreement allows for, but does not require, safeguards on heavy water and pieces of equipment. Such safeguards are not part of INFCIRC/153 safeguards at all; heavy water is not a "nuclear material." They are needed in this safeguards agreement because existing safeguards agreements for facilities in India have such requirements. In addition, this agreement permits, but does not require, these existing safeguards agreements to be suspended in favor of the new agreement.

2. Potential for Increase in Availability of Indian Indigenous Nuclear Material for Military Use as a Result of Transfers to India for Civil Use

It has been suggested that supplying nuclear fuel to India for civil purposes could assist India's nuclear weapon program by allowing India to use more of its limited domestic supply of uranium exclusively for weapon purposes. The Executive Branch has no evidence indicating that India plans to use

additional domestic uranium resources in its nuclear weapons program as a consequence of implementing the Civil Nuclear Cooperation Initiative.

Moreover, the amount of fissile material available for potential weapons use is a function not just of the amount of natural uranium available, but also of factors such as overall fuel cycle capabilities, including the capacity to produce plutonium in reactors and to separate the plutonium through reprocessing. In this regard, under the Civil Nuclear Cooperation Initiative several indigenous Indian reactors, which in theory have been available to support military programs, will be placed under safeguards and no longer be available for this purpose.

As previously noted, India has substantial, albeit limited, domestic uranium reserves, estimated by the IAEA to be about 95,000 metric tons, a complete functioning fuel cycle, and demonstrated competence with nuclear technologies. Limits on India's capacity to process uranium ore currently constrain domestic uranium production, but new capacity should be on line in the next several years. In short, India is capable of maintaining and expanding its existing nuclear arsenal within the limits of its indigenous resources and capabilities. This will be the situation whether or not India is supplied externally with fuel for civil nuclear power.

Finally, India's stated policies indicate a posture of restraint rather than a Cold War-style, unconstrained build up of its nuclear stockpile and forces. India has long indicated that it seeks a so-called "credible minimum deterrent," and it has articulated a no-first-use policy for nuclear weapons. India has also committed to work with the United States to achieve a multilateral Fissile Material Cut-Off Treaty that would cap material available for weapons. On March 30, 2006, then Foreign Secretary Saran publicly reiterated that India "remains committed to a credible minimum deterrent. If our posture so far has been one of restraint and responsibility - not disputed even by our critics - there is no reason why we should suddenly change now." The United States will continue to urge India to maintain a posture of strategic restraint and to further strengthen its nonproliferation commitments within the context of the U.S.-India strategic partnership.

3. Physical Protection and Safety

India has been a member of the International Convention on the Physical Protection of Nuclear Materials since March 12, 2002; a member of the International Convention on Nuclear Safety since March 31, 2005; and a member of the International Convention on the Suppression of Acts of

Nuclear Terrorism since it entered into force on July 7, 2007. It has thus undertaken a legal obligation to adhere to the terms of all three of these conventions. There are no cases known to the Executive Branch of fissile material being lost, diverted, or stolen in India.

4. Previous U.S.-India Peaceful Nuclear Cooperation (Tarapur)

An earlier U.S.-India agreement for peaceful nuclear cooperation, signed at Washington August 8, 1963, entered into force October 25, 1963, and expired by its terms October 25, 1993. Under that agreement, known informally as the "Tarapur Agreement," the United States initially supplied reactor units one and two at India's Tarapur site, together with low enriched uranium (LEU) fuel to operate them. (Whereas other U.S. nuclear cooperation agreements have been "framework" agreements requiring no specific transfers, the Tarapur Agreement required the supply of these items.) U.S. cooperation under the 1963 Agreement became problematic following passage of the 1978 NNPA, which among other things established full-scope IAEA safeguards (FSS) as a requirement for continued U.S. supply of nuclear material to non-nuclear-weapon States. The NNPA provided for certain transitional arrangements for supply to India. Under these, the President in 1980 approved two further transfers of LEU fuel after the NRC determined that it could not make the findings necessary under the AEA to license the exports. One shipment was completed. The second, by mutual agreement of the Administration and Congress, was not sent. To avoid a breach of the Agreement, the United States instead engaged France as a surrogate supplier under the Tarapur Agreement. A decade later, France adopted its own FSS export policy and ended its supply for Tarapur. After expiration of the U.S.-India Agreement for Cooperation in 1993, China (which did not then have an FSS export policy) stepped in as a supplier. Later Russia stepped in as a supplier, invoking a "safety" exception in the NSG Guidelines, despite objections by the United States and most other NSG members. Russian supply is continuing.

The United States maintains, and has formally advised the Indian Government on several occasions, that certain U.S. "vested rights" have survived expiration of the 1963 Agreement, including a U.S. right to approve reprocessing of the fuel used in Tarapur reactor units one and two. India has consistently disputed the U.S. position, although it did agree "voluntarily" to maintain IAEA safeguards on the two reactors after the 1963 . Agreement expired. The proposed new Agreement with India does not apply retroactively to the U.S.-supplied Tarapur reactors or their fuel. However,

the Administration regards the current nonproliferation status of the Tarapur reactors and fuel as acceptable and sustainable so long as they remain under safeguards. Moreover, the Government of India has included the Tarapur reactors among the facilities to be safeguarded as part of its "civil" nuclear program; once the reactors are subject to the new safeguards agreement, they cannot be removed from safeguards unless India and the IAEA jointly determine that they are "no longer usable for any nuclear activity relevant from the point of view of safeguards" (India-IAEA Safeguards Agreement, paragraph 31).

V. Conclusion

Entry-into-force of the proposed U.S.-India Agreement will put in place a framework for mutually beneficial civil nuclear cooperation between the two countries and provide a foundation for continued collaboration on achieving nuclear non-proliferation goals.

On the basis of the analysis in this NPAS and all pertinent information of which it is aware, the Department of State has arrived at the following assessment, conclusions, views and recommendations:

1. The safeguards and other control mechanisms and the peaceful use assurances in the proposed Agreement are adequate to ensure that any assistance furnished under it will not be used to further any military or nuclear explosive purpose.
2. The Agreement meets all the legal requirements of the AEA and the NNPA, except section 123a.(2) of the AEA, which is to be exempted pursuant to section 104 of the Hyde Act.
3. Execution of the proposed Agreement would be compatible with the nonproliferation program, policy, and objectives of the United States.
4. Therefore, it is recommended that the President determine that the performance of the proposed Agreement will promote, and will not constitute an unreasonable risk to the common defense and security, that he approve the Agreement and authorize its execution, and that he submit it to Congress for its approval.



APPENDIX - IX

Report Pursuant to Section 104(c) of the Hyde Act Regarding Civil Nuclear Cooperation with India and submitted to the U.S. Congress for Ratification of the 123 Agreement.

This report is submitted in accordance with Section 104(c) of the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006 (Public Law 109-401).

The U.S.-India Civil Nuclear Cooperation Initiative was announced in a Joint Statement by President Bush and Indian Prime Minister Manmohan Singh in Washington on July 18, 2005. On December 18, 2006, the President signed into law the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006 (the "Hyde Act"), to facilitate peaceful nuclear cooperation with India by authorizing the President to exempt the U.S.-India nuclear cooperation agreement and waive two provisions of the Atomic Energy Act of 1954 ("AEA") based on his determination that certain nonproliferation commitments have been met. Pursuant to Section 104(c) of the Hyde Act, the following report details the basis for the President's determinations and provides a available information on the areas listed in Section 104(c)(2).

Separation Plan and Declaration

Section 104(c)(2)(A) of the Hyde Act requires:

"A summary of the plan provided by India to the United States and the IAEA to separate India's civil and military nuclear facilities, materials, and programs, and the declaration made by India to the IAEA identifying India's civil facilities to be placed under IAEA safeguards, including an analysis of the credibility of such plan and declaration, together with copies of the plan and declaration."

The Government of India first made its Separation Plan public on March 7, 2006 and tabled the Separation Plan in Parliament on May 11. On July 25, 2008, the Government of India transmitted the Separation Plan to the Director General of the IAEA to be distributed "to all Member-States of the Agency." The IAEA circulated the Separation Plan to Members as IAEA document INFCIRC/73I.

The Separation Plan includes a list of facilities to be designated as civil, a general description of additional facilities to be designated civil in the future, and a description of India's rationale for civil versus military designations, including a statement that the overarching criterion would be a judgement whether subjecting a facility to IAEA safeguards would adversely impact India's national security. A copy of India's Separation Plan can be found at Tab. 1¹. Designating a facility as civil marks it as not relevant to India's strategic nuclear program. The civil designation also ensures that after separation, these facilities will not be engaged in activities of strategic significance for India's military nuclear program. Facilities located in a larger hub of strategic significance, even if they do not normally engage in activities of strategic significance, will not be designated by India as civil. Also included in the Plan are dates specifying when each of the civil facilities are to be offered for safeguards according to a "phased" timeline.

The Separation Plan notes that "India has decided to place under safeguards all future civilian thermal power reactors and civilian breeder reactors, and the Government of India *retains the sole right to determine such reactors as civil*" (emphasis added). It also clarified that the "phasing of specific thermal power reactors being offered for safeguards would be indicated separately by India." And it explicitly described the distinct steps of (1) "filing a declaration regarding its civilian facilities with the IAEA" and (2) "taking a decision to place voluntarily its civilian facilities under IAEA safeguards." (See paragraph 3 of the Separation Plan)

The United States and other potential suppliers to India have international, and in many cases domestic, legal and policy requirements to ensure that items supplied under their agreements for peaceful nuclear cooperation serve exclusively the civil sector. All reactors supplied by the United States or by India's other international partners, and nuclear material used in such reactors, will be required to be designated as "civil" and subject to IAEA safeguards in perpetuity in accordance with IAEA practices. In addition, nuclear supplier nations will not be able to engage in nuclear cooperation, including fuel supply, with India's current reactors or future indigenous reactors unless they are designated as "civil" and subject to IAEA safeguards in perpetuity.

1. Please see document no. 68 (May 11, 2006) in India's Foreign Relations-2006 Edited by A.S. Bhasin.

With these conditions in mind, the Plan's civil designations cover most of India's power reactors, raising the total installed thermal power capacity under safeguards from 19% to 65% by 2014.

India identifies 14 thermal reactors as civil, which according to the March 2006 Separation Plan were scheduled to be offered for safeguards between 2006 and 2014. These include the four existing foreign-supplied reactors (TAPS-1 and -2 (the U.S.-supplied Tarapur reactors), RAPS-I and -2) and the two foreign-supplied reactors under construction (KK-1 and -2). These also include eight indigenous PHWRs, each with a generating capacity of 220 MWe: RAPS-3, -4, -5 and -6, KAPS-1 and -2, and NAPS-I and -2. India further notes that safeguards will be applied in a phased manner consistent with its agreement with the IAEA. Eight indigenous PHWRs (TAPS-3 and -4, MAPS-I and -2, Kaiga-I, -2, -3 and -4) are to remain outside of safeguards.

India opted to continue unsafeguarded operations at its operating fast breeder test reactor and also to exclude its prototype fast breeder reactor from safeguards. The fast breeder program is currently at the research and development stage and will take time to reach an advanced stage of development, according to India. India seeks to ensure that it does not face any external "encumbrances" in this process, and so chooses to exclude them from safeguards at this time. India and the United States would not be able to engage in the type of nuclear fuel cycle cooperation contemplated in the U.S.-India Agreement for Peaceful Nuclear Cooperation with regard to India's breeder reactors until India declared them "civil" and placed them under safeguards.

With regard to future reactors that India may operate, India states that it will place under IAEA safeguards "all future civilian thermal power reactors and civilian breeder reactors," retaining for itself the right to designate such reactors as civilian. While India retains the right to develop indigenous facilities for either civil or military purposes in the future, the United States expects the vast majority of future nuclear program growth to occur in India's civil sector. This expectation is based on discussions with the Government of India as well as India's need to obtain the maximum benefit from international cooperation in order to meet its enduring and expanding energy requirements.

Select research reactors and facilities are also included in the Separation Plan. India will permanently shut down the CIRUS plutonium production reactor in 2010. It will also place the foreign-supplied fuel core from the APSARA reactor under safeguards that year. India has not declared as civil the Dhruva research reactor, the Advanced Heavy Water Reactor,

and activities relating to naval nuclear propulsion at Kalpakkam. India plans to declare as civil nine research facilities: the Tata Institute of Fundamental Research; the Variable Energy Cyclotron Centre; the Saha Institute of Nuclear Physics; the Institute for Plasma Research; the Institute of Mathematics Science; the Institute of Physics; the Tata Memorial Centre; the Board of Radiation and Isotope Technology; and the Harish Chandra Research Institute. India expects these civil facilities to play a "prominent role" in international cooperation. Other Indian nuclear and nuclear-related facilities-such as those in the Bhabha Atomic Research Center (BARC) or in the Indira Gandhi Center for Advanced Research (IGCAR)-were not declared as civil, presumably because they retain a military or strategic role. India has not declared as civil the Dhruva research reactor, the Advanced Heavy Water Reactor, and activities relating to naval nuclear propulsion at Kalpakkam.

The civil facilities covered under India's safeguards agreement also include all upstream and downstream facilities involved in India's civil nuclear fuel cycle. India designates as civil the following specific upstream facilities associated with the Nuclear Fuel Complex: the Uranium Oxide Plant (Block A); both the Palletizing and the Assembly Ceramic Fuel Fabrication Plants (Block A); the Enriched Uranium Oxide Plant; the Enriched Fuel Fabrication Plant; and the Gadolinia Facility. The heavy water production plants at Thal, Tuticorin, and Hazira will also be designated as civil. While India does not consider them as "relevant for safeguards purposes," at a minimum India's Additional Protocol is expected to include them. India decided not to designate for civilian uses three additional heavy water production plants, as well as other select Nuclear Fuel Complex facilities.

India plans to continue the current policy of possible "campaign-mode" safeguards with respect to downstream facilities including the Tarapur Power Reactor Fuel Reprocessing Plant (PREFRE). Moreover, both the Tarapur and Rajasthan "Away from Reactor" spent fuel storage pools will be made available for safeguards. India decided not to declare as civil its other spent fuel reprocessing facilities, as well as its indigenous uranium enrichment capability. Subsequent to India's March 2006 separation plan, the Indian government decided to pursue development of a new civil facility dedicated to reprocessing material under safeguards. Development of this facility (and agreement with the United States on arrangements and procedures related thereto) will be required to bring into effect U.S. consent to reprocessing, pursuant to Article 6 of the Agreement.

Including upstream and downstream facilities under safeguards greatly enhances the ability to ensure that India is effectively separating its civilian and military facilities and programs, safeguarding the civil nuclear program, equipment, and materials, and that no diversion of international civil nuclear assistance is taking place to further military uses. By including both upstream and downstream facilities, India's Separation Plan covers every stage in the fuel cycle process from conversion and fuel fabrication, through the end of the nuclear fuel cycle into stages including spent fuel storage.

As a whole, the United States assesses India's plan to be credible, transparent, and defensible from a nonproliferation standpoint. When implemented, the total installed nuclear capacity under safeguards will rise from 19 percent today to 65 percent; a percentage that will increase to more than 80 percent as India further expands its civil infrastructure through foreign supply and indigenous development. Based on India's safeguards agreement with the IAEA (discussed below), appropriate safeguards will cover India's civil nuclear fuel cycle and provide strong assurances to supplier states that material and technology provided or generated through civil nuclear cooperation will not be diverted either to the military sphere or for unauthorized purposes. In addition, the total portion of India's spent fuel and plutonium stockpiles under safeguards will increase substantially over time (although the reprocessing consent in Article 6 of the U.S.-India Agreement for Peaceful Nuclear Cooperation, if and when the consent comes into effect, could increase modestly the quantity of separated civil plutonium stored in India).

With respect to India filing a declaration with the IAEA, as previously noted, on July 25, 2008, the Government of India transmitted the Separation Plan to the Director General of the IAEA to be distributed "to all Member States of the Agency (and the IAEA circulated the Separation Plan to Members as IAEA document INFCIRC/73I): Paragraph 14 of the Separation Plan describes the "civil" elements of India's nuclear program, specifically naming the 14 reactors that will be declared "civil" and establishing a timetable for placing them under safeguards, as well as describing the treatment of other types of facilities (breeder reactors, research reactors, upstream facilities, downstream facilities, and research facilities). In a speech to the Indian Parliament on August 17, 2006, the Prime Minister confirmed that the "civil" facilities designated in the Separation Plan would be submitted to safeguards in a phased manner. He made similar statements to the Indian

Parliament on August 13, 2007, after negotiations were completed on the 123 Agreement. In addition, in introducing the India-IAEA Safeguards Agreement, the Director General of the IAEA specifically referred to the significance of the Separation Plan (which had been recently circulated within the IAEA), noting that it described the facilities envisaged as coming under safeguards by 2014.

IAEA Safeguards

Section 104(c)(2)(B) of the Hyde Act requires:

"A summary of the agreement that has been entered into between India and the IAEA requiring the application of safeguards in accordance with IAEA practices to India's civil nuclear facilities as declared in the plan described in subparagraph (A), together with a copy of the agreement, and a description of the progress toward its full implementation"

India and the IAEA negotiated, in early 2008, a safeguards agreement, based on INFCIRC/66, the IAEA's approved safeguards system for states not party to the Treaty on the Non-Proliferation of Nuclear Weapons. A copy of India's safeguards agreement can be found at Tab 2.¹ On August 1, 2008, the IAEA Board of Governors approved this agreement by consensus. Thus all legal steps required prior to signature of the safeguards agreement have been concluded. In his statement to the Board of Governors on August 1, 2008 Director General El Baradei stated:

"The text before you is an INFCIRC/66-type safeguards agreement based on the Agency's standard safeguards practices and procedures In the case of the draft before you, it is an "umbrella agreement", which provides for any facility notified by India to the Agency in the future to become subject to safeguards The "umbrella" nature of this agreement provides a more efficient mechanism for ensuring that safeguards requirements can be met. It satisfies India's needs while maintaining all the Agency's legal requirements As you can see from India's Plan, which has been circulated for the information of all IAEA Member States, a total of 14 reactors are envisaged to come under Agency safeguards by 2014. As with other safeguards agreements between the Agency and Member States, the agreement is of indefinite

1. Please see Document No.117

duration. There are no conditions for the discontinuation of safeguards other than those provided by the safeguards agreement itself. The termination provisions contained in the agreement are the same as for other 66-type agreements. Naturally - as with all safeguards agreements - this agreement is subject to the general rules of international law. Therefore, the agreement should be read as an integral whole. The preamble provides for contextual background and safeguards are implemented in accordance with the terms of the agreement."

Specifically, paragraph 11 of the safeguards agreement describes the items subject to safeguards:

"11. The items subject to this Agreement shall be :

- (a) Any facility listed in the Annex to this Agreement, as notified by India pursuant to paragraph 14(a) of this Agreement;
- (b) Any nuclear material, non-nuclear material, equipment and components supplied to India which are required to be safeguarded pursuant to a bilateral or multilateral arrangement to which India is a party;
- (c) Any nuclear material, including subsequent generations of special fissionable material, produced, processed or used in or by the use of a facility listed in the Annex or in or by the use of any nuclear material, non-nuclear material, equipment and components referred to in paragraph 11 (b);
- (d) Any nuclear material substituted in accordance with paragraph 27 or 30(d) of this Agreement for nuclear material referred to in paragraph 11 (b) or 11 (c) of this Agreement;
- (e) Any heavy water substituted in accordance with paragraph 32 of this Agreement for heavy water subject to this Agreement;
- (f) Any facility other than a facility identified in paragraph 11(a) above, or any other location in India, while producing, processing, using, fabricating or storing any nuclear material, non-nuclear material, equipment or components referred to in paragraph 11(b), (c), (d), or (e) of this Agreement, as notified by India pursuant to paragraph 14(b) of this Agreement."

Paragraph 14(a) provides that India shall "notify the Agency in writing" of its decision to offer a facility for safeguards, after which that facility is included on the Annex to the safeguards agreement. This step of "notifying" the Agency of a facility offered for safeguards will be preceded by India's filing a "declaration" of civil facilities to be placed under safeguards in a phased manner; this filing will occur upon entry into force of the safeguards agreement.

Once a facility is listed in the Annex, safeguards will continue indefinitely unless "India and the Agency have jointly determined that the facility is no longer usable for any nuclear activity relevant from the point of View of safeguards" (paragraph 32). While there are a number of conditions for the termination of safeguards on materials (e.g., material is diluted to the point where it is no longer usable), these termination conditions, as noted by the El Baradei statement, are in accordance with standard IAEA practices, including INFICIRC/66. Thus, the facilities and materials subject to safeguards as described by paragraph 11 (a)-(c) are under "safeguards in perpetuity in accordance with IAEA standards, principles, and practices."

India has indicated that it will submit facilities to safeguards under the India-IAEA safeguards agreement "as declared in" the Indian Separation Plan. As noted by the IAEA Director General, the "umbrella"-type safeguards agreement is well-suited for placing the facilities identified in the Separation Plan under safeguards in a phased, manner. In addition, it is well suited to adding future indigenous reactors that India may construct for civil purposes, as well as reactors that India may import from international suppliers.

Full implementation of the India-IAEA safeguards agreement will require signature of the agreement by both the IAEA and India. The agreement will enter into force once India informs the IAEA that India's domestic legal requirements for entry into force have been met. The Government of India's cover letter transmitting the Separation Plan to the IAEA contained a statement of its "intention to move forward in accordance with the provisions of the Safeguards Agreement after its entry into force." In the meantime, Indian discussions with the IAEA on implementation of the safeguards agreement are ongoing.

IAEA Additional Protocol

Section 104(c)(2c) of the Hyde Act requires :

"A summary of the progress made toward conclusion and implementation of an Additional Protocol between India and the IAEA, including a description of the scope of such Additional Protocol."

To further strengthen safeguards on India's civil nuclear facilities, consistent with its July 2005 Joint Statement commitment; India is in discussions and working closely with the IAEA to conclude an Additional Protocol that would give the IAEA expanded rights of access and additional information regarding India's civil nuclear facilities, including information on exports and imports of trigger list items. These activities, as well as others required to be reported and made available for access under an Additional Protocol, would not otherwise be subject to safeguards. Entry into force of an India-IAEA Additional Protocol could, therefore, provide even more transparency into India's civil nuclear activities.

Indian External Affairs Minister Pranab Mukherjee noted in his statement of September 5, 2008¹ that India was "working closely with the IAEA to ensure early conclusion of an Additional Protocol to the Safeguards Agreement." Indian officials have conveyed a letter to IAEA counterparts outlining the contours of a proposed Protocol, and the IAEA is currently reviewing India's proposal. The details included in this letter as well as substantive discussions between Indian officials and the IAEA prompted IAEA Director General Mohammed ElBaradei to conclude on September 10, 2008 that India has made substantial progress toward concluding an Additional Protocol consistent with IAEA principles, practices, and policies that would apply to India's civil nuclear program. We look forward to conclusion of this Additional Protocol at an early date.

Fissile Material Cut-Off Treaty

Section 104(c)(2)(D) of the Hyde Act requires :

"A description of the steps that India is taking to work with the United States for the conclusion of a multilateral treaty banning the production of fissile material for nuclear weapons, including a description of the steps that the United States has taken and will take to encourage India to identify and declare a date by which India would be willing to stop production of fissile material for nuclear weapons unilaterally or pursuant to a multilateral moratorium treaty."

1. Please see Document No.121.

In August 2006, Indian Prime Minister Singh told the Indian Parliament¹ that India was willing to join a "non-discriminatory, multilaterally -negotiated and internationally verifiable FMCT ... provided its security interests are fully addressed." Following this statement, India has publicly endorsed the negotiation of an FMCT in the Conference on Disarmament (CD)² and has worked with the U.S. and its international partners to commence FMCT negotiations in that forum. In a 2007 session of the CD,³ although India initially posed procedural objections to the proposed Program of Work, which included among other items negotiations on an FMCT, India later dropped this objection and supported the measure after the U.S. decided to join consensus support of the Program. In a 2008 session of the CD, India was also supportive of U.S. efforts to realize an effective Program of Work for the CD; India made several constructive suggestions that were incorporated into the draft program of work presented in that session (CD/1840).

Despite the cooperative working relationship between the U.S., India, and some other countries in the CD, obstacles remain in securing consensus on a Program of Work in the CD that includes negotiations on an FMCT. Nevertheless, the U.S., India, and other like-minded states continue to seek a way forward. The U.S. has now given its support to work plan CD/1840 as the best, albeit not ideal, option available for forward movement on the FMCT.

In the March 2008 session of the CD, India made a statement expressing support for consensus on a program of work that took into account "the interests of all stake-holders." In July 2008; India told the U.S. that its Ambassador in Geneva would, at a July 29 CD meeting, publicly declare broad support for an FMCT and efforts to reach consensus on a work plan.

At that meeting, the Indian Ambassador repeated India's support for consensus on a program of work that takes into account "the interests of all stake-holders." India followed this with a statement in an informal session on July 31, where they reiterated their long-standing support for negotiating an FMCT in the CD.

1. Please see Document No.72 p. 461 in India's Foreign Relations-2006. Edited by A.S. Bhasin.
2. Document No. 530 p 1869 India's Foreign Relations-2006
3. Please see Document Nos.585(p.2275), 586 (p.2283), 587(p.2284), 589 (p.2287) in IFR. 2007 Ed. By A.S. Bhasin.

On September 5, 2008, Indian External Affairs Minister Pranab Mukherjee stated, "We are committed to work with others towards the conclusion of a multilateral Fissile Material Cut-off Treaty in the Conference on Disarmament that is universal, non-discriminatory, and verifiable."

In addition to discussions at the CD on an FMCT, the U.S. remains willing to explore other intermediate options. We continue to encourage an early end to the production of fissile material production for weapons by all states. Toward that end we have urged India as part of our bilateral dialogue to put in place a moratorium on fissile material production, as we have done. India has rejected this notion in favor of working this issue at the CD.

Preventing the Spread of Enrichment and Reprocessing Technology

Section 104(c)(2)(E) of the Hyde Act requires :

"A description of the steps India is taking to prevent the spread of nuclear-related technology, including enrichment and reprocessing technology or materials that can be used to acquire a nuclear weapons capability, as well as the support that India is providing to the United States to further United States objectives to restrict the spread of such technology."

India has a solid nonproliferation record on enrichment and reprocessing. (ENR) transfers; we are aware of no Indian transfers of ENR equipment or technologies to another state. India furthermore is supportive of international efforts to limit their spread to states that do not already possess ENR.

India has been supportive of U.S. efforts to work with other states to develop incentives to encourage states without ENR not to pursue these technologies. One such effort is the IAEA fuel bank initiative. Toward that end, India sent a letter dated 18 August 2008 to IAEA Director General ElBaradei indicating India's interest in participating as a supplier nation in the IAEA's effort to establish international fuel banks. In this letter, Dr. Anil Kakodkar, Chairman of India's Atomic Energy Commission, reaffirmed that "India will refrain from the transfer of enrichment and reprocessing technologies to States that do not have them, and support international efforts to limit their spread."

Indian External Affairs Minister Pranab Mukherjee reiterated that in a September 5, 2008 public statement that:

"India will not be the source of proliferation of sensitive technologies, including enrichment and reprocessing transfers. We stand for the strengthening of the non-proliferation regime. We support international efforts to limit the spread of ENR equipment or technologies to states that do not have them. We will work together with the international community to advance our common objective of non-proliferation. In this regard, India is interested in participating as a supplier nation, particularly for Thorium-based fuel and in establishment of international fuel banks, which also benefit India."

Export Controls

Section 104(c)(2)(F) of the Hyde Act requires :

"A description of the steps that India is taking to secure materials and technology applicable for the development, acquisition, or manufacture of weapons of mass destruction and the means to deliver such weapons through the application of comprehensive export control legislation and regulations, and through harmonization with and adherence to MTCR, NSG; Australia Group, and Wassenaar Arrangement guidelines, compliance with United Nations Security Council Resolution 1540, and participation in the Proliferation Security Initiative"

India committed under the July 18, 2005 Joint Statement, which launched the Civil Nuclear Cooperation Initiative, to harmonize its export controls with and unilaterally adhere to the Missile Technology Control Regime (MTCR) and NSG Guidelines. Through our various discussions since then, India has assured the United States that it has taken the necessary steps to have in place and fully implement effective and comprehensive export controls to deny unlawful access by states or non-state actors. Moreover, India has given assurances of a high-level political commitment to this effort.

India's June 2005 "Weapons of Mass Destruction (WMD) and their Delivery Systems (Prohibitions of Unlawful Activities) Act"¹ and subsequent

implementing regulations bring Indian export controls further in line with widely accepted export control standards for preventing WMD proliferation and are consistent with the kinds of measures that UN Security Council Resolution 1540 requires states to implement. The WMD Act, with its stronger "catch-all" provisions, considerably strengthens the government's regulatory ability to control transfers of otherwise uncontrolled items that could contribute to a WMD or missile program of concern.

To assist India in strengthening its export control system, the U.S. held two rounds of experts-level export control talks with India (October 15-16, 2007 and August 11-12, 2008). During these talks, the U.S. gained greater understanding of India's export control laws and regulations, their history, its Special Chemicals, Organisms, Materials, Equipment, and Technologies (SCOMET) list, and how its controls are implemented and enforced. As a result of our engagement with India on its export control system, India not only provided greater clarity on that system but also took specific steps such as issuing a revised SCOMET notification on September 7, 2007.

With respect to harmonization with the NSG and MTCR, in addition to issuing the revision to the SCOMET list in 2007, India explained how the Government of India sometimes uses broader terms than is utilized in the NSG or MTCR; this is done so as to exercise greater licensing oversight. India further explained that there are no substantial differences between its guidelines and those of the NSG and that the only linguistic differences flow from India's nonparticipation in the NSG. The U.S. assesses that India has harmonized with the MTCR and with the NSG up through the 2005 revisions, and has the means in place to make future updates to its guidelines and control lists if it chooses to do so. Furthermore, India's SCOMET list already captures some of the follow-on updates to the MTCR. We understand that this harmonization process will continue as an element of India's unilateral adherence to the NSG and MTCR. The Government of India has assured us that it has in place a process to make changes to the SCOMET list. Ongoing review and strengthening of India's export controls is built into the Indian system through regular inter-ministerial working groups as well as the Advisory Committees set up in November 2006 under the WMD Act of 2005.

India stated its adherence to the NSG and its annexes in a letter dated September 8, 2008, to Dr. Mohammed El Baradei, the Director General of the International Atomic Energy Agency. Likewise, India stated its adherence to the MTCR and its annex in a letter dated September, 9,

2008, to Mr. Jacques Audibert, the MTCR Point of Contact in Paris. Taking into account these statements, the U.S. assesses that India has adhered to the guidelines and annexes of the NSG and the MTCR, and has done so in a manner consistent with the procedures and/or practices of those regimes.

As part of our strategic partnership, and in the course of a variety of dialogues, including annual nonproliferation talks, we discuss with India a wide range of nonproliferation and export control-related issues, including harmonization with and adherence to the Australia Group (AG) and Wassenaar Arrangement (WA), endorsement of the Proliferation Security Initiative, and implementation of UN Security Council Resolution 1540. We have discussed areas of differences between the SCOMET list and the AG as well as the process of adherence. With respect to the W A, India is in the process of developing a munitions list, and has welcomed outreach by the W. A. Chair. Discussions with India regarding PSI are ongoing. Since October 2007, India has attended as observers three PSI exercises and the PSI Fifth Anniversary Workshop for non-PSI partners. With respect to UNSCR 1540, India has submitted to the Committee established by UN Security Council Resolution 1540 its initial report as well as two subsequent reports on steps it has taken to meet its UN Security Council Resolution 1540 obligations, and continues to support the Committee's work.

Dissuading Iran from Acquiring WMD

Section 104(c)(2)(G) of the Hyde Act requires:

"A description and assessment of the specific measures that India has taken to fully and actively participate in United States and international efforts to dissuade, isolate, and, if necessary, sanction and contain Iran for its efforts to acquire weapons of mass destruction, including a nuclear weapons capability and the capability to enrich uranium or reprocess nuclear fuel and the means to deliver weapons of mass destruction."

The Government of India has taken several steps to support the U.S. in this regard and to bring Iran back into compliance with its international obligations, particularly those pertaining to its nuclear weapons program.

As a member of the IAEA Board of Governors, India voted in favor of both the resolution that found Iran in noncompliance with its IAEA Safeguards Agreement in September 2005 and the resolution that reported Iran's

noncompliance to the UN Security Council in February 2006. Responding to the adoption of three Chapter VII UN Security Council Resolutions (1737 in 2006, 1747 in 2007, and 183 in 2008), India reported that it is fully implementing their provisions, including those related to preventing Iran's acquisition of sensitive technology that could facilitate its uranium enrichment program or any future action to reprocess spent fuel.

India has also maintained a strong public line of support for P5+ 1 and U.S. diplomatic efforts to resolve international concerns with Iran's nuclear program. Furthermore, India has stressed that it does not favor the emergence of additional nuclear weapons states in the region and that all states must adhere to commitments under international treaties and be transparent in fulfilling these commitments. In this vein, India has called on Iran to cooperate fully with the IAEA on numerous occasions and delivered the same message to the Iranians during bilateral consultations.

Nuclear Suppliers Group Exception

Section 104(c)(2)(H) of the Hyde Act requires:

"A description of the decision of the NSG relating to nuclear cooperation with India, including whether nuclear cooperation by the United States under an agreement for cooperation arranged pursuant to section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) is consistent with the decision, practices, and policies of the NSG."

On September 6, 2008, the Nuclear Suppliers Group approved a policy statement¹ by consensus excepting India from the Group's full-scope safeguards requirement for civil nuclear trade. This decision was made at the second of two Extraordinary Plenary sessions held August 21-22 and September 4-6, 2008. This historic decision by the NSG strengthens global nonproliferation principles while assisting India to meet its energy requirements in an environmentally friendly manner.

This exception involved intense scrutiny and debate by and among participating governments. On September 5, 2008, Indian External Affairs Minister (EAM) Pranab Mukherjee issued the following statement on the Civil Nuclear Cooperation Initiative, which was helpful in garnering additional momentum towards consensus:

1. For text please see Document No.128.

**Statement by External Affairs Minister of India Shri Pranab Mukherjee
on Civil Nuclear Initiative.**

September 5, 2008

To reiterate India's stand on disarmament and nonproliferation, EAM has made the following statement:

(For text of the statement please see Document No.121.)

With these assurances reaffirmed, NSG Participating Governments agreed by consensus on an exception for India on September 6, 2008. This decision is consistent with the cooperation envisioned under the U.S.-India peaceful nuclear cooperation agreement detailed below as well as with NSG practices and policies. This policy decision:

- exempts India from the NSG's full-scope safeguards requirement as a condition for transfer of Trigger List items for peaceful purposes and for use in IAEA safeguarded civil nuclear facilities, provided that the transfer satisfies all other provisions of the NSG Guidelines.
- contains an information exchange clause, which is consistent with current practice of the NSG.
- calls for intensified dialogue between the NSG Chair and India; this dialogue already exists. It is useful for it to be intensified not only as part of this decision, but also given India's decision to adhere to the NSG, which involves remaining abreast of and in line with changes to the NSG list and guidelines.
- addresses the desire expressed by some Participating Governments for an explicit review mechanism and/or for the ability to respond in the event that India abrogates its commitments, such as a nuclear explosive test or safeguards violation. This ability to consult in response to some problem is already provided for under Paragraph 16 of the Guidelines; any participating government may exercise this ability if they consider circumstances warrant.
- notes that Participating Governments will maintain contact and consult through regular channels to "consider" matters related to

this decision consistent with the NSG's existing authority and practice.

- provides for enhanced outreach between India and the NSG Chair following this decision and in light of India's decision to adhere to the NSG. This is consistent with enhanced outreach that we support with all adherents and is especially important in light of the civil nuclear trade with India to result from the NSG's decision.

Envisioned Scope of U.S.-India Peaceful Nuclear Cooperation

Section 104(c)(2i)

"A description of the scope of peaceful cooperation envisioned by the United States and India that will be implemented under the agreement for nuclear cooperation, including whether such cooperation will include the provision of enrichment and re-processing technology."

Envisioned civil nuclear cooperation with India will include a number of activities, which are described in general terms in the Proposed Agreement for Cooperation Between the Government of the United States of America and the Government of India Concerning Peaceful Uses of Nuclear Energy Article 2(2). These activities are to take place in accordance with the provisions of the Agreement and each Party's applicable treaties, national laws, regulations, and license requirements and may include, but are not limited to, the following areas:

- Advanced nuclear energy research and development in areas agreed to by the Parties;
- Nuclear safety matters;
- Facilitation of exchange of scientists for visits, meetings, symposia and collaborative research;
- Full civil nuclear cooperation activities covering nuclear reactors and aspects of the associated nuclear fuel cycle including, technology transfer on an industrial or commercial scale between the Parties or authorized persons;
- Development of a strategic reserve to guard against any disruption of supply over the lifetime of India's reactors;

- Advanced research and development in nuclear sciences including biological research, medicine, agriculture and industry, environment and climate change;
- Supply between the Parties, whether for use by or for the benefit of the Parties or third countries, of nuclear material;
- Alteration in form or content of nuclear material as provided for in Article 6 of the Agreement;
- Supply between the Parties of equipment, whether for use by or for the benefit of the Parties or third countries;
- Controlled thermonuclear fusion including in multilateral projects; and
- Other areas of mutual interest as may be agreed by the Parties.

Article 2(3) of the Agreement specifically provides that the Parties may undertake transfers between themselves or their authorized persons of nuclear material, non-nuclear material, equipment, components and information.

In Article 2(4) of the Agreement, the U.S. and India further delimit the scope of cooperation by affirming that the purpose of the Agreement is to provide for peaceful nuclear cooperation and not to affect the unsafeguarded nuclear activities of either Party. Nothing in the Agreement is to be interpreted as affecting the rights of the Parties to use for their own purposes nuclear material, non-nuclear material, equipment, components, information or technology produced, acquired or developed by them independent of any nuclear material, non-nuclear material, equipment, components, information or technology transferred to them pursuant to the Agreement. The Agreement is to be implemented in a manner so as not to hinder or otherwise interfere with any other activities involving the use of nuclear material, nonnuclear material, equipment, components, information or technology and military nuclear facilities produced, acquired or developed by them independent of the Agreement for their own purposes.

Article 3(1) of the Agreement again specifically provides that information may be transferred between the Parties, and that such information may cover, but need not be limited to, the following fields:

- Research, development, design, construction, operation, maintenance and use of reactors, reactor experiments, and decommissioning;

- The use of nuclear material in physical, chemical, radiological and biological research, medicine, agriculture and industry;
- Fuel cycle activities to meet future world-wide civil nuclear energy needs, including multilateral approaches to which they are parties for ensuring nuclear fuel supply and appropriate techniques for management of nuclear wastes;
- Advanced research and development in nuclear science and technology;
- Health, safety and environmental considerations related to the foregoing;
- Assessments of the role that nuclear power may play in national energy plans;
- Codes, regulations and standards for the nuclear industry;
- Research on controlled thermonuclear fusion including bilateral activities and contributions toward multilateral projects such as the International Thermonuclear Experimental Reactor (ITER); and
- Any other field mutually agreed to by the Parties.

Article 3(2) provides that the above cooperation may include training, exchange of personnel, meetings, exchange of samples, materials and instruments for experimental purposes and a balanced participation in joint studies and projects.

Article 3(3) states that the Agreement does not require the transfer of any information outside the scope of the Agreement, or information that the Parties are not permitted under their respective treaties, national laws or regulations to transfer.

Article 3(4) provides that Restricted Data, as defined by each Party, shall not be transferred under the Agreement.

Article 4(1) provides inter alia for the Parties to facilitate nuclear trade between themselves in the mutual interests of their respective industry, utilities and consumers and also, where appropriate, trade between either Party and a third country of items obligated to the other Party.

Article 4(2) provides *inter alia* that authorizations, including export and import licenses as well as authorizations or consents to third parties relating to trade, industrial operations or nuclear material movement, should be consistent with the sound and efficient administration of the Agreement and should not be used to restrict trade.

Article 5(1) provides that nuclear material, non-nuclear material, equipment and components may be transferred for applications consistent with the Agreement. However, any special fissionable material transferred shall be limited to low enriched uranium, except for "small quantities," which may be transferred pursuant to Article 5(5) for use as samples, standards, detectors and targets, and the accomplishment of other purposes as agreed by the Parties.

In considering the scope of civil nuclear cooperation with India, the issue of spreading sensitive technologies is often raised. The requirement of section 123a.(9) pertains to situations that may result when sensitive nuclear technology is transferred pursuant to a section 123 agreement for cooperation. Article 5(2) of the Agreement provides that sensitive nuclear technology shall only be transferred under the Agreement if provided for by an amendment to the Agreement, and Article 5(2) further provides that sensitive nuclear facilities and major critical components thereof shall only be transferred under the Agreement if provided for by an amendment to the Agreement. Accordingly, the requirement in section 123a.(9) is not relevant to the proposed Agreement, and the requirement in section 402(b) of the NNPA precluding the transfer of major critical components of facilities for uranium enrichment nuclear fuel reprocessing, or heavy water production unless an agreement for cooperation "specifically designates such components as items to be exported pursuant to [such] agreement" is also satisfied.

Article 5(4) provides that the quantity of nuclear material transferred under the Agreement shall be consistent with any of the following purposes: use in reactor experiments or the loading of reactors, the efficient and continuous conduct of such reactor experiments or operation of reactors for their lifetime, use as samples, standards, detectors and targets, and other purposes as the Parties may agree.

Article 5(6) records verbatim certain political assurances relating to reliable

supply of nuclear fuel given to India by the United States in March 2006. The Agreement language does not have the effect of converting these political assurances into legally binding commitments.

Articles 5(2), 6-10, and 14 address the specific requirements of section 123a. of the Atomic Energy Act of 1954 (AEA).

Article 11 provides that the Parties shall cooperate in following the best practices for minimizing the impact on the environment from any radioactive, chemical or thermal contamination arising from activities under the Agreement and in related matters of health and safety.

Article 12 contains additional provisions with regard to implementation of activities falling within the scope of the Agreement.

Article 13 provides for consultations at the request of either Party regarding implementation of the Agreement and the development of further cooperation in the field of peaceful uses of nuclear energy on a stable, reliable and predictable basis. It further provides that the Parties shall endeavor to avoid taking any action that adversely affects cooperation under Article 2, which is the general "Scope of Cooperation" article.

Article 15 provides for dispute settlement through negotiations between the Parties.

Article 16 provides for the Agreement to have an initial duration of 40 years and to continue in force for additional periods of 10 years each, subject to a proviso that either Party may terminate the Agreement by giving written notice to the other Party six months prior to the close of a period. It also provides for continuation in effect of key nonproliferation provisions of the Agreement in the event of its termination.

Ensuring Cooperation Does Not in Any Way Assist India's Nuclear Weapons Program

Section 104(c)(2)(J) of the Hyde Act requires :

"A description of the steps taken to ensure that proposed United States civil nuclear cooperation with India will not in any way assist India's nuclear weapons program."

As previously described, India has developed a Separation Plan, (INFCIR/731) to separate civil and military nuclear facilities. The India IAEA safeguards agreement, which was unanimously approved by the IAEA Board of Governors on August 1, 2008, establishes procedures for applying safeguards to India's "civil" nuclear facilities in accordance with IAEA standards, principles, and practices. The stated purpose of the safeguards agreement is to ensure that no safeguarded item is "used for the manufacture of any nuclear weapon or to further any other military purpose and that such items are used exclusively for peaceful purposes." To this end, IAEA safeguards are designed to detect and prevent diversion from civil to military facilities, making the conclusion of this safeguards agreement the key to ensuring that civil nuclear cooperation could not be used to advance a nuclear weapons program. The U.S. does not in any way support India's nuclear weapons program.

Under the Safeguards Agreement, the IAEA will verify that all of India's current and future civil nuclear facilities and material, as well as certain upstream and downstream facilities, are used only for peaceful purposes. Once a reactor is under IAEA safeguards, those safeguards will remain in place on an unconditional basis until the reactor is jointly determined by the IAEA and India to be no longer usable for nuclear activities relevant from the point of view of safeguards. This Initiative will only allow for nuclear cooperation to proceed with facilities subject to IAEA safeguards, monitoring, and inspections to ensure that the civilian nature of the work therein is not compromised. This also provides an incentive for India to declare any future reactors as civil and thus bring them into this framework of nuclear cooperation; otherwise no foreign material and technology would be available for their construction and operation.

For dual-use nuclear exports administered by the Department of Commerce, there are several ways the U.S. is assured that exports are going to reliable recipients of U.S. origin items and have not been diverted to unauthorized end users or end uses. As part of the license application package, we require certification that the item(s) will not be used in any of the prohibited activities described in 744.2(a) of the Export Administration Regulations (EAR). Through the licensing process, the intelligence and enforcement communities provide information on the bona

fides of prospective end-users. Commerce determines the bona fides of the transaction and suitability of the end-user through the use of pre-license checks. This information is then used to make licensing decisions. As part of the approval process, export licenses normally have conditions attached that prohibit re-export, retransfer, or use in sensitive nuclear, chemical, biological, or missile end uses. We require applicants to inform end-users of the licensing conditions. In addition, the U.S. has an end use assurance letter from the Government of India that commits it to ensure that items are not transferred from or through India for use in prohibited unsafe guarded nuclear, WMD, or WMD delivery programs. Also, through post-shipment verifications, the U.S. visits recipients of U.S.-origin items to ensure that the items have actually been delivered to the authorized ultimate consignee or end-user and those items are being used as stated on the export license application.

The transfer of nuclear fuel technology requires authorization by the Secretary of Energy under Section 57(b) of the Atomic Energy Act of 1954 as amended. The regulations that implement Section 57(b) are found in 10 CFR Part 810, which require that prior to such approval, government-to-government assurances outlining the controls/conditions that will be used for securing this technology must be in place. This includes the requirement that the transfer, anything derived from the transfer, and anything that is produced or modified in a facility constructed as a result of the transfer will be used for peaceful purposes. Further, the United States places additional conditions on an authorization to transfer the technology that limits access and prohibits the retransfer of the technology.

As great progress has been made in bringing the U.S.-India Civil Nuclear Cooperation Initiative to fruition; India has been brought closer to the nonproliferation mainstream. India has completed a Separation Plan, negotiated a safeguards agreement, and made substantial progress towards an Additional Protocol. India has greatly improved its export controls and pledged to maintain the highest international standards on restricting the transfer of sensitive technologies. The U.S.-India bilateral relationship has been revamped and has facilitated cooperation on "many key regional and global issues, such as dissuading Iranian attempts to acquire WMD and completing an FMCT

in the CD, and this close cooperation is expected to continue in the future, advancing U.S. strategic interests and increasing U.S. national security. Civil nuclear trade with India will increase global energy security and advance U.S. and Indian economic interests while at the same time strengthening the global nonproliferation regime. In meeting its nonproliferation commitments under the Hyde Act, India has made a great step forward in taking its place as a strategic partner for the U.S. now and in the future.

Table 1- **India Separation Plan :**

Please See Document No. 68(p-446) in India's Foreign Relations-2006; Edited by A. S. Bhasin.

Table 2- **Agreement Between the Government of India and the IAEA for the Application of Safeguards to Civilian Nuclear Facilities :**

Please See Document No.117.



APPENDIX - X

United States-India Nuclear Cooperation Approval and Nonproliferation Enhancement Act (Enrolled as Agreed to or Passed by Both House and Senate).

Washington (D.C.), October 1, 2008.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

- (a) Short Title- This Act may be cited as the `United States-India Nuclear Cooperation Approval and Nonproliferation Enhancement Act'.
- (b) Table of Contents- The table of contents for this Act is as follows:
 - Sec. 1. Short title and table of contents.
 - Sec. 2. Definitions.

TITLE I--APPROVAL OF UNITED STATES-INDIA AGREEMENT FOR COOPERATION ON PEACEFUL USES OF NUCLEAR ENERGY

- Sec. 101. Approval of Agreement.
- Sec. 102. Declarations of policy; certification requirement; rule of construction.
- Sec. 103. Additional Protocol between India and the IAEA.
- Sec. 104. Implementation of Safeguards Agreement between India and the IAEA.
- Sec. 105. Modified reporting to Congress.

TITLE II--STRENGTHENING UNITED STATES NONPROLIFERATION LAW RELATING TO PEACEFUL NUCLEAR COOPERATION

- Sec. 201. Procedures regarding a subsequent arrangement on reprocessing.
- Sec. 202. Initiatives and negotiations relating to agreements for peaceful nuclear cooperation.

Sec. 203. Actions required for resumption of peaceful nuclear cooperation.

Sec. 204. United States Government policy at the Nuclear Suppliers Group to strengthen the international nuclear nonproliferation regime.

Sec. 205. Conforming amendments.

SEC. 2. DEFINITIONS.

In this Act:

- (1) **AGREEMENT-** The term 'United States-India Agreement for Cooperation on Peaceful Uses of Nuclear Energy' or 'Agreement' means the Agreement for Cooperation Between the Government of the United States of America and the Government of India Concerning Peaceful Uses of Nuclear Energy that was transmitted to Congress by the President on September 10, 2008.
- (2) **APPROPRIATE CONGRESSIONAL COMMITTEES-** The term 'appropriate congressional committees' means the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

TITLE I--APPROVAL OF UNITED STATES-INDIA AGREEMENT FOR COOPERATION ON PEACEFUL USES OF NUCLEAR ENERGY

SEC. 101. APPROVAL OF AGREEMENT.

- (a) **In General-** Notwithstanding the provisions for congressional consideration and approval of a proposed agreement for cooperation in section 123 b. and d. of the Atomic Energy Act of 1954 (42 U.S.C. 2153 (b) and (d)), Congress hereby approves the United States-India Agreement for Cooperation on Peaceful Uses of Nuclear Energy, subject to subsection (b).
- (b) **Applicability of Atomic Energy Act of 1954, Hyde Act, and Other Provisions of Law-** The Agreement shall be subject to the provisions of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006 (22 U.S.C. 8001 et. seq; Public Law 109-401), and any other applicable United States law as if the Agreement had been

approved pursuant to the provisions for congressional consideration and approval of a proposed agreement for cooperation in section 123 b. and d. of the Atomic Energy Act of 1954.

- (c) **Sunset of Exemption Authority Under Hyde Act-** Section 104(f) of the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006 (22 U.S.C. 8003(f)) is amended by striking 'the enactment of' and all that follows through 'agreement' and inserting 'the date of the enactment of the United States-India Nuclear Cooperation Approval and Nonproliferation Enhancement Act'.

SEC. 102. DECLARATIONS OF POLICY; CERTIFICATION REQUIREMENT; RULE OF CONSTRUCTION.

- (a) **Declarations of Policy Relating to Meaning and Legal Effect of Agreement-** Congress declares that it is the understanding of the United States that the provisions of the United States-India Agreement for Cooperation on Peaceful Uses of Nuclear Energy have the meanings conveyed in the authoritative representations provided by the President and his representatives to the Congress and its committees prior to September 20, 2008, regarding the meaning and legal effect of the Agreement.
- (b) **Declarations of Policy Relating to Transfer of Nuclear Equipment, Materials, and Technology to India-** Congress makes the following declarations of policy:
- (1) Pursuant to section 103(a)(6) of the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006 (22 U.S.C. 8002(a)(6)), in the event that nuclear transfers to India are suspended or terminated pursuant to title I of such Act (22 U.S.C. 8001 et seq.), the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.), or any other United States law, it is the policy of the United States to seek to prevent the transfer to India of nuclear equipment, materials, or technology from other participating governments in the Nuclear Suppliers Group (NSG) or from any other source.
 - (2) Pursuant to section 103(b)(10) of the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006 (22 U.S.C. 8002(b)(10)), any nuclear power reactor fuel reserve provided to the Government of India for use in

safeguarded civilian nuclear facilities should be commensurate with reasonable reactor operating requirements.

- (c) **Certification Requirement-** Before exchanging diplomatic notes pursuant to Article 16(1) of the Agreement, the President shall certify to Congress that entry into force and implementation of the Agreement pursuant to its terms is consistent with the obligation of the United States under the Treaty on the Non-Proliferation of Nuclear Weapons, done at Washington, London, and Moscow July 1, 1968, and entered into force March 5, 1970 (commonly known as the 'Nuclear Non-Proliferation Treaty'), not in any way to assist, encourage, or induce India to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices.
- (d) **Rule of Construction-** Nothing in the Agreement shall be construed to supersede the legal requirements of the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006 or the Atomic Energy Act of 1954.

SEC. 103. ADDITIONAL PROTOCOL BETWEEN INDIA AND THE IAEA.

Congress urges the Government of India to sign and adhere to an Additional Protocol with the International Atomic Energy Agency (IAEA), consistent with IAEA principles, practices, and policies, at the earliest possible date.

SEC. 104. IMPLEMENTATION OF SAFEGUARDS AGREEMENT BETWEEN INDIA AND THE IAEA.

Licenses may be issued by the Nuclear Regulatory Commission for transfers pursuant to the Agreement only after the President determines and certifies to Congress that--

- (1) the Agreement Between the Government of India and the International Atomic Energy Agency for the Application of Safeguards to Civilian Nuclear Facilities, as approved by the Board of Governors of the International Atomic Energy Agency on August 1, 2008 (the 'Safeguards Agreement'), has entered into force; and
- (2) the Government of India has filed a declaration of facilities pursuant to paragraph 13 of the Safeguards Agreement that is not materially inconsistent with the facilities and schedule described in paragraph 14 of the separation plan presented in the national parliament of India on May 11, 2006, taking into account the later initiation of

safeguards than was anticipated in the separation plan.

SEC. 105. MODIFIED REPORTING TO CONGRESS.

- (a) Information on Nuclear Activities of India- Subsection (g)(1) of section 104 of the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006 (22 U.S.C. 8003) is amended--
 - (1) by redesignating subparagraphs (B), (C), and (D) as subparagraphs (C), (D), and (E), respectively; and
 - (2) by inserting after subparagraph (A) the following new subparagraph:
 - (B) any material inconsistencies between the content or timeliness of notifications by the Government of India pursuant to paragraph 14(a) of the Safeguards Agreement and the facilities and schedule described in paragraph (14) of the separation plan presented in the national parliament of India on May 11, 2006, taking into account the later initiation of safeguards than was anticipated in the separation plan;'.
 - (b) Implementation and Compliance Report- Subsection (g)(2) of such section is amended--
 - (1) in subparagraph (K)(iv), by striking `and' at the end;
 - (2) in subparagraph (L), by striking the period at the end and inserting `; and'; and
 - (3) by adding at the end the following new subparagraph:
 - (M) with respect to the United States-India Agreement for Cooperation on Peaceful Uses of Nuclear Energy (hereinafter in this subparagraph referred to as the `Agreement') approved under section 101(a) of the United States-India Nuclear Cooperation Approval and Nonproliferation Enhancement Act-
- (i) a listing of--**
- (l) all provision of sensitive nuclear technology to India, and other such information as may be so designated by the United States or India under Article 1(Q); and

- (II) all facilities in India notified pursuant to Article 7(1) of the Agreement;

(ii) a description of--

- (I) any agreed safeguards or any other form of verification for by-product material decided by mutual agreement pursuant to the terms of Article 1(A) of the Agreement;
- (II) research and development undertaken in such areas as may be agreed between the United States and India as detailed in Article 2(2)(a.) of the Agreement;
- (III) the civil nuclear cooperation activities undertaken under Article 2(2)(d.) of the Agreement;
- (IV) any United States efforts to help India develop a strategic reserve of nuclear fuel as called for in Article 2(2)(e.) of the Agreement;
- (V) any United States efforts to fulfill political commitments made in Article 5(6) of the Agreement;
- (VI) any negotiations that have occurred or are ongoing under Article 6(iii.) of the Agreement; and
- (VII) any transfers beyond the territorial jurisdiction of India pursuant to Article 7(2) of the Agreement, including a listing of the receiving country of each such transfer;

(iii) an analysis of--

- (I) any instances in which the United States or India requested consultations arising from concerns over compliance with the provisions of Article 7(1) of the Agreement, and the results of such consultations; and
- (II) any matters not otherwise identified in this report that have become the subject of consultations pursuant to Article 13(2) of the Agreement, and a statement as to whether such matters were resolved by the end of the reporting period; and

(iv) a statement as to whether--

- (I) any consultations are expected to occur under Article 16(5) of the Agreement; and
- (II) any enrichment is being carried out pursuant to Article 6 of the Agreement'.

**TITLE II--STRENGTHENING UNITED STATES NONPROLIFERATION
LAW RELATING TO PEACEFUL NUCLEAR COOPERATION**

**SEC. 201. PROCEDURES REGARDING A SUBSEQUENT
ARRANGEMENT ON REPROCESSING.**

- (a) **In General-** Notwithstanding section 131 of the Atomic Energy Act of 1954 (42 U.S.C. 2160), no proposed subsequent arrangement concerning arrangements and procedures regarding reprocessing or other alteration in form or content, as provided for in Article 6 of the Agreement, shall take effect until the requirements specified in subsection (b) are met.
- (b) **Requirements-** The requirements referred to in subsection (a) are the following:
 - (1) The President transmits to the appropriate congressional committees a report containing--
 - (A) the reasons for entering into such proposed subsequent arrangement;
 - (B) a detailed description, including the text, of such proposed subsequent arrangement; and
 - (C) a certification that the United States will pursue efforts to ensure that any other nation that permits India to reprocess or otherwise alter in form or content nuclear material that the nation has transferred to India or nuclear material and by-product material used in or produced through the use of nuclear material, non-nuclear material, or equipment that it has transferred to India requires India to do so under similar arrangements and procedures.
 - (2) A period of 30 days of continuous session (as defined by section 130 g.(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2159 (g)(2))) has elapsed after transmittal of the report required under paragraph (1).

- (c) **Resolution of Disapproval-** Notwithstanding the requirements in subsection (b) having been met, a subsequent arrangement referred to in subsection (a) shall not become effective if during the time specified in subsection (b)(2), Congress adopts, and there is enacted, a joint resolution stating in substance that Congress does not favor such subsequent arrangement. Any such resolution shall be considered pursuant to the procedures set forth in section 130 i. of the Atomic Energy Act of 1954 (42 U.S.C. 2159 (i)), as amended by section 205 of this Act.

SEC. 202. INITIATIVES AND NEGOTIATIONS RELATING TO AGREEMENTS FOR PEACEFUL NUCLEAR COOPERATION.

Section 123 of the Atomic Energy Act of 1954 (42 U.S.C. 2153) is amended by adding at the end the following:

- e. The President shall keep the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate fully and currently informed of any initiative or negotiations relating to a new or amended agreement for peaceful nuclear cooperation pursuant to this section (except an agreement arranged pursuant to section 91 c., 144 b., 144 c., or 144 d., or an amendment thereto).'

SEC. 203. ACTIONS REQUIRED FOR RESUMPTION OF PEACEFUL NUCLEAR COOPERATION.

Section 129 a. of the Atomic Energy Act of 1954 (42 U.S.C. 2158 (a)) is amended by striking 'Congress adopts a concurrent resolution' and inserting 'Congress adopts, and there is enacted, a joint resolution'.

SEC. 204. UNITED STATES GOVERNMENT POLICY AT THE NUCLEAR SUPPLIERS GROUP TO STRENGTHEN THE INTERNATIONAL NUCLEAR NONPROLIFERATION REGIME.

- (a) **Certification-** Before exchanging diplomatic notes pursuant to Article 16(1) of the Agreement, the President shall certify to the appropriate congressional committees that it is the policy of the United States to work with members of the Nuclear Suppliers Group (NSG), individually and collectively, to agree to further restrict the transfers of equipment and technology related to the enrichment of uranium and reprocessing of spent nuclear fuel.

(b) **Peaceful Use Assurances for Certain By-Product Material-** The President shall seek to achieve, by the earliest possible date, either within the NSG or with relevant NSG Participating Governments, the adoption of principles, reporting, and exchanges of information as may be appropriate to assure peaceful use and accounting of by-product material in a manner that is substantially equivalent to the relevant provisions of the Agreement.

(c) **Report-**

(1) **IN GENERAL-** Not later than six months after the date of the enactment of this Act, and every six months thereafter, the President shall transmit to the appropriate congressional committees a report on efforts by the United States pursuant to subsections (a) and (b).

(2) **TERMINATION-** The requirement to transmit the report under paragraph (1) terminates on the date on which the President transmits a report pursuant to such paragraph stating that the objectives in subsections (a) and (b) have been achieved.

SEC. 205. CONFORMING AMENDMENTS.

Section 130 i. of the Atomic Energy Act of 1954 (42 U.S.C. 2159 (i)) is amended--

- (1) in paragraph (1), by striking 'means a joint resolution' and all that follows through ', with the date' and inserting the following: 'means-
- (A) for an agreement for cooperation pursuant to section 123 of this Act, a joint resolution, the matter after the resolving clause of which is as follows: 'That the Congress (does or does not) favor the proposed agreement for cooperation transmitted to the Congress by the President on XXXXX .',
 - (B) for a determination under section 129 of this Act, a joint resolution, the matter after the resolving clause of which is as follows: 'That the Congress does not favor the determination transmitted to the Congress by the President on XXXXX .', or
 - (C) for a subsequent arrangement under section 201 of the United States-India Nuclear Cooperation Approval and Nonproliferation

Enhancement Act, a joint resolution, the matter after the resolving clause of which is as follows: `That the Congress does not favor the subsequent arrangement to the Agreement for Cooperation Between the Government of the United States of America and the Government of India Concerning Peaceful Uses of Nuclear Energy that was transmitted to Congress by the President on September 10, 2008.',

with the date'; and

(2) in paragraph (4)--

- (A) by inserting after `45 days after its introduction' the following `(or in the case of a joint resolution related to a subsequent arrangement under section 201 of the United States-India Nuclear Cooperation Approval and Nonproliferation Enhancement Act, 15 days after its introduction)'; and
- (B) by inserting after `45-day period' the following: `(or in the case of a joint resolution related to a subsequent arrangement under section 201 of the United States-India Nuclear Cooperation Approval and Nonproliferation Enhancement Act, 15-day period)'.

Speaker of the House of Representatives.

Vice President of the United States and

President of the Senate.



APPENDIX - XI**Statement by US Secretary of State Condoleezza Rice
after the Congressional Approval of the U.S.-India
Agreement for Cooperation Concerning Peaceful Uses
of Nuclear Energy (123 Agreement).****Washington (D. C.), October 2, 2008.**

I applaud Congressional approval last evening of the U.S.-India Agreement for Cooperation Concerning Peaceful Uses of Nuclear Energy (123 Agreement). This would not have been possible without strong bipartisan support and close cooperation from the Congress over the past three years. I especially appreciate the support of the leadership of both parties to expedite approval of the initiative in recent weeks.

The U.S.-India 123 Agreement reflects the transformation of our relations and a recognition of India's emergence on the global stage. The Agreement bolsters our partnership with the world's largest democracy and a growing economic power, and will provide economic and job opportunities for our economy. The Initiative will help India's population of more than one billion to meet its rapidly increasing energy needs in an environmentally responsible way while reducing the growth of carbon emissions.

The approval of the U.S.-India 123 Agreement will also enhance our global nonproliferation efforts. The Agreement reflects a common commitment to share both the benefits of the international system and also the burdens and responsibilities of maintaining, strengthening, and defending it. I am pleased that Congress has endorsed this opportunity to bring the United States and India closer together. I look forward to a new strategic partnership with India that will provide global leadership in the years ahead.



APPENDIX - XII**Statement by the US President George W. Bush on the occasion of signing of the Bill on the India - United States Nuclear Cooperation Approval and Non-proliferation Enhancement Act.****Washington (D. C.), October 8, 2008.**

I am pleased today to sign into law the United States-India Nuclear Cooperation Approval and Nonproliferation Enhancement Act, which approves the U.S.-India 123 Agreement. The passage of this legislation by the Congress marks another major milestone in achieving the vision that Prime Minister Singh and I set forth on July 18, 2005, to transform the relationship between our two countries and to establish a strategic partnership. This Act will strengthen the relationship between the United States and India and deliver valuable benefits to both nations.

The legislation does not change the terms of the 123 Agreement as I submitted it to the Congress. That Agreement is consistent with the Atomic Energy Act and other elements of U.S. law. This legislation is important as it enables me to bring the 123 Agreement into force and to accept on behalf of the United States the obligations contained in the Agreement.

The Agreement grants India advance consent to reprocessing which will be brought into effect upon conclusion of arrangements and procedures for a dedicated reprocessing facility under IAEA safeguards.

In addition, the legislation does not change the fuel assurance commitments that the U.S. Government has made to the Government of India, as recorded in the 123 Agreement.

The passage of this legislation reflects the common view of my Administration and the Congress as to the value of nuclear cooperation and is in the interest of the United States and India.



APPENDIX - XIII

Statement by U. S. President George W. Bush while signing the H.R. 7081, the United States-India Nuclear Cooperation Approval and Nonproliferation Enhancement Act.

Washington (D. C.), October 8, 2008.

THE PRESIDENT: Thank you for coming. Welcome to the White House. Today, I have the honor of signing legislation that builds on the growing ties between the world's two largest democracies, India and the United States. (Applause.) This legislation will enhance our cooperation in using nuclear energy to power our economies; it will help us work together even more closely to reduce the danger of nuclear proliferation across the world.

This legislation represents more than three years of hard work by a lot of people. I appreciate the work of the Indian-American leaders from across the nation. (Applause.) I thank the members of the United States Congress for working hard on this piece of legislation. I'm especially grateful for the leadership provided by Speaker Nancy Pelosi, John Boehner, Senate Majority Leader Harry Reid and Republican Leader Mitch McConnell, who worked hard to make sure this bill made it through both Houses at the very end of the session. (Laughter and applause.)

I thank the leaders of the Foreign Affairs Committees in the House and the Senate -- Senator Joe Biden; Dick Lugar; Chris Dodd, who is with us; as well as Representatives Howard Berman and Ileana Ros-Lehtinen. I also welcome the members of Congress here on the stage who worked hard to get this legislation done. I appreciate so very much the contributions of two leaders who played an important role in crafting this legislation -- the late Henry Hyde and the late Tom Lantos. (Applause.)

Other members who've joined us -- John Warner, Senator from Virginia; Eliot Engel, Democrat, House Foreign Affairs committee member from New York; Congressman Joe Crowley from New York. (Applause.) Members of the administration who have joined us -- Mr. Vice President, thank you. I appreciate the hard work that Secretary of State Condoleezza Rice did to bring this deal to fruition -- (applause) -- as well as Secretary Sam Bodman, at the Department of Energy.

I am so honored here that -- to have the Ambassador of India to the United States with us -- Ambassador Sen, thank you for joining us. (Applause.) And I appreciate very much the incredibly efficient work of our Ambassador, David Mulford, and his wife Jeannie -- thank you for being here. (Applause.) You didn't do so bad yourself, Ambassador -- (laughter.)

I thank the congressional staff who worked hard on this legislation. I congratulate you for the constructive work. I appreciate the supporters of the U.S.-India Nuclear Civil Agreement that are here today. All in all, welcome. This is a -- it's a big deal. (Applause.)

Even though the United States and India are separated by half the globe, we are natural partners as we head into the 21st century. Both our nations emerged from a colonial past to establish vibrant democracies. We have welcomed investment and private enterprise to become leaders in the global economy. We have stood against the dangers posed by extremists, who have carried out attacks in both our countries. We have demonstrated that we cherish liberty, honor human dignity, and respect the rule of law.

Despite these common interests and values, it was not long ago that relations between the United States and India were strained. In recent years, we've worked to transform our relationship into a strong strategic partnership. One area where we saw tremendous potential for cooperation is energy. As our economies have grown, our demands for energy have grown, as well. It's become increasingly clear that we need to generate that energy in ways that are safe and clean and secure.

One energy source that can generate large amounts of electricity with zero emissions of air pollution or greenhouse gases is nuclear power. So three years ago, Prime Minister Singh -- who I consider a dear friend -- and I resolved to work together on a landmark agreement paving the way for our nations to cooperate on nuclear power. By undertaking new cooperation on civil nuclear energy, India will be able to count on a reliable fuel supply for its civilian reactors, meet the energy demands of its people, and reduce its independence [sic] on fossil fuels.

For our part, the United States will gain access to a growing market for civilian nuclear technologies and materials, that will help American businesses create more jobs for our people here at home.

Our agreement will also strengthen global nonproliferation efforts. India has committed to operate its civil nuclear energy program under the safeguards of the International Atomic Energy Agency and other international guidelines. India will continue to build on its strong record of responsibility in operating its nuclear facilities. And India and the United States will cooperate more closely to keep the world's most dangerous weapons out of the hands of extremists and terrorists.

The bill I sign today approves the 123 agreement I submitted to Congress -- and establishes the legal framework for that agreement to come into effect. The bill makes clear that our agreement with India is consistent with the Atomic Energy Act and other elements of U.S. law. By passing this legislation, my administration and Congress demonstrate our common view that nuclear cooperation is in the interest of both the United States and India.

The legislation makes no changes to the terms of the 123 agreement I submitted to Congress. It enables me to bring that agreement into force and to accept on behalf of the United States all the obligations that are part of the agreement. The legislation does not change the fuel assurance commitments that the United States government has made to the government of India, as recorded in the 123 agreement. The agreement also grants India "advance consent to reprocessing" -- which will be brought into effect upon the conclusion of arrangements and procedures for a dedicated reprocessing facility under IAEA safeguards.

This agreement sends a signal to the world: Nations that follow the path of democracy and responsible behavior will find a friend in the United States of America. (Applause.) The American people are proud of our strong relationship with India. And I am confident that the friendship between our two nations will grow even closer in the years ahead.

Laura and I send our best wishes to the hundreds of millions of people in India and around the world who will begin celebrating the ancient festival of Diwali later this month. (Applause.) As we offer our prayers for a happy new year, we can be thankful that the relationship between the United States and India has never been more vibrant and more hopeful.

And it's now my honor to sign the United States-India Nuclear Cooperation Approval and Nonproliferation Enhancement Act. (Applause.)

(The bill is signed.) (Applause.)



MEDIA EDITORIALS

APPENDIX - XIV

Editorial in the *Indian Express*: Savour the change

New Delhi, September 8, 2008.

Although the perennial critics - some opportunistic, many ideological and others simply habitual - will pick nits in the historic waiver written exclusively for India by the 45-nation Nuclear Suppliers Group last Saturday, New Delhi should go beyond triumphalism and ponder over the lessons learnt. India should have no illusions that it was sweet reason - for example, the argument that India has "impeccable" non-proliferation credentials - that ultimately silenced New Delhi's opponents in the NSG. It was Washington's brutal exercise of power that forced the recalcitrant members of the NSG, including China, to stand down. That every member of the NSG had a veto, and India had little leverage over them meant New Delhi needed all the high-level intervention it could mobilise from Washington.

US President George W. Bush's willingness to spend so much political capital in promoting the nuclear deal with India was itself rooted in power calculus. The Bush administration recognised three years ago that rapid economic growth was improving India's relative power position in the international system. For Bush, the nuclear deal was about investing in India's rise and working with New Delhi to create a new framework of great power relations in the twenty-first century. If improved economic performance is making India the pivot of the Asian balance of power, its political class and security establishment have found it difficult to shed the inherited third world mindset.

The nit-pickers who pore over the text of India's recent nuclear agreements fail to appreciate the changed geopolitical context. If text was all that mattered, the UN Security Council should have been hounding India to give up its nuclear and missile programmes, as per the unanimous resolution 1172 passed in June 1998 in the wake of Pokharan II. What has changed since then are India's relative gains in the international system and its new strategic partnership with the US. No wonder then, the sceptics turned out to be wrong at every turn of India's nuclear drama. If official India had been sensitive to the logic of power, it might have fared a lot better in its campaign a few years ago for the permanent membership of the UNSC. Then, China easily undercut India, thanks to US neutrality. This time, strong US support trumped Beijing's attempt to block India's entry into the nuclear club. As it reflects on the NSG experience, Indian diplomacy should lose no more time in moving decisively from its traditional emphasis on the power of the argument to the more effective argument of power.



APPENDIX - XV

Editorial in the *Economic Times*.

New Delhi, September 8, 2008.

The NSG okay for the Indo-US nuclear deal is historic and of monumental economic and political significance, for India and the world. The unanimous go-ahead from the NSG would mean unprecedented opportunities to boost our energy security, step up international technology co-operation and open up myriad possibilities for coagulating investment and funds across the board.

It's also a victory for PM Manmohan Singh's perseverance against all odds, a triumph for the ruling UPA and a great achievement for Indian diplomacy. There was a slight delay in India getting the NSG waiver, but it had much to do with the need to be seen centrestage and domestic political compulsions in NSG member-states like election-bound Austria and New Zealand.

Of course, the statement by the foreign minister on India's steadfast resolve on non-proliferation did help. China was not very forthcoming in backing the deal, and at times was actually obstructive, but its sullied record on nuclear proliferation in our neighbourhood did not particularly sway matters in its favour. And quite rightly too.

The deal now is to be tabled in the US Congress - where there is bipartisan support - and so can well be expected to be expressly approved. It marks a watershed in relations between the US and India, the world's biggest democracies.

Increased Indo-US co-operation would have beneficial repercussions globally. The NSG waiver will also enable India to do nuclear commerce with countries like Russia and France, thus facilitating a policy of multi-alignment in nuclear cooperation.

The Opposition has labelled the deal a sell-out that would allegedly compromise India's strategic interests and debar nuclear testing. But the 123 agreement with the US is explicit on the provision for testing, should the geo-political situation sufficiently warrant such a move on our part. In any case, as per article 5(2) of the agreement amendments are required for India to access sensitive nuclear technologies.

So even after the Indo-US deal is signed into law by President Bush, there would be enough scope to amend and fine-tune it to suit our specific interests. As India keeps up the economic growth momentum, there would surely be greater scope for trade and give and take.



APPENDIX - XVI

Editorial in the *Asian Age*: "Manmohan's Finest Hour".

New Delhi, September 8, 2008.

The India-US civil nuclear cooperation agreement has generated much controversy over its merits and demerits. The UPA government and Prime Minister Manmohan Singh were at the receiving end of harsh, unsparing and often personal criticism for persisting with it despite some aspects of the deal being seen by a section of our society as harmful to long-term national interests. The waiver obtained by India from the Nuclear Suppliers Group in Vienna on Saturday, however, admits of no controversy, much less criticism, on the ground of it endangering the national interest in any way. The waiver represents one of the most significant post-independence foreign policy achievements of India in as much as it has gained for India membership in the global nuclear club without imposing on it the mortification of subscribing to the Non-Proliferation Treaty (to which, incidentally, all the NSG's 45 members are signatories), or to the Comprehensive Test Ban Treaty, opened the doors for foreign investment in the nuclear power generation sector, and will provide the country access to the latest nuclear technology. Despite the Vienna outcome's many positive aspects, the waiver is under attack from some political groups who appear determined, in some cases out of sheer cussedness, to denigrate it. Their criticism cannot stand impartial scrutiny in the face of the extraordinary gains accruing to this country from the waiver.

At the same time, the waiver represents in more senses than one the personal political triumph of Dr Manmohan Singh, who provided strong, credible and inspired leadership to his negotiating team to reach for India's objectives undeterred by the motivated criticism at home. Dr Singh remained steadfast in his commitment to the very concept of freeing India from its three-decade-long isolation from the nuclear mainstream through a cooperative deal with

the United States. He refused to be disheartened by the cruel barbs hurled at him by his critics, particularly in the Left and BJP ranks. He kept faith till the last, even though his dedication to the cause he chose to champion was often a source of personal humiliation and an assault on his dignity, specially when the Left parties treated him as a "bonded slave."

But the remarkable nature of Dr Singh's triumph gets even more significantly highlighted if we remember that even his own partymen tended to share, mostly in private, the assessment of a section of the political class of him being the "weakest Prime Minister ever" in independent India. Even Congress president Sonia Gandhi had initially appeared to be extremely cautious in championing the nuclear deal, and rallied round only after her son Rahul Gandhi, AICC general secretary, wholeheartedly commended Dr Singh's initiative. Dr Singh has emerged not as a weak or ineffective Prime Minister but as a visionary leader with total faith in India's glorious destiny who commands an extraordinary measure of international credibility and esteem.

It will be churlish for the Opposition parties, particularly the Left and the BJP, to persist with their personalised criticism of the Prime Minister that is often not above casting aspersions on his political integrity, doubting his patriotism and accusing him of short-changing India and its interests in the pursuit of the nuclear deal. Dr Singh deserves better even at the hands of his critics.



APPENDIX - XVII

Editorial in the *Business Standard*: "Nuclear Breakthrough".

New Delhi, September 8, 2008.

The improbable has happened, and India has gained the nuclear breakthrough that will rank as the Manmohan Singh government's high point in international relations. It has not been a process free of hiccups, nor has everything that was promised three years ago been delivered - the simple fact is that India is not on the same footing as the five nuclear "haves". However, it is now in the unique position of being able to carry on its strategic nuclear weapons programme, without international sanctions on its nuclear power programme and without signing the Nuclear Non-Proliferation Treaty (NPT); and that is achievement enough. It is a success that has tested Dr Singh's stamina, diplomatic skill and political standing. The bitter domestic opposition saw the government risking its parliamentary majority and Dr Singh himself was reportedly ready to resign if his own party was not steadfast in its support. And the reluctance of many members of the Nuclear Suppliers Group (NSG) to sign on the dotted line meant some late-night diplomatic drama late last week.

There will be those who wonder whether the compromises that India has made during the tortuous negotiations mean a real risk to strategic autonomy. The answer comes from the manifest unhappiness of those who are hostile to Indian progress, including China and Pakistan, and those whom an American diplomat once called the "ayatollahs of nuclear apartheid". If they are upset, and if China wants the same deal for Pakistan, it must be a good deal for India. So the BJP and the Left parties, which continue to be critical of the deal, must ask themselves some questions. Indeed, LK Advani said two years ago that the purpose of the deal is to "cap, roll back and ultimately eliminate" India's strategic arsenal. This is as manifestly untrue as some of the other criticisms being levelled today.

There will be discomfort about the deal being sold differently in India from what is being said in other countries, including the United States. In President Bush's letter leaked last week, Condoleezza Rice's testimony to the US Congress, and the Hyde Act itself, the message that comes through is of furthering the non-proliferation agenda, while India sees it as getting rid of that same agenda insofar as the nuclear denial regime is applied to it. It is

hard to see how both positions or intentions can simultaneously hold. Thus, although India has insisted on there being no references to strategic issues like nuclear testing in the "123 agreement" and in the NSG waiver, arguing quite logically that the agreement concerns nuclear electricity, the elephant in the room is without question the issue of what will happen if India tests, and what kind of technology co-operation will actually be on the cards.

If the key clauses are ever put to the test, it will boil down to interpreting the agreement in the context of evolving power equations. If India gains strength as an economic power and strategic player, the interpretations applied will be favourable to this country. If India is perceived as weak, then tougher measures will follow. If the overwhelming thrust of opinion in the country is that India is on the ascendant, then the agreement must be viewed in that light. What can be said at this stage is that India's diplomats and atomic scientists have negotiated well; it is now up to the latter to make effective use of what they have got to build a successful nuclear power programme. Getting imported uranium to run India's starved nuclear power plants will be an immediate pay-off.

Part of the problem for the government has been the multi-stage process (with the US government, the US Congress, and the NSG), during which it must adopt maximalist positions, while simultaneously not getting into a corner where those stated positions come in the way of the give-and-take that is the very meaning of negotiation. Has India made concessions? Yes, of course. Are those concessions that the country can live with? On the evidence at hand (the text of the NSG waiver is not yet publicly available), it would seem so. On the basis of that assessment, Dr Singh and India's negotiators deserve to be congratulated.



APPENDIX - XVIII

Editorial in the *Tribune*: "India's Hour".

Chandigarh, September 8, 2008.

WITH the Vienna conclave of the mighty and influential over, India has now become an essential part of the architecture of global power.

Over three decades after the first Pokhran test and the nuclear explosions 10 years ago, India had been kept out in the cold, denied the status of a nuclear-weapons state and much else that goes with it.

The nuclear apartheid, which was an insult to a nation of 1.3 billion people, denied it not only the status of a nuclear weapons state, but also the right to acquire wherewithal like enriched uranium, equipment and hi-tech that it badly needed for emerging as a major power of the 21st century.

India now by right can get enriched uranium for its present and future nuclear reactors and sensitive technology to develop further not only its nuclear, aero-space and defence industries, but also vast areas of industrial activity that it wants to indulge in to emerge also as a major economy of the new century.

To cross the nuclear threshold and gain legitimacy as a nuclear-weapon state, the only price India has paid at Vienna is its reiteration of its unilateral moratorium on nuclear tests - an intention it had announced on its own from the roof tops some years ago, but only after it had carried the 1998 Pokhran tests.

The NSG has by consensus waived its ban on exports of nuclear fuel and technology and without India having to sign the discriminatory Nuclear Non-Proliferation Treaty - the only exception made in the strict NPT regime.

The NSG's doing away with its ingrained resolve not to have any commercial dealings with India, because it had become a fall guy in the nuclear order controlled by a cartel of a handful of countries, is not an insignificant development in international equations.

What is heartening is that neither the waiver, nor the 123 Agreement, debars India from retaining the nuclear weapons - whatever their number it has already in its arsenal. India will continue to have the right to develop more nuclear weapons, should it come to face a serious threat to its security.

As it happens in a city club, many members have the inborn tendency not to let new-comers enter its portals. In Vienna, China surprisingly chose to be a party-popper despite its private assurances to India given during the run-up, that it will not oppose the waiver. So much for its recent declarations about its keenness to evolve an enduring friendship and strategic partnership with India!

Not only did China try to block the waiver until the last, it also lobbied hard with smaller powers that they should oppose the pro-India waiver. As China has a strong lobby among the Democrats in the US, there is a possibility that the Howard Berman letter, which George W. Bush wrote to the congressional leader months ago is said to have been selectively leaked by the Chinese. It was aimed at a last minute effort to scuttle consensus that was evolving in favour of India.

Once it came to be known that the Chinese were campaigning with the fence-sitters against India, Dr Manmohan Singh and President Bush began calling up various heads of government. The labours of Indian officials, who had dispersed all over to lobby support for India during the last few weeks, also came to be of help. But it can be legitimately asked why the Government of India never came to know about the Berman letter written as far back as January this year. What were the highly-paid Washington lobbyists engaged by India doing all these months?

The NSG waiver, which has come after a tortuous and uncertain journey, now takes the 123 Agreement to the US Congress. It has just about three weeks to take the call. With President Bush's own prestige involved and taking into account the earlier congressional vote on the Agreement, it can be presumed that the US Congress will not stand in the way. This is mainly because of the impression that it is not only the Republican; who are fond of the future of 'Indo-US Strategic Partnership'; but also that the idea conceptually came up during the democratic presidency, although it acquired clarity and vigour from the Bush administration.

It is not only China which is feeling frustrated after Vienna where at the end of the day it found it was isolated. At home, efforts of the CPM and the BJP - which happen to be in. strange company these days - have come a cropper, the Berman letter they liberally used, 'notwithstanding.

The two parties even tried to bring the UPA government down over the nuclear deal, maybe for different motivations. The CPM's opposition was partly for ideological reasons, and partly for visceral antipathy to whatever

looks American. The BJP's anti-deal stand is harder to understand, particularly when the NDA government had travelled quite a distance when it was discussing the Test-ban Treaty with the Americans.

Once the US Congress has put its seal on the 123 Agreement, which has come unscathed out of the IAEA and the NSG, India can buy nuclear fuel and high-tech from anywhere in the world. Worst-come-to-worst, the US Congress does not get the time to approve of the agreement before it becomes lame duck on the eve of the presidential polls, the Vienna consensus entitles India to buy the nuclear stuff from France and, Russia or any other country willing to do nuclear business with India.

But it is not just nuclear business that is the issue. At centre is the question what place India should have in the world.

Sceptics at home

And abroad

Sceptics at home and abroad apart, India can now hold its head high in an imperfect world where power still counts. All that India needs is a vision required of a great nation and confidence in itself to deal with the mightiest of powers.



APPENDIX - XIX

Editorial in the *DNA*¹: The Waiver, at last.

Mumbai, September 8, 2008.

The much-awaited waiver from the Nuclear Suppliers Group (NSG) - the 45-nation club that controls and regulates global nuclear commerce - has come after marathon diplomatic negotiations. There were moments of intense drama and the fate of the waiver hung precariously in balance as small countries like New Zealand, Ireland, Austria, Switzerland, Norway and the Netherlands refused to fall in line till the last moment. The . Americans had to stretch themselves to bring around the naysayer. President Bush himself spoke to the Chinese premier. Reports suggest that such was the tension in the room that there was no applause but silence at the end of the grueling session in Vienna on Saturday.

What seems to have weakened the determined opposition from the Group of Six countries was minister of external affairs Pranab Mukherjee's clear statement that India was committed to non-proliferation and that it is bound to its voluntary moratorium on nuclear testing. This is not mere rhetoric -- India's three-decade record speaks for itself. Yet, it will be the details of the waiver that will need to be studied to see if India has compromised on any major issues..

The opposition of the smaller countries is not necessarily inimical to India. Their adherence to Nuclear Non. Proliferation Treaty (NPT) is not a dogmatic position. It would be wrong to think that they had finally agreed because of American arm-twisting. The dissenting countries still have their reservations but they agreed to respect India's expression of commitment to the principles of nuclear non-proliferation.

The next stage is for the deal to be ratified by the US Congress between September 8 and September 26. The Bush White House/ will do its best, but it should not come as a surprise if some more. obstacles are to be encountered on the way. Domestically, the Indian government faces the joint opposition of the BJP as well as left parties who now will launch a renewed assault while for the UPA, the NSG waiver is a political opportunity to talk about its success in getting India into the nuclear club.

1. Daily News and Analysis.

Hopefully, the Indian negotiators have learnt their lessons with the way the deal had to pass through the NSG gauntlet. It will be necessary for India to engage with all countries, big or small, all the time. And there is a need for India to regain its past moral position about its commitment to nuclear disarmament. For the moment, the government has reason to feel satisfied that it has reached the destination charted out three years ago after braving all manner of odds, at home and abroad.



APPENDIX - XX

Editorial in *the Hindu*: Post - Vienna Scenario.

Chennai, September 9, 2008.

By lifting a 16-year-ban on nuclear commerce with India, the Nuclear Suppliers Group has wisely abandoned a policy that made no sense from the non-proliferation, commercial, or environmental point of view. Full-scope safeguards as a condition of supply might have had a certain relevance to the NSG in the 1990s as an instrument to push holdouts into the Nuclear Non-proliferation Treaty (NPT). Today, the only holdouts are India, Pakistan, and Israel. While proliferation considerations are still a factor as far as Islamabad and Tel Aviv are concerned, India's creditable record of export control, its political and strategic responsibility, and the sheer size of its economy and long-term energy needs put it in a separate class altogether. The waiver approved by the 45-nation group strikes a balance between political India's desire to safeguard the independence and autonomy of strategic decision-making and the apprehension of some NSG members that their decision might encourage India to deviate from its repeatedly stated non-proliferation and disarmament commitments. The decision makes it clear that the NSG considers these commitments to be the basis for exempting India from the requirement of full-scope safeguards as a condition for nuclear exports. Equally, there is no automatic withdrawal of the exemption in the event that one or more members accuse India of deviation. Terminating nuclear supplies will require the consent of all 45 members. The principle of consensus, which worked against the country all these years, will now be a factor in its favour - unless of course high-pressure politics intervenes to neutralise this factor of advantage.

The NSG's decision is a significant achievement for Indian diplomacy, especially since the United States, which moved the proposal and was responsible for piloting it through, tried its hardest to introduce extraneous conditions. The government will claim that for the first time in many years India has succeeded in moving the international system in a way that enlarges the country's economic and strategic options. But having multiple options in a legal and technical sense provides no guarantee that political choices will be made wisely and independently - and not under external pressure. Post-Vienna, there is one immediate and one long-term challenge Prime Minister Manmohan Singh must squarely face up to. He must immediately make it clear to the Bush administration that India will not be able to proceed with bilateral nuclear cooperation with the U.S., if Washington seeks to implement the deal in the undermining way indicated in the State Department's official response to Congressional questions. Billions of dollars cannot be spent on American nuclear facilities if there is going to be any uncertainty surrounding future fuel supplies and reprocessing consent rights. The long-term challenge is one of managing the politics of the NSG itself. India needs to enlarge its field of partners, creating a web of commercial and technological linkages with as many NSG members as possible. The waiver opens up possibilities for mutual benefit with many countries - starting with Russia, India's most reliable nuclear supplier, and France - across the full spectrum of the nuclear fuel circle. All political eyes will be on the United Progressive Alliance government's approach to post-Vienna opportunities, for example on how quickly it moves to operationalise the next, significantly expanded stage of civilian nuclear cooperation with Russia at Koodankulam.



APPENDIX - XXI

Editorial in the *Deccan Herald*: "Landmark Deal".

Bangalore, September 9, 2008.

The decision of the Nuclear Suppliers' Group (NSG) on Saturday to waive its stringent conditions for nuclear trade with India marked the culmination of India's over three decades' long quest for an honourable place in the global nuclear commerce. The country's right to engage in international nuclear cooperation was denied as a punishment for daring to conduct a nuclear test in 1974 as a demonstration of its nuclear weapon capability - a licence that was granted only to the United States, former Soviet Union (now to Russia), the UK, France and China under the non-proliferation treaty. Indeed, the emergence of NSG as a sort of cartel of 45 countries reflected a concerted attempt to isolate the odd countries like India which refused to subscribe to the NPT objective of permanently denying nuclear weapons status to any country other than the select five. Ironically, the US, which had taken the lead in shaping the NPT regime and subsequently the NSG and other nuclear-related regimes, has played the pivotal role in reopening the international civil nuclear market for India.

The landmark change would probably not have come about but for a deliberate ambiguity about the status of India's nuclear weapons programme. That India is a nuclear weapon state is a matter of fact that the international community knows but would not yet like to acknowledge it de jure. Perhaps none in the NSG would like to bolster India's nuclear weapons programme and yet in the end, the nuclear cartel chose to keep the issue aside and open the doors of international nuclear trade for Delhi.

If non-proliferation lobbyists in the US are unhappy that the Bush Administration chose to sidestep India's de facto nuclear weapon status, the political opposition in India is yet again up in arms, accusing the Manmohan Singh government of virtually converting the country's unilateral nuclear test moratorium into an international pledge as a pre-condition for the NSG waiver. The BJP has cited the recently revealed communication between American Congress and the State Department to claim that the government had bartered national security interest for the sake of the nuclear deal with the US. The truth behind the calculated ambiguity about the moratorium on testing may probably not be known for long as no test may also be warranted in the foreseeable future unless security environment around India undergoes

a dramatic change. This is why Prime Minister Singh and his Congress party are in a mood to celebrate. They now have a talking point for the upcoming parliamentary elections. The decision of the Nuclear Suppliers' Group (NSG) on Saturday to waive its stringent conditions for nuclear trade with India marked the culmination of India's over three decades' long quest for an honourable place in the global nuclear commerce. The country's right to engage in international nuclear cooperation was denied as a punishment for daring to conduct a nuclear test in 1974 as a demonstration of its nuclear weapon capability - a licence that was granted only to the United States, former Soviet Union (now to Russia), the UK, France and China under the non-proliferation treaty. Indeed, the emergence of NSG as a sort of cartel of 45 countries reflected a concerted attempt to isolate the odd countries like India which refused to subscribe to the NPT objective of permanently denying nuclear weapons status to any country other than the select five. Ironically, the US, which had taken the lead in shaping the NPT regime and subsequently the NSG and other nuclear-related regimes, has played the pivotal role in reopening the international civil nuclear market for India.

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APPENDIX - XXII

Editorial in the *ASIAN AGE* : Vienna: India wins the day".

New Delhi, September 10, 2008.

The way has at last been paved for India's formal entry into the global nuclear club and to an end to its 34-year-long nuclear isolation. This has been made possible thanks to the historic decision on Saturday by the 45-member Nuclear Suppliers Group to allow India, a non-signatory to the Nuclear Non-Proliferation Treaty, to engage in international nuclear commerce and secure for itself such equipment and technology as it needs to meet its nuclear energy requirements. Given the "touch and go" nature of the intense two-day negotiations at the NSG get-together at Vienna, the positive outcome, apart from being truly historic for India, is bound to be greeted with profound relief and satisfaction by all the countries which encouraged and supported India's bid to obtain a clean (meaning unconditional) clearance by way of an exception to engage in nuclear trade with countries in a position to fulfil India's needs. The NSG adjourned its Friday's deliberations at a tentative stage with no clear pointer to an outcome, positive or negative. Between Friday evening and Saturday, when the NSG unanimously granted the waiver to India, a great deal of last-minute efforts in the form of high-level interventions and diplomatic pressure seem to have been expended to facilitate a positive turn to overcome the objections and reservations of the six nations led by Austria and followed by Ireland, New Zealand, Norway, the Netherlands and Switzerland, that had stalled a consensus. The six were by themselves quite a powerful group with a potential to deny a waiver, even a qualified one, but the fact that they enjoyed the tacit support of China strengthened their stand. President Bush reportedly telephoned his Chinese counterpart, the Indian Prime Minister reassured his Norwegian counterpart and there were other delegation-level interactions during the night. China's favourable response was a major factor in clearing the air for the "sceptics". While these attempts to clear the roadblock on India's path undoubtedly helped, what emerged as the final persuader to neutralise the Austrian obduracy was apparently external affairs minister Pranab Mukherjee's suo moto statement in New Delhi on Friday evening reassuring the international nuclear community of India's commitment to non-proliferation and reiterating New Delhi's intention to abide by its voluntary unilateral moratorium on nuclear testing. Aside from Austria, the other "nonsayers" also were reportedly impressed by New Delhi's offer to be a participant, as a supplier nation for thorium-based fuel,

in the preservation of the non-proliferation regime. New Delhi invoked its diplomatic skills and reach to the full to clear the last hurdle standing between it and the main 123 Indo-US nuclear deal reaching the US Congress well in time for ratification. It will now be up to the Bush administration to ensure that the US Congress' response to the deal's ultimate clearance will match those of the IAEA (International Atomic Energy Agency) and the NSG, both of which have made their own significant contribution to the implementation of India's energy security strategy and its liberation from nuclear apartheid.



APPENDIX - XXIII

Editorial in the *DNA*¹ : Deal Come True.

Mumbai, October 2, 2008.

The last legislative hurdle in the India-US civil nuclear agreement has been crossed. The US senate has voted for it with an overwhelming 86-13 majority on Wednesday night, rejecting a killer amendment by Byron Dorgan and Jeff Bingaman (both Democrats). President George W Bush signs the bill into law on Friday, and secretary of state Condoleezza Rice will complete the ceremony with her counterpart Pranab Mukherjee in New Delhi on Saturday. It is curtains at last for the three-year drama which obsessed Indian political class and the media.

All the doubts and misgivings about whether the deal will go through for which prime minister Manmohan Singh staked his job and his government have come to an end. The Americans have kept their end of the bargain too. It has to be said that Singh stood firm against critics and detractors on his part, and he won over his Congress Party, many of whose members had reservations about it.

It was a rough passage for the deal, both in India and in the US. At home, the civil nuclear agreement was attacked by both the BJP and the Communists. The opposition in the US was from the Nuclear Non-Proliferation Treaty hawks in Washington. However, John McCain (Republican) and Barack Obama (Democrat) have endorsed the bill.

1. Daily News and Analysis.

Of course, once again there is a 'controversy' in India regarding Rice's assurances to the senate majority leader Harry Reid that if India carries out a nuclear test, then supplies of nuclear fuel and technology will be cut off. There is nothing new in that - US lawmakers want that assurance, though it does not stop us from going to other countries, now that the Nuclear Supplies Group has given its assent. But it is significant that acting chairman of the senate foreign relations committee Christopher Dodd had made the pertinent observation that India lives in a fragile neighbourhood.

A caveat though: The majority of the 13 who opposed the bill in the Senate were Democrats; which means that India will have to learn to manage the relations with the US with greater dexterity keeping in mind the prospects of a Democrat government after the November presidential and congressional elections.

Now India has to make use of this great opportunity of access to technology denied to it for 34 years. With France quick to sign an agreement with India, there will be a rush to see the commercial possibilities offered by this deal. The thrust now will be on getting the best technologies available in the international market and see how these help India's economic growth.



APPENDIX - XXIV

Editorial in the *Times of India*: It's Finally Done.

New Delhi, October 3, 2008.

It's a done deal now. Three years after it was set into motion, the Indo-US civilian nuclear agreement has seen the light of day with the US Senate voting emphatically in favour of it 86 to 13. This comes on the heels of the House of Representatives passing it with a slimmer aye margin. Doubts that the Bill might include fresh amendments not agreeable to India have been put to rest, with the acting chairman of the Senate foreign relations committee Christopher Dodd calling it "unnecessary" before floor leaders of both the parties asked their colleagues to fall in line.

This deal, along with the NSG waiver last month, ends 34 years of nuclear isolation for India and opens up the way for us to trade in civilian nuclear technology not just with the US but also with other countries such as France and Russia. In a double delight this week for Prime Minister Manmohan Singh and his team - who pushed for this deal against formidable domestic and international odds - France has already inked a pact with India. Russia too has expressed a keenness to cooperate with us. On another note, the deal's journey over the past three years has also seen the coming of age of the Indian-American community in the US - from a relatively apolitical lot to firm lobbyists for India's interests, which is welcome.

The BJP and the CPM - strange bedfellows indeed - are bound to once again raise the rhetoric of how we have signed away our right to test, and therefore pawned our sovereignty. But as we have pointed out in the past, nuclear deal or no deal, India will stand to be censured by the international community if it tests. Remember 1974 and 1998? Unless there is extreme provocation by either China or Pakistan, we have no need to test, precisely why we have a voluntary moratorium on testing. In the eventuality that we do test, the US is bound by the law of its land to suspend trade. However, there is the matter of presidential discretion as well - the US president of the day can review and waive the sanctions two months after they have been enforced.

Clearly, the benefits of the deal are worth it. According to the Confederation of Indian Industry, the deal could open up around \$27 billion in investment in 18-20 nuclear plants over the next 15 years. It would also help us develop alternate sources of power, as we simply cannot sustain depending on oil for over 70 per cent of our energy needs. Now that the deed is done, let's get on with it.



APPENDIX - XXV**Editorial in the *Deccan Herald*: In Elite Club.****Bangalore, October 3, 2008.**

The Indo-US nuclear deal has crossed the final hurdle with the US Congress giving its final nod to the 123 agreement which will allow civil nuclear commerce between India and the US. The controversial deal has gone through hard negotiations and uncertainties and faced strong opposition from different quarters in both countries for different reasons. It is a landmark event in the international nuclear regime because for the first time the accepted rules for nuclear co-operation have been rewritten for India, which will now be considered a de facto nuclear power. The IAEA safeguards agreement, the NSG waiver and the 123 agreement were steps towards that. With these enabling measures India can enter into nuclear trade deals with other countries to give a boost to its energy sector.

In spite of the Congressional approval and the earlier IAEA and NSG actions, there is a strong segment of international opinion that sees India as the gainer from the deal without having to pay anything in return. There are lingering doubts in India too about the usefulness of the agreement and even fears about its implications for India's strategic nuclear programme, especially after the assurances given by the US administration to Congress that US nuclear co-operation would be terminated and sanctions could be re-imposed if India conducts another nuclear test. The agreement apparently rests on India's unilateral moratorium on nuclear tests. But much of the opposition within the country is political and the ostensible advantages from the deal outweigh the perceived disadvantages. It would also be wrong to assume that the nuclear deal would make India a strategic ally of the US. It is too big a country to play second fiddle to another. In fact countries like France and Russia might gain more than the US from nuclear trade with India, as these countries have a more advanced nuclear industry and are less inhibited by political baggage than the US.

France has already signed a civilian nuclear trade agreement with India during Prime Minister Manmohan Singh's visit to that country earlier this week. An agreement with Russia is scheduled to be signed in December. The bilateral deal with the US is expected to be initialled on Saturday in New Delhi. The best guarantee of success of the deal is maintaining India's economic strength and international profile. The deal was basically a sign of acceptance of that, and it can hurt if we slip and lose our bargaining power.



APPENDIX - XXVI

Editorial in *The Hindu*: Do not Operationalize 1 2 3.

Chennai, October 3, 2008.

Given the riders that accompanied the passage of the U.S.-India Nuclear Cooperation Agreement through Capitol Hill, there is no reason for the United Progressive Alliance government to feel euphoric about Wednesday evening's 86-13 vote in the Senate. The 123 Agreement was always going to be subordinate to the Hyde Act and it was disingenuous of the government to argue the contrary. What made the text somewhat defensible was the balance of rights and obligations it could claim to strike within. That balance has been fatally disturbed by the White House and Congress entering reservations derogating from a number of its provisions. Those who argue that the bilateral deal is unaffected and that India cannot be bound by anything it does not sign miss the fundamental point: the U.S. has posted advance notice of its refusal to be bound by what it is about to sign. This means India must carry the burden of its obligations while being denied the clear rights the agreement gives it with respect to fuel supply commitments and the permanence of reprocessing consent rights. Implementation of the 123 was always going to be difficult given differing interpretations of the provisions on the termination of nuclear cooperation and implementation of 'the right of return.' But with the new issues opened up first by the Bush administration and then by Congress, it will be irresponsible on the part of the Indian government to operationalise the agreement - and use it as the basis to import 10,000 MWe worth of nuclear reactors from the U.S.

No doubt President George Bush will attempt to assuage Indian concerns by making a signing statement setting aside some of Congress's riders. But the bare essence of what the American legislature has done is to incorporate what Mr. Bush conveyed to it last month. Will it be proper for New Delhi to sign an agreement whose basic provisions Washington says it has no intention of treating as a legal commitment? Even if the Indian government places on record its disagreement with the U.S. position, the 123 is destined to remain a dead letter for the foreseeable future. Satisfactory fuel supply arrangements can conceivably be struck with other countries but no U.S. reactor can be bought without permanent arrangements for reprocessing its spent fuel firmly in place. For India, the Nuclear Suppliers Group waiver seemed the high point of the drama

because, in principle, it opened the doors of the world to it. But like a deviant son who appears in the closing stages to claim his inheritance, the 123 has become the plot spoiler. The UPA government must urgently take Parliament into confidence on what has happened. It must make it clear to the people of India and to the U.S. that bilateral nuclear commerce will not be possible given the refusal of Washington to accept the binding nature of the commitments it is entering into.



APPENDIX - XXVII

Editorial in the *Asian Age*: "At long last, a done deal".

New Delhi, October 4, 2008.

With 86 members of the United States Senate voting in favour of the civil nuclear agreement with India, and only 13 against, the process set in motion three years ago by Prime Minister Manmohan Singh and US President George W. Bush has reached a satisfactory conclusion. Few would have thought such a day possible. Going by the prevailing dogma, even contemplating trade in nuclear materials and equipment with a country refusing to sign the NPT and developing its own nuclear deterrent was taboo. Much of the credit for this historic development - which disregarded the belief of an age in an effort to craft a new paradigm in world affairs - goes to the unwavering political support to the idea from President Bush. Naturally, the US leader himself was ecstatic when the news of the Senate vote came in. He said the development would lay the foundation of a far-going, strategic relationship. Joseph Biden, the Democratic vice-presidential candidate, noted rightly that the voting showed that the support in the chamber was broad, solid, and bipartisan.

While two killer amendments moved by Democratic senators were shot down, the legislation that was so overwhelmingly endorsed makes it clear that cooperation in the civil nuclear field would cease if India conducted a nuclear test. This is in line with the purport of the measure passed in the House of Representatives last week as well as the Hyde Act. But Indians would not have failed to note that in order to bring the Democrats around, before the Senate vote, secretary of state Condoleezza Rice wrote to Senate majority leader Harry Reid that "most serious consequences" would

follow if India were to go in for a test in the future. Not only would nuclear cooperation cease but other sanctions would also follow.

Conceptually, there is nothing surprisingly new about this, given the traditional American perspective on non-proliferation. Equally, however, such thinking is not in accord with the spirit of the negotiations of the bilateral 123 Agreement between the two countries. Therefore, there is certain to be considerable interest in New Delhi in the presidential statement that would accompany the American legislation. Meeting the Indian Prime Minister in Washington recently, President Bush had said the final outcome ought to be such as to be acceptable to both the United States and to India. India would naturally be waiting to see what mitigating language he brings into play to align the new US legislation with the meaning and intention of the 123 Agreement signed between this country and the US.

The Indian leadership has been emphatic that it would be guided solely by the 123 Agreement, which envisages that both sides take a look at the balance of circumstances pertaining to security in the region, should India conduct a test. Essentially, this means that future testing does not automatically mean end of nuclear cooperation with the US. There is also the consideration that countries like France and Russia do not bring with them the equivalent of the newly passed American legislation in respect of nuclear trade with India. If the US envisages a transformed era in relations with India, this is something that cannot be kept out of view.



APPENDIX - XXVIII

Editorial in the *Hindustan Times*: Deal's done: Now to take advantage of it.

New Delhi, October 12, 2008.

The political capital of two world leaders and the public interest of the world's two largest democracies have been exhausted by the effort to complete the Indo-US civilian nuclear deal. No surprise then that the culmination of three-and-a-half years of political drama has been treated as back page news. Some of the main sources of dissent against the N-deal continued to bedevil the agreement till the last. President George W. Bush was obliged to say that congressional language did not affect guarantees of nuclear fuel supplies to India. New Delhi insisted that the agreement doesn't curb India's right to conduct a test. Small-print quibblers continue to insist that both statements are false.

The truth is that the thicket of agreements that constitutes the N-deal is so densely written, so buffered with 'ifs' and 'buts', and is so vague in places, that there is a fair amount of leeway when it comes to interpretation. What is clear, and tangibly so following the French N-agreement, is that they allow India to have both N-weapons and participate in civilian nuclear trade. This was not an option open to India before the 123 agreement.

The greatest amount of grey surrounds three aspects of the agreement: the provision of certain nuclear technologies, the response to future Indian testing and the guarantees of nuclear fuel supplies. The US and India had to stretch language to its limits to bridge the gap between America's entrenched non-proliferation policy and India's insistence on insurance against any negative turn.

In these areas, the main accomplishment of Indian negotiators has been to incorporate wording that provides a future Oval Office resident options that favour India's interests. In other words, what will determine interpretation will have less to do with specific wording and will be more about the future state of Indo-US relations. This is nothing unusual; it is par for the course in negotiations between countries. India has won itself some remarkable concessions. Extracting the maximum from these will depend on circumstance, but even more so on how well India plays its cards regarding the US in the decades to come.



STATEMENTS OF THE POLITICAL PARTIES

APPENDIX - XXIX

Statement issued by the Polit Bureau of the Communist Party of India (Marxist) on the Statement made by the External Affairs Minister in the Lok Sabha on Nuclear Energy Cooperation Agreement while speaking on foreign policy related developments.

New Delhi, March 3, 2008.

The statement¹ made by the Minister of External Affairs in the Lok Sabha, "On Foreign Policy Related Developments", has referred to the negotiations with the International Atomic Energy Agency and in relation to the Indo-US Nuclear Cooperation deal.

The statement draws attention to "some statements by US officials" regarding the applicability of the Hyde Act to the Civilian Nuclear Cooperation and asserts that the Hyde Act is applicable only to the US side and India's rights are protected in the bilateral 123 agreement.

The US official concerned is none other than the US Secretary of State, Condoleezza Rice, who told the House of Representatives Foreign Affairs Panel on February 14 that:

"We will support nothing with India in the NSG that is in contradiction to the Hyde Act. It will have to be completely consistent with the obligations of the Hyde Act".

This has been the consistent position of the United States administration regarding the applicability of the Hyde Act. It has become the practice for the Indian government to reiterate that the Hyde Act has no relevance for India and it is not applicable to us. No one else believes this to be so. Neither the Hyde Act nor the 123 agreement which has been drafted within the framework of the Hyde Act provisions meet the assurances given by the Prime Minister in his August 2006 statement to Parliament.

It is ironical that the statement to parliament says that the government will continue to "seek" a broad political consensus within the country. The government should first respect the majority opinion expressed by parliament when the 123 agreement was discussed in the Winter session of 2007. The government should acknowledge that its stand on the nuclear deal does not have the support of parliament. There is no political consensus and hence it should not proceed further with the agreement.



1 Please see Document No.86.

APPENDIX - XXX

Media Report on the meeting of the United Progressive Alliance - Left Committee on the India-United States Civil Nuclear Cooperation.

New Delhi, March 17, 2008.

The Left Parties on Monday felt that further discussions were needed on the draft India-specific safeguards agreement that was negotiated with the International Atomic Energy Agency (IAEA).

Reading out a brief prepared statement after the seventh meeting of the 15-member committee that lasted for nearly 90 minutes, External Affairs Minister Pranab Mukherjee said: "The members of the committee felt that further discussions were needed. It was decided to hold the next meeting of the committee in April." He said the outcome of the negotiations between India and the IAEA on the India-specific safeguards agreement was presented to the members of the committee. Mr. Mukherjee was accompanied by Communist Party of India (Marxist) leader Sitaram Yechury, who is also a member of the committee.

(The committee met after a gap of four months*. No further meeting between the alliance partners materialized because of differences on the question of India proceeding with the negotiations with the IAEA on the Safeguard Agreement as a pre-requisite to the waiver from the Nuclear Suppliers Group.)



* The sixth meeting of the Co-ordination Committee was held on November 16, 2007 and it was agreed that another meeting would be held. The statement issued then read: *"The Committee has discussed the implications of the Hyde Act on the 123 Agreement, on foreign policy and security matters. After further discussion, it was decided that impact of the provisions of the Hyde Act and the 123 Agreement on the IAEA Safeguards Agreement should also be examined. This will require talks with IAEA Secretariat for working out the text of the India-specific Safeguards Agreement. The government will proceed with the talks and the outcome will be presented to the Committee for its consideration before it finalises its findings. The findings of the Committee will be taken into account before the operationalisation of the India-U.S. Civil Nuclear Cooperation Agreement."*

APPENDIX - XXXI

Statement issued by the All India Congress Committee on benefits of the Indo-US Nuclear deal.

July, 2008.

The fact is that the Indo US nuclear deal is in the national interest, what with Indian nuclear plants currently running at less than 50 per cent capacity for want of the fuel which the country cannot access without the IAEA agreement and the NSG waiver for nuclear trade. The agreement is a clear win-win situation for India. It will help India to not only access nuclear fuel supplies to step up generation from its existing power reactors, currently operating at no more than 30-50 per cent capacity, but also free it from sanctions that have debilitated its nuclear and more general technological progress, that too without compromising its strategic nuclear deterrence program.

Once India has given the go ahead for the deal, not only the United States, but leading NSG members like Russia, France and Britain would help the India-specific waiver come into force at the IAEA. And after it comes through; India will be able to resume trade in nuclear fuel and technology for its civilian power sector.

The draft of the safeguards agreement circulated at IAEA's Board recently and made public on 10th July, 2008; indicates that:

- India may take measures to ensure uninterrupted operation of civilian reactors in the event of the disruption of foreign fuel supplies.
- India will provide an assurance that no safeguarded and material is diverted from civilian use.
- IAEA shall avoid hampering India's development and interfering with any activity involving use by India of nuclear or non-nuclear material, equipment or technology acquired or developed by India, independent of agreement for its own purpose.
- Some nuclear materials can be exempted from safeguards. The draft agreement specifies that these may not exceed a Kg. in total fissionable material which may consist of plutonium or uranium of specified enrichment. Also exempt are 10 tonnes of natural uranium and depleted uranium as strategic reserve

Thus, after nearly three decades, India has been offered a golden opportunity to emerge out of its nuclear exclusion and be treated at par with the top nations of the world in terms of nuclear energy output. At present nuclear power production in India accounts for only a measly 3% of the total generation of 140,000 MW. Large scale nuclear power production would also mean less dependence on traditional sources of non-renewable fuel such as coal, oil and petroleum. Abundant nuclear power production would obviously lead to a fall in fuel and electricity prices. The fruits of privatization and rapid development are seen in the telecom sector. The nuclear deal could mean a similar boom in the field of energy.

It is very critical for India to have this deal fructify if we want to have 60,000-100,000 MW of nuclear power in our energy mix in the next 25 to 50 years. Given the growth of population and GDP, nuclear Power in India has the possibility of contributing 10% of our energy needs by the year 2022 and 26% of our energy needs by the year 2052. From the available uranium resources in our country, nuclear power can only yield a maximum of 10,000 MW of power, which is less than three percent of the power generated. India also has 40 percent of the world's thorium reserves. However, to reach the thorium stage, India needs the latest technology, which it can get only if it signs the deal with the US. Going it alone has not really worked for India, at least in the field of civilian nuclear energy. This deal will not only help in making India self-reliant so far as energy requirements go, but will also help in ending the country's enforced nuclear apartheid. And it should not be seen in isolation from the country's overall energy security which is in a precarious state as the recent oil price shocks illustrate. Other countries are increasingly going back to nuclear energy (and looking to follow the example of France where 80% of energy needs are met from nuclear power plants) as a relatively cleaner fuel option. Thus, China is also ramping up its domestic nuclear expansion plans, aiming for a total of 60 gigawatts by 2020 against its current nuclear capacity of only 9 gigawatts or fewer than 2 percent of its total installed power generation capacity. We on the other hand, are endangering our economic growth prospects for short term electoral prospects or due to blind ideological obduracy.

Some of our friends do not realize that there are a number of forces outside the country who are inimical to India and do not want the deal to fructify. The New York Times and the Economist have both recently carried lead

articles and editorials against the deal and it has also been assailed by some US lawmakers known for their anti-India slant. The New York Times for example wrote in its editorial on July 5th 2008,

President Bush gave away far too much and got far too little for this deal. No promise from India to stop producing bomb-making material. No promise not to expand its arsenal. And no promise not to resume nuclear testing.

The soaring price of crude oil and growing concern over climate change mean that governments can no longer afford to ignore nuclear energy, the nearest thing to a non-polluting energy source capable of generating power on a large scale. It is cleaner than coal and more reliable than wind. And when this deal looks set to resuscitate our nuclear energy program without endangering our nuclear deterrent, the last thing India needs is for some of its political parties to look a proverbial gift horse in the mouth because of partisan political considerations.



APPENDIX - XXXII

Statement by the Left Parties on the India - Specific Safeguards Agreement with the IAEA.

New Delhi, July 8, 2008.

The UPA Government has refused to submit the draft text of the IAEA Safeguards Agreement to the UPA-Left committee. As the experience of the 123 agreement has shown, the claims of the Government made prior to the negotiations are not borne out by the actual text. Thus the full text of the agreement is necessary to clarify the major issues involved.

The first major issue relates to the possibility of the US terminating civilian nuclear cooperation with India for any reason in the future. India already had such an experience, when the US suspended nuclear fuel supplies to the Tarapur Atomic Power Station in 1983, reneging upon a thirty year contract signed in 1963. In the present case, the IAEA safeguards would continue even in such a scenario, since they are applicable in perpetuity to the entire civilian nuclear energy sector. The text of the 123 agreement has very ambiguous references to India taking "corrective measures" if nuclear fuel supplies from abroad are discontinued. Therefore, the text of the IAEA Safeguards Agreement needs to be made available to see whether any corrective action is possible on India's part, if the US discontinues the fuel supplies.

Secondly, the 123 agreement claimed that the US would join India in negotiating with the IAEA an "India-specific fuel supply agreement". However, it is well-known that the IAEA is not at all concerned with fuel supply but only with the imposition of safeguards on nuclear equipment and material. Therefore, it is important to know how the IAEA Safeguards Agreement provides for the fuel supply assurances in the case of India as claimed in the 123 agreement.

The key concerns expressed by the Left Parties regarding the IAEA Safeguards Agreement and which have not been addressed by the UPA are the following:

- In case the US or other countries in the NSG renege on fuel supply assurances for imported reactors, will we have the ability to withdraw these reactors from IAEA safeguards?
- If US/NSG countries renege on fuel supply assurances, can we withdraw our indigenous civilian reactors from IAEA Safeguards?

- If we have to bring nuclear fuel from the non-safeguarded part of our nuclear programme for these reactors in case of fuel supply assurances not being fulfilled, will we have the ability to take it back again?
- What are the corrective steps that India can take if fuel supplies are interrupted by the US/NSG countries?
- What are the conditions that India will have to fulfill if the corrective steps are to be put into operation?

Once the text of the Safeguards Agreement is approved by the IAEA Board of Governors, which is what the UPA Government seeks to do now, the subsequent steps require no participation at all by the Government of India. It is the US Government that takes the next steps - moving the NSG countries for the waiver and then placing the 123 Agreement before the US Congress. Therefore, it is critical for the country that the IAEA Safeguards Agreement is discussed with full transparency and not kept secret.

Why is the Manmohan Singh government keeping the draft of the IAEA Agreement secret from the people of India?

Sd/-

(Prakash Karat)
General Secretary
Communist Party of India (Marxist)

(A.B. Bardhan)
General Secretary
Communist Party of India

(Debabrata Biswas)
General Secretary
All India Forward Bloc

(T.J. Chandrachoodan)
General Secretary
Revolutionary Socialist Party



APPENDIX - XXXIII

Statement by the Left Parties on the India - Specific Safeguards Agreement with the IAEA.

New Delhi, July 11, 2008.

The Left Parties had opposed the operationalisation of the Indo-US Nuclear Deal after the passage of the Hyde Act. After the 123 agreement was finalised, it was pointed out that the agreement was in conformity with the Hyde Act. The Left Parties had then asked the UPA Government not to take further steps to operationalise the nuclear deal.

In the UPA-Left Committee, the UPA claimed that they should be allowed to proceed with the IAEA Safeguards Agreement, which would incorporate uninterrupted fuel supplies and various corrective measures, which the Government had failed to secure in the 123 agreement. The Left Parties were skeptical about these issues being resolved in the IAEA. The UPA refused to show the negotiated text for the last four months.

The text of the Safeguards Agreement has now become public. It is clear that the text was hidden from the Left Parties and the Indian people in order to suppress the fact that India is about to bind its entire civilian nuclear energy programme into IAEA safeguards in perpetuity without getting concrete assurances for uninterrupted fuel supply, right to build strategic reserves and right to take corrective steps in case fuel supplies are stopped.

IAEA Safeguards in Perpetuity without Concrete Fuel Supply Assurance.

The text of the draft "Agreement Between the Government of India and the International Atomic Energy Agency for the Application of Safeguards to Civilian Nuclear Facilities"; the so-called 'India-specific Safeguards' agreement sent to the IAEA Board of Governors on July 9, 2008, makes it clear that the repeated assurances made by the UPA Government in Parliament and outside, on securing uninterrupted fuel supply assurances and strategic fuel reserves have not been fulfilled. There are no concrete corrective measures in the main enforceable body of the Agreement, only a vague mention of "corrective measures" in the preamble.

Under the Hyde Act, IAEA safeguards are to be imposed on India's civilian nuclear facilities in perpetuity. The UPA government had repeatedly claimed that India would put its civilian reactors under safeguards under the strictly reciprocal condition of assured fuel supply. If fuel supply was disrupted, as

happened in Tarapur, India would have the right to take corrective measures, including taking reactors out of IAEA safeguards.

The key question therefore with respect to IAEA safeguards is: how to ensure that once India's civilian reactors go under safeguards in perpetuity, the country would not be blackmailed by the withholding of nuclear fuel supplies, as the United States did in Tarapur following Pokhran-I?

The preamble to the Safeguards Agreement notes that India is offering its civilian nuclear facilities for IAEA safeguards on the "essential basis" of "the conclusion of international cooperation arrangements creating the necessary conditions for India to obtain access to the international fuel market, including reliable, uninterrupted and continuous access to fuel supplies from companies in several nations, as well as support for an Indian effort to develop a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of India's reactors." The real point is that the preamble merely 'notes' India's intentions in these respects. IAEA has neither any obligation regarding fuel supplies or building strategic reserves nor does this noting India's basis for this offer give India any additional rights through this agreement. Therefore to read into this clause either a guarantee for fuel supplies or IAEA's support for building up a strategic reserve is misleading the people.

"Corrective Measures": Vague and Ineffective

The preamble of the IAEA Agreement notes: "India may take corrective measures to ensure uninterrupted operation of its civilian nuclear reactors in the event of disruption of foreign fuel supplies." Neither the "corrective measures" nor the precise relationship between these "corrective measures" and the in-perpetuity imposition is spelt out in any meaningful terms in the text. This means that should India for any reason decide to take the items subject to the Agreement out of IAEA safeguards on the contention that the "essential basis" no longer applies, it will open itself to the serious charge of violating an international agreement. In this connection, it is worth remembering that although India claims the right, under the provisions of the 1963 Indo-US agreement on Tarapur, to reprocess the considerable quantities of Tarapur spent fuel that have accumulated to India's great inconvenience and expense, it has not been able to enforce the claimed right to reprocess, which has long been disputed by the United States.

As against the vagueness of the "corrective measures" figuring in the preamble, what is spelt out clearly in the body of the agreement (Paragraph 32) is that India can withdraw its facilities from safeguards only if it is (a) jointly agreed between India and IAEA, and (b) if these facilities are no longer usable for any nuclear activity. What does this mean? It can only mean that India can withdraw any facility it wants out of IAEA safeguards only if it strips it of all capability of producing nuclear energy and that too only after the IAEA determines that "the facility is no longer usable for any nuclear activity relevant from the point of view of safeguards."

Even if the Agreement is terminated by mutual consent, the termination of safeguards on the items subject to the Agreement [these are material and facilities as defined in Paragraph 11(a)] would stay in place in accordance with GOV/1621 till all the conditions of GOV/1621 are met. The conditions of GOV/1621 are so stringent that the rights and obligations of the parties continue to apply on all nuclear materials till they have been returned or all fissionable materials supplied or produced goes out of the inventory - that is, until all the facilities and material, nuclear or non-nuclear, supplied to the country under these safeguards are either returned or consumed or no longer usable for any nuclear activity. Therefore, this provision will not allow a single reactor to be taken out of safeguards.

Preambular References Non-Enforceable

It is well established in international law that the preamble is a part of the treaty or international agreement and it can be used to give colour and tone to the interpretation of the operative part of the treaty/agreement. This does not however mean that it can be used to create additional rights or obligations that are not contained in the clauses of the Treaty/Agreement.

The text of the IAEA Draft Agreement makes clear there are no corrective measures identified in the operative of the clauses of the Agreement. The mention of corrective measures is only in the preamble and here too, no concrete corrective measures have been defined. Unless there are specific provisions in the operative clauses, a phrase such as "corrective measures" inserted in the preamble cannot create either omnibus rights or obligations outside the text of the treaty. A similar example is for instance the TRIPS Agreement in WTO. The preamble states that it recognizes "the underlying public policy objectives of national systems for the protection of intellectual property, including developmental and technological objectives". However, can any country use the "public policy objectives" to override, for instance, the need for providing product patents as contained the body of the TRIPS

agreement?

The way a facility can be withdrawn from safeguards has been spelt out in the main body of the draft agreement. Therefore, if the UPA government is trying to argue that the preambular statement of "corrective measures" gives India some kind of overriding right over all clauses in the body of the Agreement, it is committing a deliberate fraud on the people.

The final arbiter with regards to any interpretation of the Agreement and dispute settlement is the Board of Governors of IAEA. The Board of Governors decision is final in this regard and if India is held to be non-compliant, even though it is not so by its own interpretation, India can be referred to the Security Council for action including sanctions. The Iran case is an example. Though many countries including India had publicly endorsed Iran's right to the fuel cycle, it was referred to the Security Council for violation of its Safeguards Agreement by the Board of Governors at US's instance.

Left Parties' Concerns Not Addressed

The Left Parties, on July 8, 2008, asked the UPA government to spell out the following:

- In case the US or other countries in the Nuclear Suppliers Group renege on fuel supply assurances for imported reactors, will India have the ability to withdraw these reactors from IAEA safeguards?
- If the US/NSG countries renege on fuel supply assurances, can we withdraw our indigenous civilian reactors from IAEA safeguards?
- If we have to bring nuclear fuel from the non-safeguarded part of our nuclear programme for these reactors in case of fuel supply assurances not being fulfilled, will we have the ability to take it back again?
- What are the corrective steps India can take if fuel supplies are interrupted by the US/NSG countries?
- What are the conditions that India must fulfill if the corrective steps are to be put into operation?

What is clear now is that every one of these concerns remains, and that the unspecified "corrective measures" inserted in the preamble of the Safeguards Agreement will not address any of them.

India to be treated as a Non-Nuclear Weapons State for Safeguarded Facilities

Except for the preamble, which explains the context in which India is entering this Safeguards Agreement and outlines the basis of India's concurrence, the main body of the Text is a true copy of INFCIRC-66/Rev.2 (1968), which is the standard agreement applicable to all Non-Nuclear Weapon States of the NPT. The India-specific part comes not from INFCIRC 66 but from the fact that India has kept a part of its nuclear programme out of IAEA safeguards. But for the facilities it proposes to put under IAEA safeguards, it will be treated as a Non-Nuclear Weapon State. Clearly, India will not have any special rights in its safeguarded facilities and this directly contradicts the assurances given by the Prime Minister to Parliament. Nuclear Weapon States, as defined in the NPT, have the right to take any facility out of safeguards, a right India will not have for the reactors it is offering to IAEA for safeguards.

Against India's Interests

It is clear that the IAEA Safeguards Agreement does not address the fundamental problems in the Hyde Act and the 123 Agreement. As a result of operationalising the Indo-US Nuclear Deal, India will place its costly imported reactors under perpetual IAEA safeguards and risk their permanent shutdown in case it fails to toe the US line on foreign policy issues. Thus going ahead with the Safeguards Agreement will be harmful to India's interests.

Sd/-

Prakash Karat

A.B. Bardhan

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APPENDIX - XXXIV**Statement issued by the Polit Bureau of the Communist Party of India (Marxist) on the India - IAEA Safeguards Agreement.****New Delhi, August 2, 2008.**

The Safeguards Agreement with India endorsed by the IAEA Board of Governors on August 1, 2008 has made it clear that 14 Indian civilian nuclear facilities will start coming under perpetual IAEA Safeguards from 2009. That the interpretation of the Indian Government regarding the "corrective measures" mentioned in the Preamble of the Safeguards Agreement providing for a check against disruption of fuel supplies, does not hold, has been made clear by the IAEA. In his introductory statement to the Board of Governors, IAEA Director General Dr. Mohamed El Baradei said: "As with other safeguards agreements between the Agency and Member States, the (Indian) agreement is of indefinite duration. There are no conditions for the discontinuation of safeguards other than those provided by the safeguards agreement itself. The termination provisions contained in the agreement are the same as for other 66-type agreements". Therefore, the Safeguards Agreement can only be terminated under the standard termination conditions contained in Articles 29 and 32 of the Agreement, implying that nuclear facilities can be withdrawn from safeguards only after these facilities are no longer usable for any nuclear activity.

This belies the Prime Minister's assurance in Parliament that India's civilian nuclear facilities would be put under perpetual IAEA safeguards only under the strictly reciprocal condition of uninterrupted fuel supply guarantees. Neither does the 123 agreement with the US provide any such fuel supply guarantee nor can the IAEA ensure uninterrupted fuel supply since it is only a monitoring agency. Thus, the provisions of the Hyde Act and not the assurances made by the Indian Prime Minister in Parliament are shaping the course of the Indo-US nuclear deal through the various stages.



APPENDIX - XXXV

Press Statement issued by BJP National Spokesperson Prakash Javadekar on the India - IAEA Safeguards Agreement.

New Delhi, August 2, 2008.

1. The passage of safeguard agreement at IAEA is not an occasion to celebrate but an occasion to introspect the consequences of the conditionality, which binds India in perpetuity. As was feared by BJP the agreement is not an India specific but is a modal agreement for non-nuclear-weapon states. The preamble pays lip service to India's concerns but it is not part of an operational agreement. The India-IAEA safeguards accord comes with perpetual, legally irrevocable obligations, which India can not suspend or end, even if the supplier-states cut off supply of fuel and replacement parts.

Now, India is under perpetual inspection regime of IAEA, without guarantee of fuel in perpetuity. BJP wanted strategic partnership with USA, but what UPA has achieved is strategic subservience. While the five established nuclear weapon states have offered only 11 facilities out of total 400 facilities for inspections, India has agreed to place 14 reactors and 21 other institutes under perpetual inspections.

BJP's yet another fear has also come true if we read the statement by Nicholas Burns carefully. He has clearly stated that Hyde Act is applicable to 123 agreement and prohibits India from further nuclear tests. If India tests in future USA can take back the fuel, plant, machinery and spares without India's permission. The statement by Nicholas Burns clearly vindicates BJP's interpretation and negates the govt. version, that is why govt. is keeping mum on the issue.

BJP wants to ask the government as to why it is not coming clear on the issue of energy to be generated through this agreement. We have three posers to the government.

- a. What is the total quantum of power (in M.W.) will be added after the agreement?
- b. When the new reactors will start generating the power?
- c. What is the cost of nuclear energy (per unit of electricity)?

We know that govt. is silent for last three years on these three vital questions as the answers to it are Inconvenient Truth.

2. The attempt to defame BJP by the dirty trick department of Congress-SP unholy alliance has failed miserably. Everybody suspects that the ill-conceived fake CD¹ seems to be the handy work of this department, where director is Congress, producer is Amar Singh and distributor is Uma Bharti. The role of Sh. Amar Singh in luring away MPs from various party has been accepted by himself in an interview to a national fortnightly in which he has stated "I don't break parties. They will start melting when I am around. I will gather them and put them in a pot. I will get MPs, more than I have claimed." He must explain the modus-operendi and formula of "getting the MPs" and melting of parties when he is around.

It is proved now that the fake CD was shot only after the trust vote just to defame BJP and divert the attention from the original CD which is being inspected by the Parliamentary Committee and which has not been telecast by the channel, which performed the original sting. BJP is confident that in this battle truth will emerge victorious and nefarious designs of Congress-SP unholy alliance will be defeated. People of the country have realised that this unholy alliance can go to any extent to hide their sin and their monstrous act of destroying democracy by manipulating forged the victory.



1. This refers to the allegations that some members of Parliament were bribed to vote in a particular manner during the vote of confidence in the Council of Ministers in the Lok Sabha on July 22.

APPENDIX - XXXVI

Statement by the All India Congress Committee on the waiver from the NSG: "An end to Nuclear apartheid".

New Delhi, September 8, 2008.

The clean waiver given to India by the Nuclear Suppliers Group (NSG) enables India to resuscitate our nuclear energy program without endangering our nuclear deterrent. India will not merely be able to access nuclear fuel supplies to step up generation from its existing power reactors, currently operating at no more than 30-50 per cent capacity, but also free it from sanctions and denial of nuclear commerce that have debilitated its nuclear and more general technological progress for several decades.

The NSG document while taking note of the energy needs of India and of the steps that India has voluntarily taken in deciding to separate civilian nuclear facilities in a phased manner and in filing a declaration regarding its civilian nuclear facilities with IAEA and agreeing to application of safeguards to its civilian nuclear facilities and to refrain from transfer of enrichment and reprocessing technologies to states that do not have them and supporting international efforts to limit their spread; has agreed that participating governments may transfer "trigger list items" and/or related technology to India for peaceful purposes and for use in IAEA safeguarded facilities and participating government may also transfer nuclear related dual use equipment, materials, software and related technology to India for peaceful purposes and for use in IAEA safeguarded civil nuclear facilities.

Both the US presidential nominees on Sunday have welcomed the NSG waiver to India, with Republican John McCain asking Congressional leaders to act "expeditiously" to pass the Indo-US nuclear deal and Democrat Barack Obama seeking its quick submission before lawmakers. Despite the fact that this is a huge breakthrough for India some critics continue to cry foul. The BJP calls the waiver a "non-proliferation trap" set by the US and other countries. It argues that by taking away India's right to test ever again, the NSG was continuing to punish India as it had done in 1974. It questions whether India's right to test become "illusionary" or can India undertake further tests, what are the benefits that can accrue to India. Will India be able to receive technology for enrichment and reprocessing (ENR), sensitive and dual use technology and whether India be able to maintain "lifetime reserves" of fuel etc Others have argued that the UPA Government

has "converted its voluntary moratorium on nuclear testing into a multi-lateral commitment". It will bind India to all the conditions set out in the Hyde Act. India would not get any better terms from any other country supplying nuclear fuel or reactors as all of them would now align with the 123 Agreement.

The principal criticisms of the agreement are that India will lose its rights to further nuclear tests and our foreign policy will be constrained due to the provisions of the Hyde Act. Both these criticisms are without basis. Neither the 123 Agreement nor the NSG Waiver explicitly refers to nuclear tests. The important point to note is that it was the NDA Government which had announced the unilateral moratorium on nuclear tests and the present Government is merely continuing that policy. A clear separation plan for our civil and military nuclear facilities has also been agreed to. Secondly the extraneous and prescriptive provisos of the Hyde Act are not binding on India which would only be bound by the international treaty it has signed viz the 123 agreement. India has also been allowed to build strategic reserves of fuel for its civil nuclear reactors up to their life cycles and to reprocess spent fuel.

It is useful to recollect that our former President and also the architect of Pokharan II, Dr. Abdul Kalam is a strong supporter of the agreement. Former president A P J Abdul Kalam has said the India-US nuclear agreement and the Nuclear Suppliers Group (NSG) waiver were good for the country and also that India may break its "voluntary moratorium" on further nuclear tests in "supreme national interest". Kalam made it clear that if the need arose, "India will do the test in the supreme national interest and nobody can stop it", and stressed that when it comes to national interest all political parties must come together. "Well, you see, supreme national interest, OK, every country got supreme national interest, any pact or any treaty; when the national interest comes in, it becomes the highest priority," Kalam said in an interview. In any case the 123 agreement recognizes India's implicit right to test should the geopolitical situation so warrant.

The Nuclear Suppliers' Group (NSG) through its waiver has lifted obstacles to India buying products and technologies associated with civilian uses of nuclear technology from (and selling these to) most significant nuclear powers save the US. To enable civil nuclear commerce with the US, that country's legislature must now ratify the 123 Agreement finalised between the Bush administration and New Delhi.

The implications are not just for nuclear energy, with our existing reactors that are running short of fuel now potentially able to run at full capacity and enable us to set up new nuclear plants. The unprecedented decision of the NSG giving exemption to India which has not signed the nuclear Non-Proliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT) should also be recognized as India's coming of age in the world order.

Vital sectors of the economy stand to benefit from access to a range of high-technology products and technologies that had, till now, been outside India's reach because of its status as a nuclear pariah. Many advances in materials, communications, computing, signaling, chemical processing and avionics are deemed sensitive technologies not accessible to nuclear have-nots. Access to these technologies opens up now. This will improve efficiencies across the board in India, from weather forecasting to oil refining.

The country can now attract over \$40 billion in foreign investment in 18-20 nuclear plants over the next 10-15 years as the result of private sector entry into India's nuclear power generation. As Rajiv Gandhi once said, "India missed the industrial revolution; I don't want it to miss the electronic revolution". But without an energy boom even our electronics and IT sectors cannot sustain their growth levels. India at present has per capita power consumption of just 480 kwh against 1782 kwh for China and 7111 kwh for an advanced European country like Germany. India consumes 3.2 % of world's power against China's 14% and the USA's 24.2%. At present nuclear power production in India accounts for only a measly 3% of the total generation of 140,000 MW. Large scale nuclear power production would also mean less dependence on traditional sources of non-renewable fuel such as coal, oil and petroleum. We need new energy sources to sustain our growth prospects. Now after nearly three decades India has been offered a golden opportunity to emerge out of its nuclear seclusion and be at par with the top nations of the world in terms of nuclear energy output.

But the biggest gain is strategic. Non-proliferation activists objected to what they called India's "win-win deal" on the ground that it gives India an exceptional status: It is the only country that possesses nuclear bombs but is not part of the Nuclear Non-Proliferation Treaty to be accepted into the community of nations allowed to legitimately engage in nuclear commerce. The major powers of the world have recognized India's status as a growing power whose potential to contribute to a stable global order is huge. It is that recognition that persuaded them to work out the current exception to nuclear convention in the form of the waiver from NSG. Prime Minister

Manmohan Singh, Chairperson UPA, Smt. Sonia Gandhi our External Affairs Minister, Shri Pranab Kumar Mukherjee and the entire ruling UPA as well as our diplomats and nuclear scientists should get the credit for having made this global breakthrough.

Annexures

PART-I

- The Hyde Act constitutes internal US legislation that enables the US Government to negotiate an agreement for civil nuclear cooperation with India.
- The 123 Agreement, which has been negotiated between India and the US constitutes the enabling framework that will guide India-US civil nuclear cooperation. This agreement lays down the broad parameters for such cooperation. It will be ratified by the US Congress only after the conclusion of an India-Specific Safeguards Agreement between India and the IAEA and the adoption by the NSG of an exemption in favour of India.
- Actual nuclear trade between India and the US will be conducted on the basis of the existing trade laws, rules and procedures of both India and the US. As is the practice, when actual trade and cooperation starts, the partner countries facilitate the harmonization of their respective rules and procedures governing such trade. This may require India and the US to further amend some of their own laws, rules and procedures governing such trade. This will be done at the appropriate time.

PART-II

- In order to enable cooperation with the wider international community, the conclusion of an India-Specific Safeguards Agreement and an exemption by the NSG from its guidelines in favour of India are essential.
- The Safeguards Agreement has been concluded and was approved by the IAEA Board of Governors on 1 August, 2008. The process of NSG exemption has now been achieved. Taken together, these two elements constitute a passport for India to explore nuclear trade with the wider international community.

PART-III

- Once all these pieces are in place, India would be ready to consider nuclear trade with the wider international community, including Russia, USA and France on the basis of the already negotiated bilateral agreements with these countries, which are awaiting ratification/signatures. Actual trade will take place according to the existing trade laws, rules and regulations of the two countries.
- How to cooperate, with which country to cooperate and to what extent such cooperation will go - all these are matters of sovereign decision by India that will be made keeping national interest and other relative aspects in view.

PART-IV

- The US Congress sets rules for international trade in the US. As such, it is natural for it to engage in a dialogue with the US Administration as it goes about the process of amending and/or enacting laws/ regulations/procedures governing such trade, including nuclear trade.
- It is a matter of public knowledge that the US Congress poses questions for the record to the Administration about legislative matters and receives answers to them. The questions and answers that have been exchanged between the US Congress and the US Administration with regard to the 123 Agreement represent this process and there is nothing out of the ordinary about them. They reflect the fact that Congress is trying to seek clarifications on an urgent matter that is about to go before it. India's Parliamentary Committees undertake much the same line of enquiry whenever important matters of legislation are before them.
- It should be noted that these questions were posed in October 2007 and answers to them were provided in January 2008. Clearly, after the 123 Agreement was concluded between India and the US on 1 August 2007, parallel processes of enquiry, consultation and clarifications started both in United States and in India. Just as the Government of India undertook a process of informing Parliament about these developments and consulting with its allies, the US Congress started a parallel process of seeking clarifications from the Administration by way of posing these questions. These actions

were also relevant because both sides anticipated the next steps in the process, i.e., the conclusion of an India-Specific Safeguards Agreement with the IAEA and the adoption of an exemption to its guidelines by the NSG in favour of India.

- Insofar as the substance of these questions and answers is concerned, Government of India does not, as a matter of policy, comment on internal correspondence between different branches of another government. We are clear that cooperation between India and the US will be guided by the India-US 123 Agreement, which is based on the India-US Joint Statement of July 18, 2005 and the Separation Plan of March 2, 2006.
- Insofar as the issue of the testing is concerned, India's position is well known. We have a unilateral moratorium on testing and this is reflected in the Indian-US Joint Statement of July 18, 2005. There is nothing in any document that we have negotiated that limits India's rights with regard to a possible future nuclear test. As far as the consequences of such an action in terms of reactions by other countries are concerned, they have been a matter of public knowledge for quite some time. The 123 Agreement has been concluded in full knowledge of these possible consequences. It should be noted that the consequences would come about even in the absence of a 123 Agreement.



**UPA-LEFT COMMITTEE
INDO-US NUCLEAR COOPERATION**

**NOTES EXCHANGED BETWEEN
THE UNITED PROGRESSIVE ALLIANCE
AND
THE LEFT PARTIES**

APPENDIX - XXXVII

Left Parties Statement on the Indo-US Bilateral Nuclear Cooperation Agreement.

August 7, 2007.

The Left Parties have consistently held that the nuclear cooperation agreement should not be seen in isolation from the overall strategic tie up with the United States. The nuclear cooperation deal is an integral part of the July 2005 joint statement, which has political, economic and strategic aspects. It is also closely linked to the June 2005 military framework agreement signed with the United States.

It is therefore not possible to view the text of the bilateral "123" agreement negotiated with the United States as a separate and compartmentalized entity without considering its implications for India's independent foreign policy, strategic autonomy and the repercussions of the US quest to make India its reliable ally in Asia. Following from the July 2005 Joint Statement, many steps have been taken to entangle India into a complex web of political, economic and military relationships as part of the "strategic partnership". The talk of the two democracies working together on a global scale, the growing influence of US-India forums on economics and commerce and the increasing military collaboration seen through the negotiations for the Logistics Support Agreement, the steadily escalating joint exercises and the inevitable demand that India purchase expensive weaponry from the United States, are all evidence of this trend.

Even now, the briefing by the US spokesman on the bilateral nuclear agreement emphasizes the cooperation India extended in efforts to isolate Iran by voting twice against it in the IAEA and the clear expectation that it will continue to extend this "cooperation".

Such an expectation is in line with the provisions of the Hyde Act, which looms in the background. The bilateral agreement cannot be seen outside the context of the Hyde Act. However much the two sides have sought by skillful drafting to avoid the implications of the Hyde Act, it is a "national law" which is there, at present, and will be there, in the future. The agreement which binds India into clauses of perpetuity and which legitimizes the US abiding by its "national laws" is something which should be seen objectively for its serious implications.

Serious concern had been expressed by the Left Parties about various conditions inserted into the Hyde Act passed by the US Congress. A number of them pertain to areas outside nuclear co-operation and are attempts to coerce India to accept the strategic goals of the United States. These issues are:

Annual certification and reporting to the US Congress by the President on a variety of foreign policy issues such as India's foreign policy being "congruent to that of the United States" and more specifically India joining US efforts in isolating and even sanctioning Iran [Section 104g(2) E(i)]

Indian participation and formal declaration of support for the US' highly controversial Proliferation Security Initiative including the illegal policy of interdiction of vessels in international waters [Section 104g(2) K]

India conforming to various bilateral/multilateral agreements to which India is not currently a signatory such as the US' Missile Technology Control Regime (MTCR), the Australia Group etc [Section 104c E,F,G]

All of these are a part of the Hyde Act. The 123 Agreement refers only to the narrow question of supply of nuclear materials and co-operation on nuclear matters. The provisions of the Hyde Act are far wider than the 123 Agreement and could be used to terminate the 123 Agreement not only in the eventuality of a nuclear test but also for India not conforming to the US foreign policy.

The termination clause is wide ranging and does not limit itself only to violation of the Agreement as a basis for cessation or termination of the contract. Therefore, these extraneous provisions of the Hyde Act could be used in the future to terminate the 123 Agreement. In such an eventuality, India would be back to complete nuclear isolation, having accepted IAEA safeguards in perpetuity. Therefore, the argument that provisions of the Hyde Act do not matter and only 123 clauses do, are misplaced.

The Left Parties have well-known views against nuclear testing for weaponisation, but that does not mean acceptance of any US imposed curbs on India's sovereign right to exercise that choice. The direction in the Hyde Act with regard to the Fissile Material Cut-off Treaty (FMCT) is unacceptable.

An important aspect of the Indo-US nuclear cooperation is the relegation of India's traditional commitment to universal nuclear disarmament. By getting accommodated in a US led unequal global nuclear order, India's leading role in advocating nuclear disarmament as a major country of the non-aligned community is being given the go-by.

While the 123 Agreement is being presented as a victory for India and conforming to the Prime Minister's assurances in the Parliament, we find that there are a number of issues on which it falls short of what the Prime Minister had assured the Parliament. While the Indian commitments are binding and in perpetuity, some of the commitments that the US has made are either quite ambiguous or are ones that can be terminated at a future date.

Under the terms set by the Hyde Act, it was clear that one of the key assurances given by the Prime Minister to Parliament on August 17, 2006 - that Indo-US nuclear co-operation would cover the entire nuclear fuel cycle - would be violated. The proposed 123 Agreement while superficially using the original wording of the Joint Statement of 2005, "full civilian nuclear co-operation", denies co-operation or access in any form whatsoever to fuel enrichment, reprocessing and heavy water production technologies. The statement of intent in the Agreement that a suitable amendment to enable this access may be considered in the future has little or no operative value.

Further, this denial (made explicit in Art 5.2 of the proposed agreement) also extends to transfers of dual-use items that could be used in enrichment, reprocessing or heavy water production facilities, again a stipulation of the Hyde Act. Under these terms, a wide range of sanctions on a host of technologies would continue, falling well short of "full civilian nuclear co-operation".

It is also important to recognise that the fast breeder reactors under this agreement would be treated as a part of the fuel cycle and any technology required for this would also come under the dual use technology sanctions. This would be true even if future fast breeder reactors were put in the civilian sector and under safeguards. Thus, India's attempt to build a three-phase, self-reliant nuclear power programme powered ultimately by thorium would have to be developed under conditions of isolation and existing technology sanctions.

It might be noted that dual-use technologies pertain to a wide variety of items, which are used well beyond the nuclear sector and by this clause the US has effectively armed itself with a lever for imposing sanctions on a wide range of Indian activities. Even in the new facilities built for reprocessing the spent fuel under safeguards, the onerous technological sanctions implied by the "dual-use" label will apply. This is certainly a major departure from what the Prime Minister had assured the House, namely that this deal recognises India as an advanced nuclear power and will allow access to full civilian technologies.

Another key assurance that had been given by the Prime Minister was that India would accept safeguards in perpetuity only in exchange for the guarantee of uninterrupted fuel supply. While the acceptance on India's part of safeguards in perpetuity has been spelt out, the linkage of such safeguards with fuel supply in perpetuity remains unclear. The assurance that the United States would enable India to build a strategic fuel reserve to guard against disruption of supplies for a duration covering the lifetime of the nuclear reactors in operation appears to have been accepted in the agreement. The agreement also assures that in the event of termination of co-operation with the United States, compensation would be paid for the return of nuclear materials and related equipment. This will be small comfort for the damage caused.

However, whether the fuel supply will continue even after cessation or termination of the agreement depends solely on the US Congress. The Hyde Act explicitly states that the US will work with other Nuclear Suppliers Group (NSG) countries to stop all fuel and other supplies to India if the agreement is terminated under US laws. Since this Agreement explicitly gives the domestic laws the over-riding power, it appears that fuel supply from the US will not only cease in case the US decides to terminate the Agreement but they are also required under the Hyde Act to work with Nuclear Suppliers Group (NSG) to bar all future supplies. Clause 5.6 on disruption of supplies therefore seems to be limited to "market failures" and not to cover a disruption that takes place under the clauses of the Hyde Act. In such an eventuality, the US will have to pay compensation to India but all future fuel supplies would stop. Therefore, the 123 Agreement represents the acceptance of IAEA safeguards in perpetuity for uncertain fuel supplies and continuing nuclear isolation with respect to a substantial amount of technological know-how.

It is clear that the UP A government looks forward to an agreement with the NSG that would be more wide-ranging than the 123 Agreement allowing for access to enrichment and reprocessing technologies, support for building a strategic reserve and provision of nuclear fuel in case of disruption of US supplies or termination or cessation of the 123 Agreement. In the likely event that the NSG does not oblige, the terms of the 123 Agreement would impact even more negatively than they appear now. The same consideration applies to any agreement that would be made with the IAEA.

The Prime Minister assured the Parliament that all steps would be taken by India reciprocally with steps by the US. The Agreement ties India into long-term virtually irreversible changes in its nuclear institutional structures and arrangements. It is crucial to ensure that India is fully satisfied on all aspects of the agreement as also other strategic and foreign policy concerns before it actually implements its separation plan and placing of 'its civilian facilities under permanent IAEA safeguards. Not only the provisions of the Agreement but also the sequencing of actions is therefore of vital importance.

The flawed nuclear cooperation agreement cannot be justified on the debatable basis of augmenting our energy resources, or achieving energy security. The motivation for the US side is commercial gains which will accrue for its corporates running into billions of dollars.

The bilateral nuclear agreement must be seen as a crucial step to lock in India into US global strategic designs. Alongside negotiations for the nuclear accord, steps have been taken for closer military collaboration. The Access and Cross Servicing Agreement, otherwise known as the Logistics Support Agreement is being pushed ahead as provided for in the Defence Framework Agreement. This would lead to regular port calls by US naval ships in Indian ports for fueling, maintenance and repairs. The regular joint naval exercises have now been widened to include India in the trilateral security cooperation which exists between the US, Japan and Australia. The September joint naval exercises in the Bay of Bengal are a major step in this direction. The United States is exerting pressure on India to buy a whole range of weaponry such as fighter planes, helicopters, radars and artillery involving multi-billion dollar contract-. The aim is to ensure "inter-operability" of the two armed forces.

The Left Parties had earlier cautioned the government not to accept nuclear cooperation with United States on terms that compromises India's independent foreign policy and its sovereign rights for developing a self-reliant nuclear programme. It had asked the UPA government to desist from proceeding with the negotiations for the 123 Agreement till the inimical provisions of the Hyde Act are cleared out of the way.

The Left Parties, after a careful assessment of the text of the 123 Agreement and studying it in the context of the burgeoning strategic alliance with the United States, are unable to accept the Agreement. The Left calls upon the government not to proceed further with the operationalising of the agreement. There has to be a review of the strategic aspects of Indo-US relations in Parliament. The Left Parties will press for a Constitutional amendment for bringing international treaties and certain bilateral agreements for approval in parliament.

Prakash Karat

Communist Party of India (Marxist)

(A.B.Bardhan)

Communist Party of India

(G. Devarajan)

All India Forward Block

(Abani Roy)

Revolutionary Socialist Party



APPENDIX - XXXVIII

Left Parties: Implications of the Hyde Act for the 123 Agreement and for Self-Reliance in the Nuclear Sector

September 14, 2007.

THE IMPACT OF US NATIONAL LAWS ON THE 123 AGREEMENT

Article 2.1 of the 123 Agreement states that "Each Party shall implement this Agreement in accordance with its respective applicable treaties, national laws, regulations, and licence requirements concerning the use of nuclear energy for peaceful purposes". This clearly means the following:

- That all relevant yet unspecified internal US laws such as the Hyde Act and the US Atomic Energy Act 1954 will directly impinge on the nuclear deal.
- That any legislation adopted in future by the US Congress will also apply.
- That the 123 Agreement is not a stand-alone Agreement but is circumscribed by various applicable US laws.
- That the 123 Agreement therefore does not give India any protection under international laws.

The China-US 123 accord states: "the parties recognize, with respect to the observance of this agreement, the principle of international law that provides that a party may not invoke the provisions of its internal law as jurisdiction for its failure to perform a treaty". Similarly, the Japan-US 123 Agreement (Article-14) states: ".1£ any dispute arising out of the interpretation or application of this agreement is not settled by negotiation, mediation, conciliation, or other similar procedure, the parties may agree to submit such dispute to an arbitral tribunal which shall be composed of three arbitrators appointed in accordance with the provisions of this paragraph"? In contrast, the Indo-US 123 Agreement has a single-sentence Settlement of Disputes (Article 15), which merely says, "Any dispute concerning the interpretation or implementation of the provisions of this agreement shall be promptly negotiated by the Parties with a view to resolving that dispute".

The Government may clarify why could we not have obtained a more meaningful "Settlement of Dispute" clause akin to what China and Japan appear to have obtained in their 123 Agreements, to preserve their long-term national interest?

Section 2.1 also refers to respective applicable treaties.

Has the Government identified the treaties being referred to and does it also mean discriminatory international treaties to which the US is signatory but India is not? This is important, as the 123 Agreement nowhere lists either the applicable domestic laws or international treaties, leaving considerable room for later disagreement.

FUEL SUPPLY ASSURANCES

Section 103(b)(10) of the Hyde Act limits the fuel reserve to be provided to India at anytime to that which is "commensurate with reasonable operating requirements." Article 5.6 of the 123 Agreement has been cited as an ostensible concession to India's demand for assured lifetime fuel supply. However, Article 5.6(a) appears to be only a US commitment to seeking agreement from the US Congress to amend its domestic laws rather than an outright assurance, and all options that follow in Article 5.6(b) are, therefore, contingent upon such future amendments. The following issues arise:

- Even if the 123 Agreement is approved by the US Congress, the situation will stay the same as stipulated in the Hyde Act whose Sections 104(g)(2)(F)(iii), 102(13), 103(a)(4) and 103(a)(6) limit nuclear fuel and other exports directly by the US. and even any role that may be played by the US in respect to such exports by other countries.
- Necessary amendments to the Hyde Act too would, therefore, have to be enacted.

IAEA SAFEGUARDS AND ADDITIONAL PROTOCOL

The Hyde Act 2006, through its Section 104(b)(2), requires India and the IAEA to conclude all legal steps required prior to signature by the parties of an agreement requiring the application of IAEA safeguards in perpetuity and make substantial progress towards concluding an Additional Protocol with the IAEA, applicable to India's civilian nuclear programme. The PM stated in Parliament on August 17, 2006 that "it is worth emphasizing that

the March 2006 Separation Plan provides for an India Specific Safeguards Agreement with the IAEA, with assurances of uninterrupted supply of fuel to reactors that would be placed under IAEA safeguards together with India's right to take corrective measures in the event fuel supplies are interrupted." The following issues arise:

- Since various reactors would be placed under safeguards "in perpetuity", what corrective measures are visualised to ensure uninterrupted operation of the civilian nuclear reactors in the event of disruption of foreign fuel supplies?
- What "India-specific" safeguards are envisaged over and above IAEA's INFCIRC-66 (Rev.2) referred to?
- Has the Government examined the implications of the IAEA Additional Protocol and its intrusive pursuit clauses?

SEPARATION PLAN OF MARCH 02, 2006

The Separation Plan has been tabled in Parliament and forms an important part of the nuclear deal, such as the approach and guiding principles which India follows in choosing facilities to be put in the civil list, the specific facilities agreed to be placed initially as civil entities, the assertion that India retains the sole right to determine which reactors will be designated as civilian in the future, etc. However, while the Hyde Act refers to the Indian Separation Plan, this finds no mention in the 123 Agreement except that Section 15 of the Separation Plan on Safeguards has been copied as Article 5.6 in the 123 Agreement without citing its origin. What are the implications of this omission from the 123 Agreement, particularly as regards any future designation by India of facilities in the civilian list or otherwise?

FULL NUCLEAR COOPERATION

On 17-8-2006, Prime Minister assured the Parliament, "The objective of full civil nuclear cooperation is enshrined in the July Statement. This objective can be realized when current restrictions on nuclear trade with India are fully lifted ... Only such cooperation would be in keeping with the July Joint Statement". Clearly, government has not succeeded in living up to this promise.

Sections 104(d)(4)(A)(i) and 104(d)(4)(B) of the Hyde Act together deny the export of any equipment, components or materials related to uranium enrichment, spent-fuel reprocessing or heavy water production to India,

unless it is for a multilaterally managed facility to be located in India. Section 103(a)(5) of the Act states that the US policy will be to work with other NSG members to further restrict transfers of such equipment and technologies to countries, including India. Article 5.2 of the 123 Agreement states such items may be transferred to India pursuant to an amendment to this Agreement, which appears highly unlikely.

While technologies, equipments and components for reprocessing plants are denied to India, India has agreed under the 123 Agreement to build a new reprocessing plant, solely to handle spent-fuel from imported reactors. Has the Government examined the implications of building a new reprocessing plant under technology sanctions, and then putting it under IAEA safeguards and Additional Protocols?

ANNUAL CERTIFICATION / ASSESSMENT BY THE US PRESIDENT

Regarding annual certification of India by the US President to the US Congress, the Prime Minister told Parliament on 17-8-2006 that, " ... [US legislation] requires the US President to make an annual report to the Congress that includes certification that India is in full compliance of its non proliferation and other commitments. We have made it clear to the United States our opposition to these provisions, even if they are projected as non-binding on India, as being contrary to the letter and spirit of the July Statement. We have told the US Administration that the effect of such certification will be to diminish a permanent waiver authority into an annual one. We have also indicated that this would introduce an element of uncertainty regarding future cooperation and is not acceptable to us."

Notwithstanding the PM's assertion, the US Congress has required in Section 104(g)(2) of the Hyde Act that annually the US President shall submit to the appropriate Congressional committees a report which includes a large number of evaluators of India's non-proliferation performance and the extent of cooperation we are extending to the US on various issues. Among other items, the US President is to annually furnish data on such uranium used in production of weapons, the rate of production in India of fissile materials for weapons and the number of nuclear explosive devices made.

The information on India's strategic programmes, materials and data to be collected by the US administration and presented every year to the US Congress is cause for serious concern. Does the government intend to furnish to the US President this sensitive data? If not, is the government

aware through what means the US administration plans to gather such information? And how has converting a permanent waiver authority into an annual one now become acceptable?

It has been argued that President Bush, while signing the Hyde Act into law, has noted that Section 103 on Statement of Policy is not binding and that he would treat the relevant clause as advisory, presumably also impinging on reporting on such policies as required under Section 104. However, President Bush's declaration of a large number of different clauses in various legislations passed by the US Congress as "advisory" has been highly controversial. Future US Presidents may not interpret the Hyde Act in this manner. Can we bind the country for 40 years based on the interpretation of the present President?

CONSENT TO REPROCESS SPENT-FUEL OF US ORIGIN

Article 6(iii) of the 123 Agreement indicates the grant of consent to reprocess spent-fuel of US origin. The procedures involved and the associated time-scale for getting full consent are not clear in the Agreement. There is a requirement that India must build a new, dedicated reprocessing plant for this purpose, without the benefit of any import of technology, equipment or components for this plant, which nevertheless will come under IAEA safeguards and Additional Protocol. US and India are to agree on arrangements and procedures under which reprocessing can take place in this facility. Consultations to finalize these procedures and arrangements are to be finished in one year. There is no indication as to when the actual clearance for reprocessing can be expected. There does not seem to be either an "up-front" consent for reprocessing or a guaranteed time frame in the 123 Agreement.

Government may clarify the time and financial expenditure it will take to build this new reprocessing facility. From the end of the year when the procedures and arrangements are finalized, how much longer will it take for the US to grant the one-time permanent consent to reprocess all US-origin spent fuel? Will the consent to reprocess US-origin spent-fuel indicated in this Agreement also include permission to reprocess the accumulated spent-fuel from Tarapur 1&2 plants of US supply?

ENERGY ISSUES

The issues that need to be addressed for working out our energy options are the following:

- Cost of imported reactors vis-a-vis domestic reactors.
- Cost of imported and domestic nuclear energy versus other sources of energy.
- An assessment of what is an appropriate energy mix taking into account domestic coal, hydro and recently discovered gas resources.

For the purpose of estimating future demand, we are' tabulating below the Planning Commission's estimates for 2016-17, 2021-22 and 2031-32.

Projections for Electricity Requirements with *% GDP Growth

2006-07	2016-17	2021-22	2031-32	installed
153,000	306,000	425,000	778,000	MW

Source: Integrated Energy Policy, Planning Commission, Table 2.5

The Integrated Energy Policy had estimated (Page 22) that in one scenario, it would mean reaching 150,000 MW hydro and 63,000 MW nuclear by 2031-32. It had also indicated that this was the outside limit of what could be achieved for hydro and nuclear and stated, "These scenario assumptions in respect of hydro and nuclear may not be fully realised and are made here in order to characterise the Left Parties on Implications of Hyde Act boundaries of alternative choices." The document also gives the figures for 2020 for nuclear as 29,000 MW as the optimistic scenario (Table 3.4, Page 37). With the above, it is difficult to understand the Government's sudden estimate of needing to reach 40,000 MW nuclear power by 2021. These figures do not seem to have come out of any study done by either the Planning Commission or any other agency. So we would like to know on what basis has the Government identified that it needs to reach 40,000 MW by 2021-22 and therefore, its need to import a large number of reactors for this purpose?

By all accounts, imported nuclear plants are the most expensive in terms of capital costs per MW. Therefore, any programme using imported reactors in large numbers would involve much larger outlays in capital terms than any other source. Has the Government done any exercise towards a perspective plan for the energy sector (apart from the Integrated Energy Policy already mentioned above), which factors in the high cost of capital and its implications for the Indian economy? How does the Government

propose to raise "this high amount of capital? It may be noted that the World Bank does not give any loans for nuclear power due to high cost and therefore, India will have to raise commercial loans in the international debt market for this purpose. Has any exercise been done in this regard? Has the Government done any study to see how it proposes to raise loans for the debt portion of these projects?

The Government has talked of a nuclear renaissance. Has the Government done a study regarding this "renais-sance"? From all accounts, the situation regarding the nuclear industry has not materially changed internationally. Amongst the developed countries, the US, Germany, Italy, the UK, Sweden, etc., are all not building new plants or proposing to phase out their existing nuclear plants. The only exceptions are France and Japan. Even here, there is a slow down in investing in new plants. The main reasons given for moving away from nuclear plants is the high cost of nuclear power in spite of certain. Governmental subsidies in terms of insurance and waste disposal. Has the Government done an exercise to evaluate the state of the nuclear industry in developed countries to support its claim of a nuclear renaissance?

IMPACT OF IMPORTED REACTORS ON DOMESTIC INDUSTRY

The Indian civilian nuclear energy programme has suffered immensely from the nuclear embargo imposed on it by the US and other countries in the nuclear cartel. It is only after we have now successfully built our version of the Pressurized Heavy Water Reactors (PHWRs), scaled it up to 540 MW, have successfully commissioned the experimental fast breeder facility at Kalapakkam, that we now see the US offering to lift these sanctions and supply nuclear reactors. Of course, importing these reactors would also mean making the nuclear energy programme dependent on imported uranium fuel and therefore be open again to future blackmail of the nuclear cartel. Therefore, importing a large number of reactors is not only a high cost option, but will also make our nuclear energy programme far more dependent on the Nuclear Suppliers Group. Why is then the Government thinking of importing Light Water Reactors (LWRs) from the international market? Has it done any study to evaluate the possible technology options, their costs, the impact on energy security and the ability of the manufacturers to meet the target that is being projected by the Indian Government?

COST OF ELECTRICITY FROM DIFFERENT SOURCES

When we look at the energy costs from nuclear power plants - the new Tarapur units or Kaiga for example - the cost per unit of nuclear power is relatively much higher than coal, gas or hydro plants of equivalent vintage. Has the Government done any analysis of the per unit cost of nuclear energy? Has the DAFINPC evolved norms for nuclear power and made this available for public scrutiny?

While nuclear energy using domestic PHWRs appears to be more expensive than coal-fired plants, the picture is much worse for imported reactors. As the major cost of nuclear energy is due to the capital servicing cost, obviously higher the capital cost, higher is the cost of energy derived from such plants. As the imported nuclear reactors based on independent international studies (not those made by nuclear associations and manufacturers) cost at least \$2,000/kW. This translates to about Rs. 9 crore per MW as against Rs. 6.2 crore per MW for domestic reactors. Given this, it is clear that nuclear energy using imported reactors would be much more expensive than any other option. For instance, the cost of power from imported reactors will be at least twice that of equivalent coal-fired plants. So why is the Government choosing this option? Even if it wants to put in substantial amounts in nuclear energy, why is it opting for the high cost imported reactor route?

SHORTAGE OF INDIGENOUS URANIUM SUPPLIES

Since the days of Homi Bhabha, India had planned its nuclear energy programme taking into account that uranium is not available in the country in abundance and can support only around 10,000 MW. The three-phase plan was therefore to build PHWRs to use natural uranium and convert it to plutonium, which could be used in the fast breeder reactors. In the second phase, the fast breeders would use this plutonium to produce much more energy than possible with just PHWRs. BARC had stated that the fast breeder route would allow the same amount of uranium to support 350,000 MW nuclear energy programme. In the third phase, thorium, of which we have 25-30 per cent of world's reserves, would be used for producing energy, thus making our indigenous resources virtually unlimited. This plan was to ensure India's energy security and insulating India from the vagaries of the international uranium market, which has a strong cartel. It was for this reason that we have gone slowly on nuclear power so that the fast breeder programme is commercially available before we make the big push.

India has uranium ores in its soil to sustain a total PHWR capacity of 10,000 MWe. We have so far installed only 4100 MWe of PHWRs, but already the uranium supplies are critically low and is well below the current demand. The PHWRs, which were operating some six years ago at a healthy plant capacity factor close to 90 per cent, are today edging close to a 45 per cent capacity factor, merely due to shortage of natural uranium. In a country where enough uranium ore is present underground, this is inexcusable. No explanation has been given officially of how this has come about. At the same time, it appears that using the poor performance and slow growth of the PHWR programme as an excuse, the government is pushing for the import of much costlier foreign reactors through the Indo-US nuclear deal as a substitute to the indigenous PHWRs. The attempt seems to be only to highlight the need for uranium imports and therefore justify the Indo-US deal.

The current uranium shortage over the last ten years has occurred due to allocation of insufficient funds to the uranium-mining sector since 1990. The Government failed to address the grievances of the local community regarding the mining. The shortage of natural uranium alone is considerably slowing down the indigenous three-stage nuclear power programme, while creating a false impression that the PHWR programme under the first stage is failing to produce desired results due to technical deficiencies.

Government may clarify what it is doing to address the gap between demand for uranium and supply. Has the government fixed the responsibility for this serious deficiency? How long will it take before the plant capacity factors of current PHWRs start coming up and reaching close to 90 per cent once again? Abandoning the indigenous route for imported supplies seems to be throwing the baby out with the bath water.

TECHNOLOGY SANCTIONS AND THEIR IMPLICATIONS

One of the consequences of the Hyde Act is now clear.

The technology for the fuel cycle as well as all dual use technology is outside the scope of this agreement. In other words, we can import reactors and uranium fuel so that we become dependent, but cannot access technology from the international market which will truly foster self-reliance. Not only would large parts of the existing technology sanctions stay, we

are also proposing to put ourselves in a double bind. We will open our new reprocessing facility and the future breeder programme to IAEA inspection, without securing any relaxation of the technology sanctions regime for these facilities and plants. Has the Government done any exercise to analyse the implications of this?



APPENDIX - XXXIX

UPA Response to Left Parties' Note of September 14 September 17, 2007

1. THE IMPACT OF US NATIONAL LAWS ON THE AGREEMENT

It is a normal and accepted practice that implementation of an International Agreement requires a domestic legal framework.

The internal US law, which has relevance to the signing of the 123 Nuclear Cooperation Agreement with India, is the US Atomic Energy Act. It has already been amended by the enactment of the Hyde Act, which provides permanent waiver to certain restrictions of section 123 of the US Atomic Energy Act read with sections 128 and 129. These are (i) subsection a (2) of Section 123 of the Atomic Energy Act of 1954 (Atomic Energy Act 123 (a) (2): a requirement of full scope safeguards (ii) application of section 128 of the Atomic Energy Act of 1954 with respect to exports to India; and (iii) application of Section 129 a (1) (D) of the Atomic Energy Act of 1954 (exemption from the stipulation that the intended partner for cooperation should not have detonated).

The US Congress passed the Hyde Act in December 2006. This is an enabling legislation which is applicable only to US Administration.

The core of this legislation is that it gives a permanent waiver in respect of the above provisions of the US Atomic Energy Act and there is implicit recognition of India's status as a Nuclear Weapons State. We are in a unique position. We have the benefit of civil nuclear cooperation with the USA and the rest of the world being opened to us while, at the same time, we are in a position to continue with our independent strategic nuclear programme, our autonomous three - stage indigenous nuclear programme and our independent research and development.

- It is to be noted that Hyde Act does not apply to India. India's commitment will arise from the 123 Bilateral Cooperation Agreement which once approved by the US Congress will become law. The 123 Agreement as the prevailing law will then delineate the specific rights and the responsibility of the US and India that govern and control the Agreement's implementation.
- The 123 Agreement is not circumscribed by various US laws and stands on its own as: Customary international law ensures that the Hyde Act does not apply to India or override the Agreement. Articles 26 and 27 of the Vienna Convention on the Law of Treaties, 1969 read:

"Article 26: *Pacta sunt servanda* - "Every treaty in force is binding upon the parties to it and must be performed by them in good faith".

Article 27: "Internal law and observance of treaties" "A party may not invoke the provisions of its internal law as justification for its failure to perform a treaty." These Articles of the Vienna Convention are a codification of a longstanding principle of customary international law, confirmed in state practice, international agreements, and authoritative commentaries.

Besides, the US Constitution provides that treaties made under the authority of the US Government "shall be the supreme Law of the Land."

Article VI (2) of the US Constitution states that: "This. Constitution, and the Laws of the United States which shall I be made in Pursuance thereof and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land and the Judges in every. State sh~ll be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding."

The Left Parties' Note refers to the China-US 123 Agreement which explicitly reproduces the principle of international law, that; parties may not invoke the provisions of international law as justification for failure to perform a treaty. In this context, attention is invited to Article 27 of the Vienna Convention which says, "A party may not invoke the provisions of its international law as- justification for its failure to perform a treaty".

In effect, Article 16.4 of the Indo-US 123 Agreement provides for this by stating that "this agreement shall be implemented in good faith and in accordance with the principles of International Law." China-US 123 Agreement only reiterates the principle of International Law which does not change or improve by reiteration. The absence of its reiteration in Indo-US 123 Agreement cannot change its applicability.

The Japan - US Agreement has two articles dealing with two different subjects: firstly, Article 14 which deals with any question concerning the interpretation or application of the agreement; and secondly, Article 12 which deals with termination of the agreement.

The provision in the India-US agreement comparable to Article 14 (of the Japan-US agreement) is Article 15, which deals with any dispute concerning the interpretation or implementation of the agreement. In the case of Japan, the remedy is to refer to arbitration whereas, in the case of India, the remedy is through negotiations. No other agreement has a clause similar to the one in the US-Japan agreement. Clearly, negotiations give India much greater freedom and flexibility than international arbitration.

Article 12 of the Japan-US Agreement is comparable to Article 14 of the India-US Agreement. In the Japan-US Agreement, there is a power to terminate and nothing further is provided. In the India-US Agreement, under Article 14, there is a multi-layered process of consultations with enough safeguards built into the same. Therefore, Article 14 of the India-US Agreement is far superior in the sense that no agreement with any other country allows a period of one year for consultation after the dispute has arisen, and terminates after the end of one year.

CHINA-US AGREEMENT VERSUS INDIA-US AGREEMENT

In the China-US Agreement, Article 7 deals with termination and it is styled as "cessation of cooperation". It provides that the parties shall promptly hold consultations on the problem and nothing more; In the India-US Agreement, under Article 14, there is a multi-layered process of consultation and a period of one year for negotiations before termination can come into effect.

There is no clause in the China-US Agreement on any dispute concerning the interpretation or implementation or application. In the India-US Agreement, as stated already, there is Article 15. Further, and more important, point to be noted is that in Article 14 of the India-US Agreement, there is a requirement to give "reasons" for the proposed termination.

2. FUEL SUPPLY ASSURANCES

The Joint Statement of 18 July 2005 provided inter alia that the US President would also seek agreement from the US Congress to adjust US laws and policies, and that the United States will work with friends and allies to adjust international regimes to enable full civil nuclear energy cooperation and trade with India.

Subsequently, the 2 March 2006 Separation Plan provided: "The United States has conveyed its commitment to the reliable supply of fuel to India. Consistent with the July 18, 2005, Joint Statement, the United States has also reaffirmed its assurance to create the necessary conditions for India to have assured and full access to fuel for its reactors.

As part of its implementation of the July 18, 2005, Joint Statement the United States is committed to seeking agreement from the US Congress to amend its domestic laws and to work with friends and allies to adjust the practices of the Nuclear Suppliers Group to create the necessary conditions for India to obtain full access to the international fuel market, including reliable, uninterrupted and continual access to fuel supplies from firms in several nations.

To further guard against any disruption of fuel supplies, the United States is prepared to take the following additional steps:

- i) The United States is willing to incorporate assurances regarding fuel supply in the bilateral US-India agreement to peaceful uses of nuclear energy under Section 123 of the US Atomic Energy Act, which would be submitted to the US Congress.
- ii) The United States will join India in seeking to negotiate with the IAEA an India-specific fuel supply agreement.
- iii) The United States will support an Indian effort to develop a strategic reserve of nuclear fuel to guard against any disruption of supply over the lifetime of India's reactors.
- iv) If despite these arrangements, a disruption of fuel supplies to India occurs, the United States and India would jointly convene a group of friendly supplier countries to include countries such as Russia, France and the United Kingdom to pursue such measures as would restore fuel supply to India.

The US Congress passed, the Hyde Act in December 2006. This is an enabling legislation of the US, as noted above, which provides a permanent waiver for India from certain sections of the US Atomic Energy Act.

As noted above, the US had agreed to incorporate its assurances relating to fuel supply in the bilateral India-US Agreement. This has been achieved in Article 5.6(a) of the 123 Agreement which specifically provides for reliable, uninterrupted and continual access to fuel supplies to India's reactors. The US commitment to India under the 123 Agreement to supply fuel for the lifetime of India's reactors is specific. The assurances provided in Article 5.6(a) stand by themselves.

Article 5.6(a) could also be read as a US commitment to amend its domestic laws should any law stand in the way of US fulfilling these fuel-supply obligations.

Further, to provide additional comfort to India, in Article 5.6(b) of the 123 Agreement, the US has agreed to include . the provisions from the Separation Plan which elaborate the steps US would take to ensure uninterrupted and continual access to fuel supplies for India's safeguarded reactors.

The 123 Agreement also envisages, in consonance with the Separation Plan, US support for an Indian effort to develop a strategic reserve of nuclear fuel to meet the lifetime requirements of India's reactors.

As also noted above under (1), once the 123 Agreement is approved by the US Congress it will become US law, which as the US Constitution expressly provides "shall be the supreme Law of the Land". The US commitment for assured fuel supplies for the lifetime of India's safeguarded reactors should therefore be under no doubt.

Apart from the US commitment to which they are bound, after the NSG exemption, India will obtain fuel from other countries, consistent with our needs for assured uninterrupted fuel supplies for the lifetime of our reactors.

3. IAEA SAFEGUARDS AND ADDITIONAL PROTOCOL

The confusion in the Left Parties' Note arises from the fact that the Hyde Act is regarded as applying to India. Instead, India's obligation would arise from the India specific Safeguards Agreement with the IAEA.

In the 2 March 2006 Separation Plan, India had agreed to negotiate an India-specific Safeguards Agreement with the IAEA in light of the understandings with the US regarding reliable, uninterrupted and continual access to fuel supplies.

We had agreed to voluntarily place identified civilian nuclear facilities under India-specific safeguards in perpetuity and negotiate an appropriate Safeguards Agreement with the IAEA. The India-specific Safeguards Agreement will inter alia provide for corrective measures that India may take to ensure uninterrupted operation of its civilian nuclear reactors in the event of disruption of foreign fuel supplies. The 123 Agreement clearly provides for the application of IAEA safeguards, which are to be finalized through the India specific Safeguards Agreement with the IAEA (Article 10). As envisaged by the Separation Plan, this will be in a phased manner.

While India will negotiate with the IAEA an India specific Safeguards Agreement that Agreement will be brought into force only after the NSG exemption and bilateral cooperation agreements are in place, including the 123 Agreement with the US.

We will negotiate and finalise the India specific Safeguards Agreement just as we have finalized the 123 Agreement. The Prime Minister had stated that "We seek the removal of restrictions on all aspects of cooperation and technology transfers pertaining to civil nuclear energy -- ranging from nuclear fuel, nuclear reactors, to re-processing spent fuel, i.e. all aspects of a complete nuclear fuel cycle."

The India specific Safeguards Agreement will be linked to the fuel supply assurances to ensure the uninterrupted operation of our reactors over their lifetime. The IAEA safeguards system in INFCIRC 66/ rev.2 provide a template for facility-specific safeguards. We have agreed to apply safeguards (to the safeguarded reactors alone) in perpetuity in return for assurance of fuel supply. These will be reflected appropriately in our Safeguards Agreement and hence these will be India specific.

Our interest lies in using nuclear energy to meet our growing energy requirements, ensuring that there is no interruption in the operation of our nuclear reactors. To safeguard against any eventuality of disruption in fuel supply, the right to take corrective measures to ensure uninterrupted operation of the safeguarded reactors has been incorporated in the 123

Agreement. The exact nature of the corrective measures would depend upon the nature of the disruption.

The Left Parties' Note refers to "the IAEA additional protocol and its intrusive pursuit clauses".

In the case of India the Agreement is to negotiate an additional protocol that will be India-specific. The additional protocol that India will enter into will be consistent with our national interests. What will be negotiated will have safeguards in respect of the safeguarded facilities and the safeguarded material.

4. SEPARATION PLAN OF 2 MARCH 2006

There is no adverse implication of non-reference to Separation Plan in the 123 Agreement. The Separation Plan finalized voluntarily by Government of India is in our national interest. It is not a bilateral document. As noted by the Left Parties themselves, the Separation Plan provides the approach and the guiding principles which India would follow in deciding about the facilities it would put under safeguards. It is India which retains the sole right to decide which facilities would be designated as civilian. There is therefore no question of including a reference to the Separation Plan in the 123 Agreement which is a bilateral agreement with the United States. It is for India to decide which future reactors will come under safeguards. Foreign reactors using foreign supplied nuclear material, equipment and technology will come under safeguards. Decisions on future indigenously built and fuelled reactors will also be made by India voluntarily, keeping in mind our national interest, as has been done in the Separation Plan.

What has been incorporated in the 123 Agreement is that provision of the Separation Plan which is pertinent, namely, the fuel supply assurances as elaborated in paragraph 15 of the Separation Plan. These have been included in full in the 123 Agreement in Article 5.6.

5. FULL NUCLEAR COOPERATION

Prime Minister in his statement to the Parliament on 17 August 2006 had stated, "We seek removal from of restrictions on all aspects of cooperation and technology transfers pertaining to civil energy - ranging from nuclear fuel, nuclear reactors, to re-processing spent fuel, i.e. all aspects of a complete nuclear cycle."

The 123 Agreement meets all these benchmarks. The transfers of fuel and reactors have been obtained in Articles 2.2, 5.1 and 5.3. Assurances to guard against any disruption of supply over the lifetime of India's civilian reactors have been embodied in the Agreement (Article 2.2 (e), 5.6 and 14.8). Our right to reprocess, which is so critical for the three stage programme of nuclear development, has been secured (Article 6(iii)). The Agreement opens the possibility of enrichment and reprocessing technology transfers (Article 5.2). This is an exception made for India as US policy does not permit such transfers. The provisions of Article 5.2 keep this possibility open for India. Additionally, dual use items, which can be used for reprocessing and enrichment, will be transferred according to the respective laws and regulations (Article 5.2). The Agreement provides for both Parties to treat each other as they do other states with advanced nuclear technology.

We are not concerned with the Hyde Act as our obligations flow only from the 123 Agreement. The US will also be bound by the commitments it has undertaken in the 123 Agreement, which as noted earlier, will become law once the US Congress approves it.

Any restriction, at this point, on transfer of enrichment and reprocessing equipment to India at this point of time would not affect India as we have already developed and are currently operating our own equipment and facilities since 1964.

The 123 Agreement provides, in Article 5.2, that "Transfers of dual use items that could be used in enrichment, reprocessing or heavy water production facilities will be subject to the Parties' respective applicable laws, regulations and license policies". For the new dedicated national reprocessing facility that we would be building, we can source the dual use items if it is required. Furthermore, such technology can be accessed from other NSG countries as well and is not prohibited under the 123 Agreement.

6. ANNUAL CERTIFICATION/ASSESSMENT BY THE US PRESIDENT

The reporting requirements, which the Note of Left Parties refers to, (Section 104(g)(2) of the Hyde Act) are for the US President. As stated earlier, our obligations flow from the 123 Agreement. The Hyde Act does not apply to us at all and that is why there is no reference to it in the 123 Agreement. The Government of India is not bound to provide any information in this regard and it is not our intention to do so.

The 123 Agreement provisions confirm that the waiver enabling US cooperation with India in civilian nuclear energy is a permanent one (Article 16.2). Continuing cooperation is not contingent on any annual certification provisions. Article 16.2 provides that the Agreement shall remain in force for 40 years and can be extended thereafter for additional periods of 10 years at a time. There is a conceptual difference between the waiver of provisions of US Atomic Energy Act and the annual reporting requirements. The waiver is permanent and cannot be revisited. The reporting requirements are internal between the US Congress and the US President and India is not concerned with the same.

The Note from the Left Parties acknowledges that the US President has stated that certain provisions of the Hyde Act will be treated only as advisory and not binding. The Note however suggests that future US Presidents may not interpret the Hyde Act in this manner. This is a hypothetical Scenario. We cannot speculate as to what course of action a future US president may take. What we have done is to provide in the agreement that termination and deviation from the Agreement would be possible only if there is a material violation of the Agreement (Article 14) and to spell out steps, measures, rights and obligations to guarantee the continued operation of India's reactors.

7. CONSENT TO REPROCESS US ORIGIN SPENT FUEL

The 123 Agreement provides upfront consent to reprocess the US origin fuel (Article 6.3(iii)). There is no ambiguity in this. To bring this right into effect, India will establish a new national reprocessing facility dedicated to reprocessing safeguarded nuclear material under IAEA safeguards. The Agreement also provides that both Parties will agree on arrangements and procedures under which such reprocessing will take place. The consultations on arrangements and procedures would be with respect to physical protection standards, storage standard, and environmental protections as set forth in different provisions of the Agreement. Consultations on arrangements and procedures are to begin within six months of a request by India and are to be concluded within one year. There is, thus, a definite timeframe for completion of consultations once a request has been made for reprocessing rights into effect after arrangements and procedures are agreed in one year.

It is not, at this moment, appropriate for Government to foreclose its options regarding the new reprocessing facility. Once civil nuclear cooperation is opened to India, India would seek the best possible combination of technology and economic factors while building the new reprocessing facility. As this would reprocess the spent fuel that we will receive, it would logically be under India-specific safeguards.

As for Tarapur spent fuel, with the expiration of 1963 Tarapur Agreement, this is no longer an issue requiring US permission or consent. The 123 Agreement does not cover the fuel supplied to Tarapur I and II under the previous Agreement.

8. ENERGY ISSUES

India's three-stage nuclear power programme holds immense promise for the future. The unique thorium-based technology would become an economically viable alternative over a period of time, following sequential implementation of the three stages. We must, in the meantime, explore and exploit every possible source of energy.

Given the energy requirements of the country, all sources of power - coal, hydro, nuclear, gas, wind - need to be exploited. Estimates of nuclear power capacity over the XI and XII Plan periods are based on capacity generation arising from completion of projects under construction, and proposals for commencement of work on new reactors - PHWR, AHWR and Fast Breeder reactors. Eleventh Plan proposals also include additional capacity generation based on the unit sizes now available internationally and demonstrated potential of NPCIL to take up new projects. The projected figures have thus been worked out after careful analysis.

NPCIL has not been availing budgetary support for last couple of years for its ongoing programmes. NPCIL has been rated AAA by CRISIL consistently for the last few years. Banks have been lending to NPCIL for its capital programme at competitive rates. They have evinced interest for lending for future plants. Foreign banks have also approached NPCIL to extended funding through loans and through external credits. The question of funding is not unique to the nuclear power sector. Given the energy requirements of the country, this is an issue which is relevant to meeting the energy demands of the country regardless of the source of the power.

IAEA data corroborates the resurgence of interest in nuclear power globally. The use of nuclear power has so far been concentrated in industrialized

countries. The emerging pattern is of recent expansion being focused in developing countries. IAEA's projections for future growth have increased in recent years. Its most conservative projection shows nuclear power capacity growing by about 13 per cent through 2020. Its high projection shows steady growth to about 640 gigawatts by 2030 - almost 75 per cent more than current capacity. Apart from India, China, Finland, France, Japan, the Republic of Korea and the Russian Federation have initiated specific nuclear power expansion plans. The United States has announced tax credits for the first 6000 megawatts of new nuclear construction. China has plans for a five-fold increase in nuclear capacity to 40 GWe by 2020 and a further three to four-fold increases to 120 - 160 GWe by 2030.

9. IMPACT OF IMPORTED REACTORS ON DOMESTIC INDUSTRY

India's three-stage nuclear power programme is the mainstay of our power programme and holds immense promise for the future. Development of indigenous capabilities to support our nuclear power programme is a primary objective. Starting from the first two pairs of reactors viz. Tarapur (TAPS 1&2) and Rajasthan (RAPS 1&2), which were set up on a turnkey and technical cooperation basis respectively, we have achieved comprehensive capabilities in all aspects of setting up of Nuclear Power Plants. The imported reactors proposed to be sourced from many countries with guaranteed lifetime fuel supply will be additional to our indigenous nuclear power programme which will continue to grow, as noted above. The Indian nuclear industries have grown and diversified their operations and capabilities to many other high technology areas and have gained rich experience. Therefore, it is very likely that our own reactors, as commercially competitive systems, would become of interest to several other countries. This has the potential of opening up another set of opportunities. Besides, once international commerce and civil nuclear cooperation is available, India will have a wide choice of sources with competing technology levels, costs, and efficiencies.

10. COST OF ELECTRICITY FROM DIFFERENT SOURCES

There are seventeen nuclear power reactors in operation. The current tariff ranges from 95 paise per kWh for TAPS 1&2 and less than Rs. 2 per kWh for MAPS, NAPS and KAPS. The current annual average tariff for all seventeen power reactors is about Rs. 2.30 per kWh. These are competitive to tariffs of non pit head coal thermal power stations at contemporary

locations. There are very large areas in India away from coal pit heads, which do not have access to low cost fossil fuels. The tariff of coal based generation is sensitive to the distance of power station from the coalmines, whereas those of nuclear are location neutral.

A study "Economics of Light Water Reactors in India" in the year 2005, using levelised cost of generation, demonstrated that at 5 per cent real discount rate, the levelised cost of generation in paise/kWh for different fuels is as follows: Nuclear - 114; Domestic coal at 800 kms from pit head - 160; Imported Coal at port - 162; and Gas - 179. The sensitivity analysis also revealed that the impact of the fuel price on the generation costs is least in case of the nuclear option.

The developments since then, in terms of increase in the uranium prices internationally, increase in the overnight cost of nuclear power reactors, and offers received in response to coal based ultra mega projects have been reviewed. Results indicate a first year tariff of about 250 Paise/kWh in the year 2014-15, which is considered competitive with other sources, mainly coal. The norms of tariffs of nuclear power stations are periodically reviewed by the Government based on recommendations of a high level committee. These norms are notified through a Gazette notification.

The overnight costs of commercial nuclear power reactors in the world vary from 1200 to 2500 US \$/ kWe. It is well known that the total costs depend on a number of factors.

Coal based capacity addition at pit heads locations is limited in view of the cooling water and environmental considerations. Using indigenous coal for 10,000 MW would mean about 150 coal trains from pit head to power stations. The total requirement of imported nuclear fuel for 10,000 MW nuclear power is 350 tonnes a year, as against an imported coal requirement for the same energy of 35 million tones. The cost of such a magnitude of imports in terms of infrastructure at ports and the hinterland in terms of handling Be transportation and commercial pressure on international coal pricing would have to be taken into account.

Any exercise of comparative costing would also have to take into account the cost in the future of traditional sources of energy such as hydrocarbons, keeping in view the country's heavy dependence on hydrocarbon imports.

11. SHORTAGE OF INDIGENOUS URANIUM SUPPLIES

India has modest resources of Uranium but vast resources of Thorium. Work has been initiated to identify additional resources, particularly deep-seated Uranium resources, using the latest exploration technologies.

The current mismatch between demand and supply of Uranium has occurred because of an unprecedented improved performance of PHWRs, commissioning of new reactors, and a huge reduction in the gestation period of new reactors under construction.

The Government is fully seized of the need to, and has been working, to open new mines. During the last few years, new mines have opened at Turamdih and Banduhurang in the State of Jharkhand. Sustained efforts have been made to open green field Uranium mining and milling projects both in Andhra Pradesh and Meghalaya. Projects for opening up of new Uranium mines are being pursued. Government is confident to bridge the gap between demand for uranium and its supply over the next few years. It is closely monitoring various initiatives both in the areas of uranium exploration and uranium mining.

12. TECHNOLOGY SANCTIONS AND THEIR IMPLICATIONS

An exception has been made for India and the transfer of technology for the fuel cycle and dual use technology is envisaged in the 123 Agreement. Under Article 5.2, the Agreement opens the possibility of enrichment and reprocessing technology transfers. The US policy at present does not permit such transfers. Besides such technology can be accessed from other NSG countries as well and is not prohibited under the 123 Agreement. Consequently, we can import reactors, fuel as well as technology from the international market.

India has no intention to place fast breeder reactors under safeguards. The new reprocessing facility is not linked to India's breeder programme. The new facility is to reprocess foreign supplied spent fuel under safeguards and its products will be used in safeguarded reactors.



APPENDIX - XL

Left Parties Rejoinder to the UPA's Note.

September 19, 2007

1. THE IMPACT OF US NATIONAL LAWS ON THE 123 AGREEMENT

The UPA's Note has stated that the Hyde Act is only an enabling legislation and binding only on the US. It has further held that the core of the Hyde Act is that it provides "permanent waiver" to certain restrictions of section 123 of the US Atomic Energy Act and implicitly recognises "India's status as a Nuclear Weapons State". Neither of these statements is supported by the Hyde Act and the Joint Conference Report of the US Senate and House of Representatives on the Hyde Act. A relevant section of the Conference Report on the Hyde Act states:

"As in the Administration's proposed legislation, H.R. 5682 requires the President to determine that India is upholding its July 18, 2005 commitments as a prerequisite for using his waiver authority. The conferees believe that India's continued implementation of those commitments is central to the integrity of our bilateral relationship. Therefore, the bill contains reporting requirements and a provision that calls for termination of exports in the event of violations of certain commitments. In addition, the bill seeks to uphold existing statutory congressional oversight of US nuclear cooperation and exports." (Emphasis added)

It is clear from the above that the Hyde Act as its creators have envisaged and designed, does not provide a "permanent" waiver as claimed by the Government. The waiver is contingent upon "continued implementation" of certain commitments. The Hyde Act contains provisions of reporting requirements and a provision for termination and the reporting requirements have been designed with possible termination in mind. Moreover, the Hyde Act also calls for "reduction and eventual elimination" [Clause 103 (b) 5] of India's nuclear weapons. Therefore the claim that there is an implicit recognition of "India's status as a Nuclear Weapons State" is factually incorrect. The Government seems to have seriously misunderstood the implications of the Hyde Act. Much of the response of the UPA to the Left Parties' Note arises from such a misunderstanding of the Hyde Act and the legislative intent behind its provisions.

The UPA's response that the Hyde Act does not apply to India is irrelevant. What is germane to the discussion is how the Hyde Act would structure the implementation of the 123 Agreement by the US administration. The Government seems to believe that the 123 Agreement, once it is passed by the US Congress, will stand on its own and not be circumscribed by other domestic laws of the US. However, Section 2.1 of the 123 Agreement itself clearly states that the agreement shall be implemented in accordance with the respective national laws of the two countries. Officials of both sides have clarified that the Hyde Act and the 123 Agreement are consistent with each other. During the official briefing on the 123 Agreement on 27th July 2007, US Under Secretary of State Nicholas Burns categorically said: ". . . we were very careful when we began these - the latest phase of these negotiations to remind the Indian Government that since the President and Prime Minister had their two agreements of July '05 and March '06, something else had happened: The Congress had debated over six, seven months those agreements and the Congress has passed the Hyde Act. And so we had to make sure that everything in this US-India civil nuclear agreement, the 123 Agreement was completely consistent with the Hyde Act and well within the bounds of the Hyde Act itself." National Security Adviser M.K. Narayanan, in an interview to *The Hindu* dated July 28, 2007, has also confirmed the same: "As far as we are concerned, we haven't breached the Hyde Act. We have seen to [it] that no law is broken." If we take the above into account, this indicates that on all those matters that the 123 Agreement is silent, the Hyde Act will bind the US actions. Therefore both the 123 Agreement and the Hyde Act have to be read in conjunction in order to understand the implications of the Hyde Act and the 123 Agreement. Since both sides agree that the Hyde Act and the 123 Agreement are not in contradiction, therefore the 123 Agreement overriding the Hyde Act, being a subsequent legislation, does not arise.

The UPA's Note cites Article 27 of the Vienna Convention on the Law of Treaties: "A Party may not invoke the provisions of its internal law as justification for its failure to perform a treaty". While this is indeed a norm of customary international law, it is not appropriate in the case of the 123 Agreement, since the 123 Agreement itself explicitly refers to its implementation in accordance with "national laws". Article 27 does not appear to deal with a situation when a reference to national laws is made in the agreement itself. This situation, it is worth reiterating, is to be distinguished from a situation where national laws are invoked after the agreement has been accepted by both parties simply to avoid fulfilling

voluntarily undertaken obligations. It may also be noted that the US has not ratified the Vienna Convention. Thus the US cannot be held to account, in the ultimate analysis, on the basis of the Vienna Convention.

Similarly, the UPA's Note states, without any comment, that Article VI (2) of the US Constitution provides that "all treaties made" under the authority of the US "shall be the supreme law of the land". No attempt has been made to understand the scheme of Article VI (2). Reference to the widely accepted understanding of Article VI (2) of the US Constitution would reveal that there is no hierarchy between treaties and domestic legislations in the US, and whichever is enacted later overrides the earlier one. Therefore, any subsequent legislation passed by the US Congress can override the 123 Agreement. This has not been considered in the UPA's Note.

The provision for the application of the principles of international law contained in the China-US 123 Agreement is not an empty reiteration of Article 27 of the Vienna Convention as the UPA's Note seems to imply. The text of the Chinese 123 Agreement guards against the adverse consequences that may result from the US enacting fresh domestic legislation that would require the renegotiation of an earlier treaty. Moreover, the Chinese 123 Agreement recognises China as a nuclear weapons state and is quite different in terms of its obligations and safeguards than the Indian 123 Agreement. For example, Article 8(2) of the China - US 123 Agreement says "bilateral safeguards are not required", while in India's case, the US has not only insisted on IAEA safeguards but has provisions for US inspections also, in case IAEA fails to provide inspections.

The UPA's Note claims that the India-US 123 Agreement is "far superior" to the Japan-US Agreement since in the former there is a multi-layered process of consultations with enough safeguards built into the same. It also claims that the Indian 123, unlike the Japanese 123, allows for a one-year period of consultation before termination in case of dispute. The above is again inaccurate on many counts. The UPA's Note fails to mention in this regard that Article 14.2 of the India-US 123 provides an overriding escape clause from all considerations of consultations etc. and terminates the agreement immediately if "the Party seeking termination ... determines that a mutually acceptable resolution of outstanding issues has not been possible or cannot be achieved through consultations." Further the question of material violations arises only in the context of a violation of the Agreement being cited as the cause for termination as laid down in Article 14.3. The Hyde Act provides for other possibilities for termination as in Section 103 (a)(6), including the

provisions of the Hyde Act itself, the relevant provisions of the Atomic Energy Act of 1954 or any other United States law. Therefore, the India-US 123 Agreement has provided an open ended right of termination to the US by citing any reason it wishes. In contrast, the Japan-US 123 Agreement permits either party to cease or terminate cooperation only when there is non-compliance with the accord's provisions or the arbitral tribunal's decisions or a material breach of safeguards.

There are certain other inaccuracies in the UPS's Note. The claim that no 123 Agreement has a provision for arbitration by a tribunal similar to the provisions of the Japanese 123 is factually incorrect. There is a provision for arbitration by tribunal in the US-Euratom 123 Agreement as per Article 14.5 (b), (c) and (d) of that agreement. Article 14.5 of the Euratom 123 explicitly provides that the arbitration tribunal shall make its decision "on the basis of the application of the rules and principles of international law, and in particular the Vienna Convention on the Law of the Treaties." The argument that arbitration is inferior to consultation is again difficult to understand. It is only when negotiations fail that arbitration is undertaken. It is difficult to accept that Japan and Euratom, both close allies of the US, should have fought long and hard for the arbitration clause, if it is inferior to consultations. The government should also explain in what way the consultation clause is superior to the Tarapur 123 Agreement's consultation clause, which did not help India much when the US stepped out of its obligations to supply fuel.

While dishonouring international obligations is not undertaken lightly by any country, including the US, this fact will not in final analysis stand in the way of perceived "national interest". In this regard it may be noted that to the extent the provisions of the Hyde Act do not conflict with or cover the same ground as the 123 Agreement, even the explicit adoption of the latter by the US Congress will keep those provisions alive. This is also true of Section 103 [Statements of Policy] of the Hyde Act. It is often cited that while approving the Hyde Act President Bush observed:

Section 103 of the Act purports to establish US policy with respect to various international affairs matters. My approval of the Act does not constitute my adoption of the statements of policy as US foreign policy. Given the Constitution's commitment to the Presidency of the authority to conduct the Nation's foreign affairs, the executive branch shall construe such policy statements as advisory.

What needs to be noted here is that by similar reasoning a subsequent US President, invoking the President's authority under the US Constitution to conduct foreign policy, may treat the statements of policy under Section 103 of the Hyde Act with greater seriousness and of a binding nature. This matter has to be seriously addressed, especially because the 123 Agreement is for 40 years. Should India be bound on the expectation of permanent goodwill of all future US Presidents?

2. FUEL SUPPLY ASSURANCES

The UPA's Note reproduces Section 15 of the Separation Plan of March 02, 2006, which has now been included as Article 5.6 of the 123 Agreement, without citing its connection to the earlier Plan. However, the Hyde Act has ignored all the fuel supply assurances made in the Separation Plan and left them out of the Act. Moreover, several subsections were introduced in the Act, which run counter to those assurances. The UPA's Note contends that the matter of fuel assurance is settled in Article 5.6 (a) on the one hand, while stating on the other hand that Article 5.6 (a) could also be read as a "US commitment to amend its domestic laws, should any law stand in the way of US fulfilling these fuel-supply obligations". It is unfortunate that the Government is still not clear about the fuel supply assurances in the 123 Agreement, which it has itself negotiated. Several sections of the Hyde Act stand in the way of the fuel supply assurances contained in Article 5.6 of the 123 Agreement. Unless these sections in the Hyde Act are amended, the fuel supply assurance available through the 123 Agreement would remain illusory. Sections 103(b)(10) and 104(g)(2)(F)(iii) of the Hyde Act stand in the way of India accumulating adequate nuclear fuel reserves for imported reactors. Sections 102(13), 103(a)(4), 103 (a)(6) and 104(b)(7) may all need to be amended before other NSG nations can help us accumulate fuel reserves as stated in the fuel supply clause. The Left Parties are of the clear opinion that the Hyde Act stands in the way of fuel supply assurances and without its amendment those assurances would not hold. How can the Government go ahead committing the country irrevocably to such a 123 Agreement for the next 40 years before getting the Hyde Act amended?

The argument that other NSG countries will give us more generous terms may be examined in the context of the following section in the Conference Report on the Hyde Act:

Equally, the United States must maintain the consensus decision mechanism of the NSG, and not look for any way around that

requirement. The conferees believe that the effectiveness of the NSG rests upon its consensus decision-making, resulting in unified policies and enhanced compliance with those policies. The conferees are mindful that a country outside the regime that seeks an exception from NSG guidelines could agree to stringent safeguards with some NSG members, but later import only from other NSG members that did not impose such requirements. To preclude such a scenario, the conferees urge the Executive branch to persuade other NSG members to act in concert in terms of the timing, scope, and safeguarding of nuclear supply to all countries, including India. In particular, the conferees intend that the United States seek agreement among NSG members that violations by one country of an agreement with any NSG member should result in joint action by all members, including, as appropriate, the termination of nuclear exports. In addition, the conferees intend that the Administration work with individual states to encourage them to refrain from sensitive exports.

. . . if US exports to a country were to be suspended or terminated pursuant to US law, it will be US policy to seek to prevent the transfer to such country of nuclear equipment, material or technology from other sources. This concern could arise if, for example, there were a nuclear test explosion, termination or abrogation of IAEA safeguards, material violation of IAEA safeguards or an agreement of cooperation with the United States, assistance or encouragement of a non-nuclear weapon state in nuclear-weapons related activities or reprocessing-related activities, or (in India's case) failure to uphold its July 18, 2005, Joint Statement commitments. In such a circumstance, the conferees expect the United States to encourage other supplier countries not to undermine US sanctions.

3. IAEA SAFEGUARDS AND ADDITIONAL PROTOCOL

The UPA's Note states: "We have agreed to apply safeguards (to the safeguarded reactors alone) in perpetuity in return for assurances of fuel supply. These will be reflected appropriately in our Safeguards Agreement and hence these will be India specific". However, it is evident from the extensive debates on this issue in the US Senate Foreign Relations Committee in 2006, that the US administration and the Congress expect India to agree to unqualified IAEA safeguards in perpetuity, with no conditions on life-time fuel

supply guarantees associated with it. Has the government reconciled this major difference with the US administration before proceeding with negotiations with the IAEA? The UPA's Note has failed to mention any corrective measure which the Government may have in mind to ensure uninterrupted operation of the civilian reactors in the event of disruption of foreign fuel supplies; The UPA's Note evades the question by answering that "corrective measures would depend on the nature of the disruption". There does not seem to be any enforceable link between safeguards in perpetuity to be executed with IAEA and disruption of fuel supply. Will the UPA concretely elaborate upon some of the corrective measures that have been conceived, in the case of disruption of fuel supply?

4. SEPARATION PLAN OF MARCH 02, 2006

The UPA's response says: "There is no adverse implication of non-reference to the Separation Plan in the 123 Agreement. The Separation Plan finalized voluntarily by Government of India is in our national interest. It is not a bilateral document". However, on August 17, 2006 the Prime Minister told the Parliament

"...during President Bush's visit to India in March this year, agreement was reached between India and the United States on a Separation Plan in implementation of the India-US Joint Statement of July 18, 2005.

" This clearly indicated that the Separation Plan is a mutually agreed, bilateral document. However, now the Government holds that this Plan is not a bilateral document. There is no mention of the Separation Plan of March 2, 2006 in the 123 Agreement. This Plan is the only document wherein the Indian position on the approach and guiding principles under which separation will be done, the present and future facilities we intend to place on safeguards etc. are described. By not taking this document into official record through the bilateral 123 Agreement, the Government has left the possibility open for future US administrations to dispute the contents of the Plan, including the basic policy statements contained therein on separation. The only US document which calls for details of the Separation Plan of March 2, 2006 is the Hyde Act. Sections 104(c)(2)(a), 104 (g) (I)(A)(ii) and 104(g)(2)(D)(i) of the Act all refer to the Plan. At a later date, if there arises a dispute

on the contents of the Plan, India will have to take shelter under what is included about the Plan in the Hyde Act. Ironically, however, the UPA's Note repeatedly states that India has nothing to do with the Hyde Act and the 123 Agreement is a stand alone agreement.

5. FULL NUCLEAR CO-OPERATION

There are two separate issues regarding full nuclear cooperation: one pertains to "sensitive nuclear technology" and the other to "dual use technology". "Sensitive nuclear technology" is defined under Article 1(Q) of the 123 Agreement, while the definition of dual-use item appears in Article 1 (E), where it says: "'Dual-Use Item' means a nuclear related item which has a technical use in both nuclear and non-nuclear applications."

Regarding dual use technology, the UPA's Note quotes Article 5.2 of the 123 Agreement which says that "Transfers of dual-use items that could be used in enrichment, reprocessing or heavy water production facilities will be subject to the Parties' respective applicable laws, regulations and license policies". Clearly, no relaxation is being made for India on this count since even without the 123 Agreement, the applicable laws, regulations and license policies would have governed such transfers. The UPA's Note states: "For the dedicated national reprocessing facility that we would be building, we can source the dual use items, if it [sic] is required". Under the applicable laws, regulations and licensing policies presently existing, this is not possible for nuclear facilities. There are restrictions on the export of such technologies to India both by the US and by the NSG; Such items may be allowed to be exported on a case-by-case basis, for strictly non-nuclear use, after strict verification and application of end-use restrictions. These restrictions have not been lifted under the 123 Agreement.

For sensitive nuclear technology the UPA's Note states:

"Furthermore, such technology can be accessed from other NSG countries as well, and this is not prohibited under the 123 Agreement." It may not be prohibited under the 123 Agreement, but Sections 103(a)(5) and 104(d)(4)(A) & (B) of the Hyde Act will not permit such transfers. The intent of all US policy currently is to restrict enrichment and reprocessing technologies to the few countries that already possess them. India, as has been repeatedly declared by the US, is not in this list of countries. Further the Conference Report on the Hyde

Act states clearly that the US administration at no point required the inclusion of enrichment and reprocessing rights in the nuclear deal with India. To quote the Conference Report: "The conferees Note that the Administration has already stipulated that 'full civil nuclear cooperation', the term used in the July 18, 2005, Joint Statement between President Bush and Indian Prime Minister Singh, will not include enrichment or reprocessing technology"

Further, the Section 103(a)(5) stipulates that it shall be US policy "... to work with members of the NSG, individually and collectively, to further restrict the transfers of such equipment and technologies, including to India". Section 104(b)(7) requires the President to certify that the NSG has decided by consensus to permit supply to India of nuclear items covered by the guidelines of the NSG. The policy directive from Congress and the consensus requirement in NSG decisions would mean that the US administration representative in the NSG will be legally compelled to vote against any transfer of sensitive technology and equipment for enrichment, reprocessing and heavy-water production to India.

6. ANNUAL CERTIFICATION/ASSESSMENT BY THE US PRESIDENT

The UPA's Note fails to explain the rationale behind the clear contradiction of the Prime Minister's solemn assurance to the Indian Parliament that annual certification by the US President "is not acceptable to us". Since nothing materially has changed in the Hyde Act since the time of the Prime Minister's assurance (except calling certification as "assessment"),

it is not clear how the earlier unacceptability of the Hyde Act's provisions is now transformed into one of "India is not concerned with the same as these reporting requirements are internal between the US Congress and the US President". With respect to the UPA's contention of the hypothetical nature of the queries raised and the issue of permanent waiver, they have already been addressed in Section 1 above. If the proposition that a future President may choose to consider the sections that President Bush has stated are non-binding is considered hypothetical, so is the argument that no future President will differ with President Bush on this count.

7. CONSENT TO REPROCESSING

The UPA's Note states that it has got an upfront consent for reprocessing and there is no ambiguity on this. This is not borne out by Section 6(iii) of the

12i Agreement, which talks about "subsequent arrangements 'and procedures." which need to be arrived at. The UPA should first explain in what manner the in-principle consent for reprocessing in the current- 123 Agreement is different from that in the Tarapur 123 Agreement, where also there was such in-principle consent for reprocessing but no reprocessing has been allowed so far. In order to exercise the right to reprocess, as per Section 131 of the Atomic Energy Act of the US, a separate agreement has to be negotiated and Congressional consent taken. Therefore, at this stage the "upfront reprocessing rights" are only notional.

8. ENERGY ISSUES

Energy requirements of the country merit the exploitation of all sources of power. However, it must be recognised that capital cost of plants and the cost of electricity are also very important concerns, especially in the backdrop of experiences like the Enron fiasco. The Government of India for the last 15 years has not been able to find money to invest in the power sector, leading to a slow down in the sector. and increased shortages. Therefore, the capital cost of plants is important in choosing the energy mix for the future. In this, the capital cost of imported reactor based plants, which is , almost three times that of equivalent capacity coal-fired plants, will need to be considered.

The UPA's Note does not respond to the queries made in the Left Parties' Note regarding the basis of the Government's projection of reaching 40,000 MW of nuclear power generation by 2021-22. It is silent on the Integrated Energy Policy of the Planning Commission. It is simply stated, "projected figures have thus been worked out after careful analysis". No policy document is quoted or referred to. If the Government has indeed worked out a different energy scenario from that contained in the Integrated Energy Policy, there is a need to put this in the public domain for an informed debate. Only after that can future requirements of nuclear energy be projected instead of using arbitrary projections to justify very large investment in imported reactors.

The UPA's Note refers to IAEA data in order to show "the resurgence of interest in nuclear power globally". But again there is no reference to any specific document or study in this regard. Worldwide, there are 429 power reactors in operation, many of which are slated to be phased out in the coming years. Only 24 new plants are under construction. By all accounts, the major thrust in new nuclear plants is supposed to be in China and India and not the developed countries., In China's case, they are currently adding

about 50 GW of power generation capacity every year and therefore the 40 GW figure to be added by 2030 stated by the UPA's Note would be 4-6 per cent of their additional installed capacity. The US has announced various subsidies for the next 6 nuclear plants and hopes this will spur the dormant US market for nuclear plants. Even with this, no new nuclear plant has begun construction. Therefore the talk of a "renaissance" in nuclear power is at the present only speculative and very little evidence is visible regarding such a renaissance.

Even though various energy fora have been pushing for the use of nuclear power to reduce greenhouse gas emissions, the Inter-Government Panel on Climate Change has estimated that upto 2030, the expansion of nuclear power would have only marginal impact on greenhouse gas emissions. Thus de-carbonising the economy using nuclear power is also not a serious option.

9. IMPACT OF IMPORTED REACTORS ON DOMESTIC INDUSTRY

The UPA's Note has not addressed the central issue raised that if the power plants are set up with domestic reactors, a consequent sourcing of equipment from domestic industry will take place. If they are imported in large numbers as is being proposed, then such sourcing will help industries elsewhere but not domestic industry: we would be helping to revive the moribund nuclear industry in the US and elsewhere. By arguing, as the UPA's Note does, that imported Light Water Reactors would be additional to domestic ones, the real issue is not addressed. The UPA's Note has also failed to respond to the question how much of the future nuclear programme will be from domestic reactors and how much from imported reactors. As we had raised in our earlier Note, what is required is a detailed study of the proposed nuclear investments taking into account the imported and domestic options, a study which the Government appears not to have done.

10. COST OF ENERGY FROM VARIOUS SOURCES

The problem with UPA's Note is that it first talks about the historical costs of electricity from different vintages of plants and then tries to average the same. Such an approach does not carry much meaning in evaluating energy options today. For example, in coal-fired plants, NTPC's Singrauli plant delivers power at less than Re 0.80 per unit while its newer plants deliver power at around Rs. 2.00. This is because the capital servicing cost of older plants such as Singrauli and TAPS (Tarapur Atomic Power Station) 1 & 2 have been entirely written off, allowing for a cheaper generation tariff.

Similarly, hydro plants in Kerala supply power at only Re. 0.03. This in no way can be used to argue that a hydro plant today will generate power at similar costs nor can current hydro tariffs be clubbed with older ones to arrive at an average cost. Therefore the statement that the average cost of generating electricity from existing nuclear plants in the country is Rs. 2.30 is misleading. The key issue is the cost of power from 'the latest nuclear and coal fired plants or estimated cost of nuclear and coal fired plants today. If we take the cost of the newer nuclear plants, per unit costs are Rs. 3.03 from Kaiga and Rs.2.85 from Tarapur. These need to be compared to the cost of generation from the same vintage of coal fired plants, which are around RS,.2.00 per unit even for non-pithead plants.

For future plants, the Government has referred to costs of electricity from a study "Economics of Light Water Reactors in India" to justify the figures of Rs. 2.50 per unit of electricity and the comparative advantage of nuclear power. As such a study is not in the public domain, it is difficult to comment on its calculations. However, the levellised tariff of Rs.1.14per unit for nuclear is not in conformity even with the average tariff from nuclear plants that the UPA's Note mentions, let alone the latest generation costs of plants such as Kaiga and Tarapur quoted above.

We have a study of the Nuclear Power Corporation "Light Water Reactors in India: an Economic Perspective". This document also does not furnish any detailed calculations. However, it takes the capital cost per MW as Rs. 5.74 crore, which is lower than even the cost of domestic reactors. Even by UP A's own admission, the figure of Rs.5. 74 crore per MW corresponds to the lowest end of the capital cost band of \$1200-2500 per KW as per the UPA Note. The figures used are from the original cost estimates of Koodankulam, where two Light Water Reactors are being supplied by the Russians. According to press reports, the current cost estimates of Koodankulam are already around \$1,700 per KW. This is not surprising, as almost all nuclear plants including that of NPC have had large cost and time over runs. Therefore, the cost of electricity from nuclear plants by taking unrealistic capital cost is not very meaningful. It has been estimated that the cost of Koodankulam power is unlikely to be less than Rs.3.75 per unit, which is in consonance with the cost per unit from Kaiga and other such plants, factoring in time difference of installing these plants.

The UPAs Note talks about imported reactors costing between \$1200-2500 per KW. Again, the question posed in the Left Parties' Note was, what are the studies on the basis of which comparative costs of different

nuclear reactors and of the constructed nuclear plants have been arrived at? The wide range of prices of reactors quoted by the UPA's Note appears to indicate that no serious study has indeed been made in this regard. In the absence of such a study, we then would need to follow existing costs of nuclear plants and various studies done by independent agencies for estimating the capital costs of nuclear plants. And all this points to \$2,000 per KW as a reasonable cost: "the cheapest plants built recently, all outside the US, have cost more than \$2,000 per kilowatt. (Nuclear Power's Missing Fuel, 10-7-2006, Business Week magazine).

If we use the capital costs of Rs. 9 crore per MW for overnight costs (costs without taking interest during construction), the more commonly used figures internationally for Light Water Reactors, the cost of electricity from such plants is in the range of Rs. 4.75 per unit. As against this, the cost of electricity using imported coal in the Mundra project is Rs. 2.20. The Sasan project, which is at pithead and therefore has lower cost of fuel is around Rs. 1.19 per unit. Even gas-based units at much higher gas costs of \$4-5 per million BTU would be Rs. 2.50-Rs.3.00 per unit of electricity. These are well below the cost of electricity from imported reactors.

As we have said in our Note, we do believe that the nuclear option must be kept open and the technology that we have developed indigenously as well as investments for the Fast Breeder and the thorium cycle need to be kept up. The question here is how do high cost imported reactors fit into such a programme and are we not endangering our economy and the power sector by making investments in such high cost power?

11. SHORTAGE OF URANIUM

The UPA's Note has not answered why a shortage of uranium has occurred in the country, given that the amount of uranium required to power the indigenous PHWR programme was well known. However, if the Government states that the planned and on-going investments in uranium mining will bridge the gap between supply and demand, is it asserting that for the domestic PHWR and the Fast Breeder programme, we have enough uranium supplies? If so, where is the need for importing uranium? Is it then only for the high cost imported Light Water Reactors?

12. SERIOUS LIMITATION PUT ON INDIGENOUS THREE-STAGE POWER PROGRAMME

The UPA's Note states, "India has no intention to place fast breeder reactors

under safeguards. The new reprocessing facility is not linked to India's breeder programme". The Government's position has all along been that the import of foreign reactors was for the "additionality" they provided, in both the direct electricity production from these reactors, but more importantly due to the benefit of reprocessing their spent fuel and using the plutonium thus obtained in downstream fast breeders which form part of the three-stage power programme. For example, Table-11 from the DAE document "A Strategy for Growth of Electrical Energy in India" shows that from using the reprocessed plutonium from 8000 MWe of light water reactors (LWRs) by 2022, just the additional power produceable through the breeders in the three-stage indigenous programme could be 61,000 MWe. But, it is clearly stated in the UPA's response that the products (plutonium) from the new reprocessing facility will be used in safeguarded reactors and these do not include fast breeders.

The Separation Plan of March 2, 2006 stated that "India has decided, to place under safeguards all civilian thermal power reactors and civilian breeder reactors, and the Government of India retains the sole right to determine such reactors as civilian". It appears now the Government has taken a decision that India will have no civilian breeders. The plutonium from the new facility will then not be used in breeders, the mainstay of the three-stage indigenous programme. This is a major alteration of the Separation Plan presented to Parliament in March 2006 and harms the indigenous breeder development programme seriously.

The output from a safeguarded facility (in this case, the plutonium produced in the new reprocessing facility) can only be used in other safeguarded facilities. By taking the new decision that no fast breeder reactor will be placed under safeguards, the consequence is that no plutonium from foreign spent-fuel will ever be feeding the fast breeders of the three-stage indigenous programme. The earlier decision of the government was that we will have both civilian and military fast breeders. The civilian ones will be placed under safeguards and will use plutonium from foreign spent-fuel, while the military breeders will be outside safeguards and use the plutonium coming from our PHWR spent-fuel, where they have been fuelled with Indian natural uranium. By the current decision, the Government has succumbed to the US pressure to limit the fast breeder reactor and thorium utilization programme merely to using the plutonium that we can produce from limited Indian uranium supplies. If this is the case, the attractiveness of importing reactors to expand our future installed nuclear capacity has been substantially diminished. We are then proposing to expand that part of the

nuclear energy programme that will be far more dependent on external supplies and starving that part of the nuclear energy programme that could provide us with much greater energy security.

The purpose of reprocessing spent fuel is to use the plutonium thus recovered in breeder reactors. Otherwise, it is cheaper to hold the spent fuel in holding ponds and then bury them in stable geological strata. Reprocessing is much more expensive and is normally undertaken only for recovering the plutonium. This is the reason that the US, which has a stock-pile of plutonium and does not use breeder reactors, does not reprocess spent fuel anymore. Reprocessing' is important for India's three-stage indigenous programme only because it proposes to recover plutonium from spent fuel for use in the breeder programme. As any imported fuel would be under safeguards, the plutonium from such fuel would necessarily be under safeguards and cannot be used in non-safeguarded facility .. 1£ the breeder programme is kept out of safeguards, the purpose of reprocessing and building up this expensive facility is difficult to understand. Will the UPA explain what is the purpose of reprocessing that they see within the current scheme they are proposing? The UPA's Note states: "The new reprocessing facility is not linked to India's breeder' programme. The new facility is to, reprocess foreign supplied spent fuel under safeguards and its products will be used in safeguarded reactors." What then are these "safeguarded reactors" that are not breeder reactors and will still use the products of reprocessing spent fuel, presumably plutonium?

The UPA's Note has not responded to the specific query . made in the Left Parties' Note as to whether the implications, of building a new reprocessing plant under the present technology sanctions, and then putting it under IAEA Safeguards and Additional Protocol, have been examined.



APPENDIX - XLI

UPA Responses to the Assertions in the Left Parties' Rejoinder of 19 September

September 24, 2007

1. IMPACT OF US NATIONAL LAWS ON THE 123 AGREEMENT

- 1.1 Assertion:** UPA Note's contention that the Hyde Act provides a permanent waiver and implicitly recognizes India's status as a Nuclear Weapons State is not supported by the Hyde Act and the Joint Conference Report.

Response: The waiver provided by the Hyde Act is permanent in that it is not limited by time and does not require renewal through further and periodic acts of the US Congress. The Sunset provision [Section 104(f)] confirms that the waiver is one-time and not recurring. The Left Parties' Note appears to confuse reporting requirements as a qualification on the permanence of the waiver. The implicit recognition of India as a nuclear weapons state is affirmed by the Hyde Act's approval of civil nuclear energy cooperation with India despite our strategic programme and non-acceptance of full scope safeguards. In fact, Section 104 (b)(i) and Section 104 (c)(2)(A) of the Hyde Act both refer to India's military nuclear facilities, which is a terminology that can only apply to a nuclear weapons state.

- 1.2 Assertion:** UPA's response that Hyde Act does not apply to India is irrelevant. What is germane is how the Hyde Act would structure the implementation of the 123 Agreement . by the US Administration.

Response: There is a distinction between the Hyde Act, which is an internal US legislation, and the 123 Agreement, which has been bilaterally negotiated and agreed upon. India's commitments can only arise from an arrangement to which it is party, not from a legislation that was enacted by a foreign legislature. Once the US Congress approves the 123 Agreement, it would be the provisions of the 123 Agreement and not the Hyde Act that would determine the rights and

obligations of the Parties. The Left Parties Notes itself recognizes in paragraph 3 of page 2 that 'whichever is enacted later overrides the earlier one'. The approval by the US Congress of the 123 Agreement will obviously be enacted later than the Hyde Act and would be the definitive interpretation of US obligations in this regard. Left Parties may kindly clarify which Sections of the Hyde Act will impact the implementation of the 123 Agreement, once the Agreement is approved by the US Congress.

- 1.3 Assertion:** U/S Burns has stated that the 123 Agreement was completely consistent with the Hyde Act and well within the bounds of the Hyde Act itself. Our NSA has been quoted to the effect that we have not breached the Hyde Act and no law has been broken (in concluding the 123 Agreement).

Response: Secretary Rice in a public statement on 9 December 2006 took the position that the Hyde Act "explicitly authorizes civil nuclear co-operation with India in a manner fully consistent with the US-India Joint Statements of July 19, 2005 and March 2, 2006." It is clear from the statement that the Hyde Act is an enabling statute authorizing the US Administration to move forward with India in civil nuclear energy cooperation so that the commitments of the 18 July and 2 March Joint Statements could be fulfilled. This is the authoritative US position and it is in this context that the provisions of the Hyde Act should be considered.

The question of breaching the Hyde Act does not arise because the 123 Agreement, when approved by the Congress, will be the bilateral agreement determining the rights and obligations of the two parties. The position in this regard was recently affirmed by Assistant Secretary Richard L. Boucher who stated clearly during a briefing on 18 September 2007 that "the deal between the United States and India., the 123 Agreement".

- 1.4 Assertion:** After quoting remarks attributed to US Under Secretary and our NSA, the Left Parties' Note states that on all those matters that the 123 Agreement is silent, Hyde Act will bind the US actions.

Response: The text of the Hyde Act begins by defining its purpose as "to exempt from certain requirements of Atomic Energy Act of 1954 a proposed nuclear agreement for cooperation with India." The Hyde Act is an enabling legislation and not the implementing mechanism for cooperation between India and USA.

Assertion 1.5: Article 27 of the Vienna Convention the Law of Treaties does not appear to deal with a situation when a reference to national laws is made in the Agreement itself. This is to be distinguished from a situation where national laws are invoked after the Agreement has been accepted by both parties simply to avoid fulfilling voluntary undertaken obligations. The US has not ratified the Vienna Convention.

Response: As per Article 2.1 of the 123 Agreement, implementation of this Agreement will take place in accordance with the national laws of the respective parties. At the same time, Article 16.4 is clear that the 123 Agreement shall be implemented in accordance with the principles of international law. It is customary that when international obligations are undertaken, national laws are brought in conformity. Divergence between the two makes the performance of any agreement untenable. It cannot be the position of a Government that it would implement an international agreement in a manner inconsistent with its national laws. The reference to Article 27 of the Vienna Convention reflects a reiteration of customary international law that it codifies.

1.6 Assertion: There is no hierarchy between treaties and domestic legislations in the US and whichever is enacted later overrides the earlier one.

Response: This only confirms the Government's position on the 123 Agreement which was enacted later than the Hyde Act. International obligations such as the 123 Agreement are the "supreme law of the land" under Article VI (2) of the US Constitution. For the purposes of implementation of an international treaty, domestic law has to be brought in consonance with international obligations.

- 1.7 Assertion:** UP A's Note implies that the China-US 123 Agreement contains an empty reiteration of Article 27 of the Vienna Convention. The China-US Agreement "guards against the adverse consequence that may result from the US enacting fresh domestic legislation". The Agreement also states that bilateral safeguards are not required. It is different in terms of its obligations and safeguards than the Indian 123 Agreement.

Response: It may be noted that the first part of Article 2.1 of both the China-US and India-US Agreements are identical. In the second half of the Article, the reference to international law continues in the China-US Agreement but a similar provision has been shifted to Article 16.4 in the India-US Agreement. Therefore, Article 2.1 of the China-US Agreement should be compared as a whole to Article 2.1 read with Article 16.4 of the India-US Agreement.

The Left Parties' Note appears to imply that the formulation in Article 2.1 of the China-US 123 Agreement on international law is more advantageous than Article 16.4 of the India-US Agreement. In fact, the language of Article 16.4 of the India-US Agreement is more categorical through

its reference to "shall be implemented" rather than the China-US language of "recognize, with respect to the observance of this Agreement, the principle . . .".

There is no provision in the China-US Agreement that provides protection against the US enacting fresh domestic legislation;

The nature of our safeguards' provisions has also been contrasted with that of the China-US 123 Agreement. The Left Parties' Note has only cited Article 8(2) of the China-US Agreement, omitting any mention of the Memorandum of Understanding, dated 6 May 1998, between the two countries which provide for US personnel visiting the material, facilities and components subject to the Agreement annually and in special circumstances, making mutually acceptable arrangements for the addition or reduction of visits. The public testimony of ACDA Director Ken Adelman to the US Congress on 31 July 1985 is also relevant in this regard.

- 1.8 Assertion:** In advancing the merits of the India-US. Agreement, there is no mention of an overriding escape clause . in Article 14.2, where termination is sought when resolution has not been possible or cannot be achieved through consultations. The questions of material violations arise only when violation of the Agreement is cited as reasons for termination under Article 14.3. The India-US 123 Agreement provides for open-ended right of termination by the US; by citing any reason it wishes. In contrast, the Japan-US 123 Agreement provides for cessation/termination only when there is non-compliance with the accord's provisions, arbitral tribunal's decisions or material breach of safeguards.

Response: It should be recognized that as an Agreement between two equal partners, both sides can invoke Article 14.2 in exceptional circumstances as warranted by their national interests.

As noted in the earlier Note, the India-US 123 Agreement has a multi-layered process of consultations dealing with the contingency of termination and cessation of cooperation. No other 123 Agreement has a provision of the complexity and breadth of arrangements and processes that are contemplated in Article 14. The obligation to "consider carefully the circumstances" that may lead to cessation! termination is a significant commitment. So too is the Agreement to take into account circumstances resulting from a changed security environment and as a response to similar actions by other states impacting national security. Article 14.2 of the Agreement should therefore be read in its totality rather than have some of its provisions quoted selectively.

The drafting of the Article has taken into account the broader implications of India having a strategic programme. It would be fallacious to contrast these aspects with the Japan - US 123 Agreement since Japan does not have a strategic programme.

- 1.9 Assertion:** The argument that arbitration is inferior to consultations is difficult to understand. Government should, explain how the 123 Agreement's consultation clause is superior to the consultations clause of the 1963 Tarapur Agreement.

Response: India retains the right to ensure uninterrupted operation, of its civilian, nuclear reactors. Arbitration would only circumscribe our freedom of action and is not in our national interest.

We have learned from the Tarapur experience and Government has ensured that it will not be placed in a similar situation again. The consultations clause in the 123 Agreement (Article 13) differs from the 1963 Agreement, as now, the Agreement is between equal parties. It is explicitly recognized 'that they are between 'two states with ,advanced , nuclear technology, which have agreed to assume the same responsibilities and. practices and acquire the same benefits and advantages ,as, other .leading . countries with advanced nuclear technology. This is further buttressed by the. consultations provisions of Article 14.2 of the 123 Agreement.

- 1.10 Assertion:** The US will not, in the final analysis, 'allow its international law obligations to stand in the way of its perceived national interests.

Response: The Left Parties have stated that the US will not allow its international law obligations to stand in the way of its perceived national interests. They should be as confident of Government of India's ability to secure our national interest. After all, on nuclear issues, successive Indian Governments have resisted external pressures to accede to the NPT and the CTBT.

- 1.11 Assertion:** President Bush .may have treated Section 103 of the Hyde Act as non-binding in his Statement of Signing but future US Presidents may regard it as binding.

Response: Section 103 of the Hyde Act, which deals with Statements of Policy, is advisory in nature. The United States has a long history of Presidential Signing. Statements. These are neither unique to the present Administration nor to the Hyde Act. In any case, as mentioned in paragraph 1.2 above, with the approval by the Congress of the 123 Agreement, the issue of binding and non-binding aspects of the Hyde Act on the Administration would be permanently settled. There need

be no apprehension of future uncertainties on this score. While every legislature is sovereign, it is also customary for successor Governments to honour commitments made by their predecessors.

2. FUEL SUPPLY ASSURANCES

- 2.1 Assertion:** Hyde Act has ignored all the fuel supply assurances made, in the Separation Plan. Government is still not clear about the fuel supply assurances in the 123 Agreement, which it has itself negotiated. Several sections of the Hyde Act stand in the way of the fuel supply assurances. Hyde Act needs amendment before other NSG nations help us accumulate fuel reserves. The terms that other NSG countries would offer will have to take into account the Hyde Act.

Response: By its very nature as an enabling legislation, the Hyde Act is not required to include fuel supply assurances. The Act was meant only to exempt from certain requirements of the US Atomic Energy Act of 1954 a proposed nuclear agreement for cooperation with India. The 123 Agreement, which was negotiated thereafter, included them in toto. This validates our contention that it is the 123 Agreement and not the Hyde Act that should be treated as governing the rights and obligations of the parties.

It is only after the adjustment of NSG guidelines takes place that the position of NSG countries on fuel reserves will become final. It is not clear how the Left Parties assume that other NSG countries, who are all sovereign states, are bound by the Hyde Act. This is an enabling legislation applicable only to the US Administration. The question of it applying to NSG Governments, such as Russia or China, does not arise.

3. IAEA SAFEGUARDS AND ADDITIONAL PROTOCOL

- 3.1 Assertion:** UPA's Note evades answering the nature of corrective measures. There does not seem to be any enforceable link between safeguards in perpetuity to be executed with IAEA and disruption of fuel supply..

Response: It would not only be difficult to define corrective measures without context or circumstances, but will be

injudicious to do so. Any narrowing of the concept through arbitrary definition at this stage would diminish our flexibility of response. As regards the two issues of safeguards and fuel supply assurances, Article 5.6 and Article 10 of the 123 Agreement are self-explanatory. In fact, Article 10.2 specifically begins with the words "Taking into account Article 5.6" when committing to the conclusion of an IAEA Safeguards Agreement. The early conclusion of the India., specific Safeguards Agreement with the IAEA would further clarify matters. The Government has made clear that the application of safeguards on our civilian reactors would coincide with their receiving the benefits of international cooperation.

SEPARATION PLAN OF 2 MARCH 2006

- 4.1 Assertion:** UPA Note's claim that the Separation Plan is not a bilateral document is contradicted by PM's statement of 17 August 2006. Lack of reference to the Separation Plan in the 123 Agreement would allow future US Administrations to dispute its contents.

Response: There is no contradiction between PM's statement of 17 August 2006 and Government's view that Separation Plan is, not a bilateral document. Agreement was indeed reached on 2 March 2006 on some aspects of the Separation Plan pertaining to fuel supply assurances as they involved US obligations. However, the principles of separation and the identification of civilian facilities were entirely our prerogative. It remains our view that key decisions on our nuclear programme should be made solely by India and that bringing them into the purview of a bilateral arrangement is not in the national interest.

5. FULL NUCLEAR COOPERATION

- 5.1 Assertion:** Sourcing dual use items is not possible for nuclear facilities and restrictions have not been lifted under the 123 Agreement. Sensitive nuclear technology transfers are also restricted and the US would vote against any move to do so in the NSG.

Response: As, explained in the earlier UPA Note, the 123

Agreement meets all the benchmarks articulated by the Prime Minister in Parliament, i.e., nuclear fuel, nuclear reactors and reprocessing spent fuel. India is treated as other states with advanced, nuclear technology. Over and above that; we have secured forward-looking language in Article 5.2. There are no legal impediments to the supply of dual use items. The 123 Agreement, even if it is read in a restrictive manner, cannot in any case apply to other NSG 'suppliers. Other suppliers have shown interest in concluding bilateral agreements on civilian nuclear energy cooperation with India once ' NSG Guidelines are adjusted.

6. ANNUAL CERTIFICATION / ASSESSMENT BY THE US PRESIDENT

- 6.1 Assertion:** Certification 'has merely -been changed by calling it an assessment. Future US Presidents could differ with the current one regarding the non-binding provisions-of the Hyde Act.

Response: There is a major difference between a certification and an assessment. The absence of certification could constrain further cooperation and condition a 'waiver. That is not the case with assessments, which are an internal exercise between two branches of the US Government, without operational impact on the cooperating party. Such assessment requirements have existed well prior to the enactment of the Hyde Act. The issue of: future Presidents reopening the interpretation of the Hyde Act has already been addressed in paragraph 1.10 above..

7. CONSENT TO REPROCESSING

- 7.1 Assertion:** Section 6 (iii) of the 123 Agreement talks about "subsequent arrangements and procedures". The claim of upfront consent is not, borne out by Section 6 (iii) of the 123 Agreement. Government should explain how this is different from the earlier Tarapur Agreement.

Response: There is no reference to "subsequent arrangements or procedure" in Article 6 (iii) of the 123 Agreement. The consent rights secured in respect of

reprocessing are regarded as 'upfront' because they do not envisage case by case approval of reprocessing requests. Taking the Tarapur experience into account we have specified timelines to begin as well as conclude our discussions on the reprocessing arrangements. This represents a significant step forward.

8. ENERGY ISSUES

8.1 Assertion: The capital costs of imported reactor based plants, which is almost three times that of equivalent capacity coal - fired plants, will need to be considered.

Response: The 123 Agreement is an enabling mechanism for bilateral cooperation in civilian nuclear energy. It does not oblige us to invest in nuclear power projects, if they are not cost effective.

It is true that capital cost of electricity generating plants is important, but the most important aspect is the tariff to be paid by the consumers. In this regard, several studies carried out by analysts in India and abroad have clearly brought out the competitiveness of nuclear power. Such studies, analyzed by the CEA, have concluded that there is a clear confidence in the economic competitiveness of new nuclear builds in liberalized electricity markets, as well as in the economic affordability of the benefits, from a sustainable development perspective, brought by the reprocessing and recycling fuel cycle strategy (compared with the open once-through fuel cycle option).

8.2 Assertion: The UPA Note is silent on the Integrated Energy Policy of the Planning Commission and there needs to be an informed debate on different energy scenarios.

Response: The report of the Planning Commission on the Integrated Energy Policy was issued in August 2006 and at that point of time opening up of international civil nuclear cooperation with India was emerging as a distinct possibility. Therefore, on page 35, the Report says, "It is also envisaged that in the first stage of the programme, capacity addition will be supplemented by electricity generation through light water

reactors, initially through import of technology but with the longer term objective of indigenization". The XI plan proposals of the DAE consider launching construction of 10 large reactors during the XI plan.

- 8.3 Assertion:** Talk of a renaissance in nuclear power is speculative.

Response: There is a clear demonstration of resurgence of interest in nuclear power globally. In his speech to the General Conference at the IAEA on 17 September 2007, IAEA.

Director General stated the following: "Most of the recent expansion has been centred in Asia; Countries such as Indonesia, Thailand and Vietnam have concrete plans or have expressed their intent to introduce. nuclear power - and plans for expanding existing nuclear power programmes are being implemented in China, India, Japan, the Republic of Korea and Pakistan. And of course, this renewed interest is not limited to Asia. Other countries, such as Algeria, Belarus, Egypt, the Islamic Republic of Iran, Jordan, the Libyan Arab Jamahiriya, Nigeria, Turkey and Yemen are among those considering or moving forward with the infrastructure needed to introduce nuclear power programmes. And many others, such as Argentina, Bulgaria, Finland, France, South Africa the Russian Federation and the United States of America, are working to add new reactors to their existing programmes."

There are definite indications of the likely start of construction in the United States in the near future. The status of new nuclear power plants in the USA is available on the website of Nuclear Energy Institute." It may be worthwhile recalling that in March 2007, Exelon was awarded the first Early Site Permit (ESP) for this Clinton plant in Illinois, by the USNRC and the USNRC decided' to award the second early site permit to Entergy for its Grand Gulf site. Further ESP applications are pending with the USNRC. This indicates a clear movement towards setting up of new nuclear power plants in the United States.

- 8.4 Assertion:** Decarbonising of the economy using nuclear power is not a serious option.

Response: Decarbonising of economy using nuclear power is a slow process. Massive expansion of electricity will take place only in developing countries where initial introduction of nuclear power has to be preceded by building up of human resource and infrastructure needed for operation and management of nuclear power plants. Therefore, with regard to decarbonising one has to see the impact of nuclear power over a longer-term horizon.

9. IMPACT OF IMPORTED REACTORS ON DOMESTIC INDUSTRY

9.1 Assertion: UPA Note has not addressed the issue of domestic sourcing for the, new power, plants. We would be helping to revive the moribund nuclear industry in the US and elsewhere.

Response: Manufacturing capability of Indian industry is much more advanced as compared to what it was in the 60s~ when decision to launch nuclear power programme based on Pressurized Heavy Water Reactors was taken. Now it is within the capability of Indian industry to manufacture several equipment and component for light water reactors. As we proceed with setting up of light water reactors, progressive indigenization will be our goal as this will make the reactors much more competitive. We expect that opening up of international nuclear cooperation with India will not only provide an opportunity to Indian industry to manufacture components and equipment for light water reactors to be set up in India but also to provide, similar manufacturing services for setting up of reactors abroad. Manufacturing industry in India has been exploring all such possibilities with their counterparts abroad and has discussed their blueprints with NPCIL and the DAE. This is similar to outsourcing of manufacturing by advanced countries to India in other sectors, such as automobile industry.

It may be recalled that India is having a dialogue with the Russian Federation and France. As a result of the dialogue with the Russian Federation, a Memorandum of Intent for setting up additional reactors at Kudankulam and new sites was signed on 25 January 2007. A declaration by India and France on the development of nuclear energy for peaceful purposes was signed in February 2006 and this declaration

envisages cooperation to cover "application of nuclear energy to power generation, including setting up of power projects" .

Thus, the NPCIL's projection of reaching 40,000 MWe, of nuclear power by 2021 -- 22 is based on several parallel efforts viz. indigenous PHWRs and FBRs, and reactors to be set up in technical cooperation with France, Russian Federation and the USA. Even if there has been no construction of nuclear power plants in the United States itself, it would be erroneous to regard nuclear industry, particular in. countries like France, Russia or Japan as moribund.

10. COST OF ENERGY FROM VARIOUS SOURCES

10.1 Assertion: The UPA Note refers to historical costs that are not relevant to evaluating energy options today. The key issue is, to compare the cost of latest nuclear and, coal fired power plants. How do high-cost imported reactors fit into our indigenous programme and do they endanger the economy?

Response: Norms for fixing tariff of electricity from nuclear power plants in India have been continuously evolving. In the initial development phases, norms, for fixing tariff were based on single part tariff, a base capacity factor of 62.8 per cent, and levies for research and development, renovation and modernization. Later, the policy was revised and base capacity factor was increased to 68.5 per cent and the levies on research and development, renovation and modernization were withdrawn. This change in norms has made the tariff of electricity from nuclear power plants more competitive.

A high level tariff committee is presently studying the tariff policy afresh. It is likely that in the coming years, when the present mismatch of fuel demand and supply is overcome, the tariff policy would shift to two part tariff concept as applied in coal fired plants. This will result into tariff as attractive as thermal plants.

The policy on tariff for light water reactor is also being worked out. It is quite likely that two part tariff concept identical to the coal fired units will be applicable to such nuclear power plants right from the initial stage itself. For example at Kudankulam,

when the project gets complete on finished cost of Rs. 13,171 crores (\$ 1570/kWe), the tariff, on this basis is expected to be Rs.1.99 in the year 2008-09.

With regard to capital costs, the overnight costs of, commercial nuclear power reactors in the world vary from 1200 to 2500US\$/kWe. There are no international numbers available for the cost/kWe for the various types of reactors available viz. AP-1000, EPR-1650, BN-1000, ABWR, ACR1000 etc. The total cost will depend on the business model, participating organization/ country, mode of implementation i.e. turnkey/technical cooperation, indigenous content and the innovative financial schemes. Foreign vendors mostly provide Nuclear Steam Supply (NSS Island). The Generating Plant, Balance of Plant. and integration of these three islands (NSS, GP & BOP) is normally offered through a consortium. The cost towards construction and commissioning (local activities) form a sizeable portion of about 10 per cent of the total cost. By judicious choice in finalizing participating countries and the share of Indian industry (localization), a project costing between 1400 to 1500 \$/kWe can be conceived. A base case of overnight costs of 1500 US\$/kWe is considered possible. Though the capital costs are higher than thermal power stations, the imported reactors produce electricity at competitive rates in view of low fuel charge which is estimated at about 55 Paise/kWh. The corresponding fuel charge at non pit head locating for a coal thermal power station is about Rs. 160/kWh.

11. SHORTAGE OF URANIUM

11.1 Assertion: Do we have enough uranium supplies for domestic PHWRs and are we importing fuel only for imported LWRs?

Response: For domestic planned PHWR programme, i.e. up to a total installed capacity of 10,000 MWe, we do have enough uranium in the country. However, if additional uranium is available to us from the international market we need not limit the installed capacity to 10,000 MWe. We can import uranium and set up additional pressurized heavy water reactors.

12. SERIOUS LIMITATION PUT ON INDIGENOUS THREE STAGE

POWER PROGRAMME

12.1 Assertion: There is a major alternation to the Separation Plan in not using safeguarded plutonium from LWRs for the breeder which harms the indigenous breeder programme seriously.

Response: There is no change in the Government's position regarding placing fast breeder reactors under safeguards. As noted in paragraph 14 (ii) of the Separation Plan, India is not in a position to accept safeguards on PFBR and FBTR as they are at an R&D stage and technology will take time to mature. Where future reactors are concerned, the Government retains the sole right to determine such reactors as civilian, obviously taking all factors into account. As conveyed in the earlier UPA Note, we have no intention of placing current fast breeder reactors under safeguards. We will consider offering specific fast breeder reactors for safeguards only after technology has stabilized and we are ready to use plutonium recovered from spent fuel of foreign origin.



APPENDIX - XLII

Left Parties Note: Indo-US Nuclear Cooperation Agreement: Implications for India's Foreign Policy and Security Matters.

October 2, 2007.

INTRODUCTION

It is relevant to recall that in 2004, when the United Progressive Alliance government was formed, the National Common Minimum Programme contained in its foreign policy section the following: "The UPA government will pursue an independent foreign policy keeping in mind its past traditions. This policy will seek to promote multi-polarity in world relations and oppose all attempts at unilateralism." It is also significant that on relations with the United States, the NCMP stated: "Even as it pursues closer engagement and relations with the USA, the UPA government will maintain the independence of India's foreign policy position on all regional and global issues." There was no mention of strategic ties with the USA because it was evident that such a strategic relationship would go contrary to the main direction of foreign policy proposed in the NCMP.

The subsequent decision by the UPA government to project the building up of an India-US strategic partnership as the cornerstone of India's foreign policy is going against the spirit and direction of the foreign policy envisaged in the NCMP. As the Left Parties have pointed out, the proposed civil nuclear cooperation with the United States as embodied in the 123 Agreement cannot be regarded as a stand-alone project; it forms an integral part of a broader Indo-US strategic alliance. Indeed, senior officials of the Bush administration have been explicit about this connection. The US side has embellished the rationale of the "strategic partnership" in terms of a tryst with India's destiny - to "help" India become a "major world power in the 21st century". Ironically, when it comes to India's vital interest in claiming a permanent seat in the UN Security Council, the US has refused to back India.

The US side considers the civilian nuclear cooperation as deepening Indo-US strategic partnership and elevating it to a "new strategic level". A prominent India hand in the Bush administration, Ashley Tellis, argues:

For the United States, the ultimate value of the US-Indian relationship is that it helps preserve American primacy and the exercise thereof by constructing a partnership that aids in the preservation of the balance of power in Asia, enhances American competitiveness through deepened linkages with a growing Indian economy, and strengthens the American vision of a concert of democratic states by incorporating a major non-Western exemplar of successful democracy such as India.

The resonance of such strategic thinking in the Indian side is reflected in the words of K. Subramanyam, Chairman of the Task Force on Global Strategic Developments, set up by the Prime Minister in November 2005:

The US strategy is to help develop a balance of power in Asia so that China would not emerge as the sole superpower in the continent ... the US decision announced on March 25, 2005 that its (US') goal is to help India become a major world power in the 21st century. If we understand the long-term vulnerabilities of the US, and therefore its stake in the Indian partnership, we would have greater confidence in the American initiative.

The similarity between the thinking of the Chairman of a Prime Minister appointed task force on Strategic Developments and those arguing for a strategic relationship between India and the US, in order to preserve "balance of power in Asia", is indeed striking.

The text of the 123 Agreement in its preamble states that India and the US have arrived at the agreement being, among other things, "desirous of strengthening the Strategic Partnership between them". The vision of the US, as far as India's role in the strategic partnership is concerned, is clearly stated in the Henry J. Hyde United States-India Peaceful Atomic Energy Cooperation Act of 2006, enacted by the US Congress in order to enable civilian nuclear cooperation with India. The Hyde Act states that such cooperation with a non NPT signatory like India can occur if:

...the country has a functioning and uninterrupted democratic system of government, has a foreign policy that is congruent to that of the United States, and is working with the United States on key foreign policy initiatives related to nonproliferation; [Section 102 (6) B]

It goes without saying that "congruence" with US foreign policy also amounts to a subversion of India's independent foreign policy. The UP A has insisted that such provisions of the Hyde Act are not relevant for India. Unfortunately, the record of the UPA government so far shows that it has actually framed

policies, which reflect an effort to attain "congruence" with US policies. In its pursuit of a strategic partnership with the US, disregarding the commitment made in the NCMP, the UPA government has already made compromises on India's independent foreign policy.

1. Compromises on Independent Foreign Policy

STAND ON IRAN

The UPA government's foreign policy orientations have shifted in a direction where there is a deliberate attempt to harmonise India's policies with US' global strategies. The most glaring of the consequent aberrations that have crept into India's independent foreign policy, as envisaged under the NCMP, lies in the stance that India adopted on the Iran nuclear issue. The circumstances leading to the complete volte-face by India during the vote on Iran in the International Atomic Energy Agency [IAEA] meeting in Vienna on 24 September 2005 remain largely unexplained by the UPA government.

Prior to the second vote on Iran at the IAEA, the US Ambassador David Mulford had publicly warned in January 2006 that the US Congress would not approve the Indo-US Nuclear Agreement unless India voted against Iran. Despite such a humiliating threat from the US, the UPA government went ahead and voted against Iran in IAEA for a second time in February 2006. Following the second IAEA vote, the United Nations Security Council took up the issue and has since imposed sanctions against Iran. The Bush administration has exploited the situation to pressurize Iran by proposing unilateral sanctions and is now seeking tougher sanctions against Iran despite the IAEA's repeated affirmation that no evidence is available regarding Iran's alleged nuclear weapons programme. More alarmingly, there are reports suggesting that the Bush administration may resort to a military attack on Iran in the coming months, bypassing the UN Security Council altogether. The Bush administration has openly called for a "regime change" in Tehran. India's votes against Iran at the IAEA went a long way in enabling the US to transfer the Iran file to the UN Security Council and to resort to threatening measures. This has definitely damaged the mutual trust in Indo-Iranian relations.

Iran shares civilisational bonds with India. It is also a strategically important country in India's extended neighbourhood. Successive governments in Delhi have fostered close relations with Iran and have regarded Iran as a factor of regional stability. However, even now the UPA government fights shy of constructively engaging Iran for the fear of antagonising the US,

which is most evident in the slowing down on the Iran-Pakistan-India gas pipeline project on the part of India. Iran recently voiced its unhappiness over India dragging its feet in the negotiations over the project and complained that it is being forced into a situation to go ahead with the project with Pakistan alone.

Richard Lugar, who was Chairman of the US Senate Foreign Relations Committee, in his opening statement for a meeting on Indo-US civilian nuclear cooperation on 28 June 2006 stated: "We have already seen strategic benefits from our improving relationship with India. India's votes at the IAEA on the Iran issue last September and this past February demonstrate that New Delhi is able and willing to adjust its traditional foreign policies and play a constructive role on international issues".

Subsequently, the Hyde Act was enacted by the US Congress. In a section of the Hyde Act, which deals with annual assessment and reporting to the US Congress by the US President on a variety of foreign policy issues related to India, it is also stated:

... an assessment of whether India is fully and actively participating in United States and international efforts to dissuade, isolate, and, if necessary, sanction and contain Iran for its efforts to acquire weapons of mass destruction, including a nuclear weapons capability (including the capability to enrich uranium or reprocess nuclear fuel), and the means to deliver weapons of mass destruction, including a description of the specific measures that India has taken in this regard; and (ii) if India is not assessed to be fully and actively participating in such efforts, a description of- (I) the measures the United States Government has taken to secure India's full and active participation in such efforts; (II) the responses of the Government of India to such measures; and (III) the measures the United States Government plans to take in the coming year to secure India's full and active participation [Section 104g(2) E (i)]

No legislation enacted in any foreign country has ever made such intrusive observations about India's foreign policy. The issue cannot be sidestepped by suggesting that the Hyde Act does not apply to India. Given the experience of the IAEA vote against Iran it is clear that India would be continuously subjected to US pressure to toe its line on Iran. Is there no link between the Indo-US Joint Statement of July 2005, which announced the civilian nuclear cooperation, and India's vote against Iran at the IAEA in September 2005? Not very long ago, India had envisioned a "strategic

partnership" with Iran "for a more stable, secure and prosperous region and for enhanced regional and global cooperation." [India-Iran New Delhi Declaration, January 2003]. Can the UPA government take a clear-cut stand that it will pursue such relations with Iran? Can the UPA government assure that the Iran gas pipeline project will go ahead despite the slowdown in the recent period?

IRAQ

The elections in occupied Iraq in December 2005 were generally perceived by the world community as an orchestrated propaganda exercise by the US. However, the UPA government saw those developments only through the American prism and welcomed the elections as a significant step forward in the Iraqi political process. In retrospect, it is clear that neither was there a legitimate political process in occupied Iraq, nor could there be one so long as it remains an occupied country. The restoration of Iraqi sovereignty is the real issue. The UPA government's optimism was completely unfounded when it hailed the elections as leading to a more inclusive and broad-based Iraqi administration and a development in Iraq's transition to full sovereignty and democracy. The Iraqi people have since made it clear that the core issue is the continued military occupation of their country by the US led aggressors.

The stance taken by the UPA government on the execution of Saddam Hussein was also deplorable. It overlooked the fact that the US denied justice to the former Iraqi President, and his trial was completely arbitrary. In its keenness not to displease Washington, the UPA government carefully avoided any outright condemnation of the summary execution of Saddam Hussein even without a proper trial. The fact remains that Saddam Hussein was a close friend of India and a participant in the Non-Aligned Movement. Yet, all that the UPA government could say was that it was "disappointed" with his execution. The government failed to reflect the public opinion within India, which was one of revulsion and abhorrence over the US' arbitrary behaviour as an imperial power, flouting elementary tenets of law, justice and fairness.

In the entire period of the UP A government in power, India has not spoken out against the war crimes being perpetrated by the US occupying forces in Iraq' and the death of thousands of innocent civilians. The government remained unmoved even by the most glaring atrocities like the massacre at Fallujah or the shocking revelations regarding torture at the Abu Ghraib prison. There was a time not too long ago when India, though much weaker

as an economic power than today, didn't hesitate to stand up as the conscience keeper of the world community, especially of the developing countries, voicing opinions about justness, peace and equality. In the given circumstances when the UPA government has to constantly calibrate its foreign policy orientations in terms of the US global strategies, the UPA government has lost the courage to assert India's moral leadership. Is this in keeping with the NCMP commitment of opposing all attempts at unilateralism?

PALESTINE

In deference to the strategic ties with the US and Israel, the UP A government has incrementally distanced itself from the Palestinian cause. The barbaric attacks on the Palestinians in Gaza and West Bank by the Israeli security forces have not received the attention of the Government. After hailing the Palestinian elections held in January 2006, the UPA government completely ignored the subsequent blockade of the Palestinian government by the Israeli authorities through blatantly coercive methods aimed at making the newly elected Palestinian leadership ineffectual. The UP A government has also remained a mute witness to the Israeli attempt to create isolated Palestinian enclaves in order to preempt any just solution to the Palestinian problem. The government has also been found wanting in fulfilling its commitment to the cause of Palestinian people for a homeland of their own. Is the UPA government willing to give a "fresh thrust" to the traditional ties with West Asia, as promised in the NCMP?

ISRAEL

The UPA government has remained silent about the highly provocative Israeli air attack on Syria on September 6, 2007. Despite Syria being a close friend of India in the Arab world, the dependence on the Jewish lobby in the US to canvass support for the Indo-US nuclear deal has made the UPA government beholden to Israel. This has not only made the UPA government look the other way as far as the Israeli atrocities against the Palestinians are concerned, but have led to a broadening and deepening of India's security cooperation with Israel. India has already emerged as the largest buyer of arms from Israel in the world with purchases touching US \$1.5 billion in 2006. All this despite the NCMP not mentioning Israel even once in its text.

"LOOK EAST" POLICY

India's "Look East" policy, formulated in the early 1990s, has a continued rationale. It aims at meeting the challenges of globalisation as well as creating a stable external environment within which the country's development becomes possible. The NCMP also emphasises "intensified" relationship with East Asian countries. However, the politics of creating rival blocs in Asia, which underlies the vision of preserving the "balance of power in Asia" shared by the US and Indian strategic establishments, undercuts the very rationale of the "Look East" policy. It introduces animosities and antipathies in our region. The US does not belong to the Asian region. Geography dictates that India has to live with its neighbours. Ignoring these considerations, India has embarked upon a quadripartite strategic tie-up with the US, Japan and Australia. The strategic dialogue with these three countries, which have a tightly knit security partnership amongst them in the Asia Pacific region, only serves to create suspicions among the countries of Southeast and East Asia over India's gravitation towards a US-led security bloc in Asia. While such a bloc would serve US geo-strategic design of dividing Asia, it is difficult to understand how it would serve India's interests. Why has the UPA government moved in this direction?

SHANGHAI COOPERATION ORGANISATION

Distortions have also crept into India's policy toward the Central Asian region. After a promising beginning, Indian policy toward the Shanghai Cooperation Organisation (SCO) has become noticeably lukewarm. India was the only country among the SCO's members and observers that was not represented at the head of state/government level at its Shanghai summit in 2006. There does not seem to be a credible explanation for this other than being an effort to placate the Bush administration. However, it doesn't serve India's interests to be seen as a pillion rider of US "Great Central Asia" strategy. The Central Asian countries resent the US intrusive policies and its attempt to instigate "colour revolutions" in the region. Russia and China also perceive the US strategy as essentially aimed at undercutting their legitimate interests in Central Asia.

The SCO serves India's interests in many ways. Fighting terrorism, religious extremism and political separatism forms the core of the sea's agenda. In this sphere, India has shared concerns with the sea member countries. The sea has also shown keenness over India's participation.

It works on the basis of consensus and also shares India's traditional outlook not to be prescriptive. It stands for a democratised world order based on multilateralism and respect of international law. The sea holds significant potential for enriching India's "Look East" policy. It also offers immense prospects for economic cooperation. India can benefit through participation in the sea's regional projects in infrastructure development, energy and communications. It is inexplicable, therefore, why the UPA government has not pursued its relations with the sea more seriously.

AFGHANISTAN

The UPA government has viewed the Afghanistan problem exclusively through the prism of the Bush administration's "war on terror". The open-ended induction of the North Atlantic Treaty Organisation (NATO) forces in Afghanistan has profound implications for regional security. Under the fig leaf of a UN Mandate, the NATO forces are operating with impunity. It is a part of the US geo-strategy to expand NATO as the sole security organisation with a global reach and global partners. In Afghanistan, the activities of the US and NATO forces have proved to be highly controversial. The wanton use of force against unarmed innocent civilians has resulted in heavy loss of lives. Afghan people are increasingly showing their resentment over these atrocities. The UPA government has chosen to ignore these war crimes.

India has consistently stood for an independent, nonaligned Afghanistan free of foreign interference. From all accounts, the US and the NATO are determined to consolidate their military presence in Afghanistan on a more or less permanent basis. The US intends to use Afghanistan as a hub for its policy toward Central Asia and for threatening neighbouring countries like Iran. These are developments that have a direct bearing on regional stability, including India's security interests. It is surprising, therefore, to note that the UPA government has neither expressed its concern on the deteriorating situation in Afghanistan nor spoken out against the prolonged presence of US and NATO forces there.

SUMMING UP

It should be evident from the above that India's strategic alliance with the US has cast its shadow on India's policy towards the regions in its immediate and extended neighbourhood in Asia. The Left Parties have always held that a strategic partnership with the US cannot go hand in hand with the NCMP commitment of pursuing an independent foreign policy. Neither can

the civilian nuclear cooperation agreement be seen in isolation to the overall framework of strategic partnership with the US. The specific provision in the Hyde Act demanding that India's foreign policy be "congruent" to that of the US clearly shows the thinking of the US side on the matter. Notwithstanding protestations to the contrary, the fact is that there has been a deliberate attempt to harmonize India's foreign policy positions with that of the US, as has been elaborated above. This directly militates against the provision of the NCMP which states:

"Even as it pursues closer engagement and relations with the USA, the UPA government will maintain the independence of India's foreign policy position on all regional and global issues".

II. DEFENCE COOPERATION WITH THE US: IMPLICATIONS FOR INDIA'S SECURITY

DEFENCE FRAMEWORK AGREEMENT

The agreement on civilian nuclear cooperation with the US was preceded by a ten-year agreement titled "New Framework for the US-India Defence Relationship", signed in June 2005 during the visit of the then Defence Minister to Washington. The Defence Framework Agreement was clearly a continuation of the strategic engagement with the US pursued by the NDA government under Next Steps in Strategic Partnership (NSSP). In the history of independent India, this is the first time such a far-reaching defence cooperation agreement has been signed with any country. This unmistakable move towards cementing a strategic and military alliance with the US goes against the understanding on foreign and security policies contained in the NCMP.

MULTINATIONAL OPERATIONS

One of the provisions of the Defence Framework Agreement states that the Indian and US' defence establishments shall "collaborate in multinational operations when it is in their common interest". Through this provision on multinational operations India has accepted the US concept of such operations that might be undertaken in third countries outside of the UN auspices. There is no mention in the Defence Framework Agreement that such multinational operations will be with a UN mandate. It merely says that the two countries will "collaborate" in multinational operations in their "common interest". In fact, the Defence Security Cooperation Agency of the US, while notifying the US Congress about the sale of US-made C-130

J military transport aircraft and other equipment to India in May 2007, stated:

This proposed sale will contribute to the foreign policy and national security of the United States by helping to improve the security of an important partner and to strengthen the US-India strategic relationship, which continues to be an important force for political stability, peace, and economic progress in South Asia. India and the United States are forging an important strategic partnership. The proposed sale will enhance the foreign policy and national security objectives of the US by providing the Indian Government with a credible special operations airlift capability that will deter aggression in the region, provide humanitarian airlift capability and ensure interoperability with US forces in coalition operations.

The thinking embodied in the provision on multinational operations is without doubt a major departure from India's longstanding policy of regarding the UN Charter as a cornerstone of inter-state relations. The US has a dubious record of unilateralism, gunboat diplomacy and violation of international law. The Iraq invasion was carried out outside the UN auspices, by a US led "coalition of the willing". The UPA government, therefore, owes an explanation as to where it is that Indian armed forces could "collaborate" with US forces in multinational operations?

MISSILE DEFENCE SYSTEM

The Defence Framework Agreement calls for an expansion of "collaboration relating to missile defense" with the US. The so-called National Missile Defence (NMD) system is integral to the US strategy of establishing nuclear dominance and pre-empting any challenge to its hegemony in world affairs. The NMD is opposed by Russia as it aims at neutralising Russia's strategic capability and tilting the overall strategic balance in favour of the US. In other words, the NMD will undercut the processes leading to multi-polarity in the world order. It is nothing but a contradiction that on the one hand the UPA government professes commitment to a multi-polar world order, and on the other hand seeks to collaborate with the US in missile defence.

The UPA government's inclination to participate in the NMD can strain India's traditional ties of friendship and cooperation with Russia. It may also complicate the attempts to forge trust and mutual confidence in India-China relations. The recrudescence of tensions between Russia and the

US in the recent period is largely due to the US decision to deploy parts of its missile defence systems in Central Europe. The cold war mentality reflected in the US attitude towards Russia's resurgence and China's rise should serve as an eye opener for the UPA government that the US global strategies have only one underlying theme, the single-minded pursuit of its agenda of global dominance. Does India's interest lie in dovetailing its security interests with the global strategies of the US, like pitting the trans-Atlantic alliance against Russia or dividing Asia into blocs? What is the commonality of interest between India and the US, as far as the initiative on the missile defence system is concerned?

MARITIME SECURITY COOPERATION

India has taken several measures to build a joint security architecture with the US building-in interoperability and institutionalized capacity for joint operations. The signing of an Indo-US Maritime Security Cooperation Framework (MSCF) Agreement in March 2006 has paved the way for strategic naval links between India and the US covering the South-East Asian and the wider Asia-Pacific region. While ostensibly focusing on terrorism, piracy and security of commercial navigation, the strategic significance of the Indo-US MSCF have been noted widely. Nations in the region, especially the littoral States of the Malacca straits, have long regarded the aggressive US push for a sustained presence in the region as intrusive and with hegemonic ambitions. The Indo-US MSCF aims to give the US greater strategic depth in South East Asian and Asia-Pacific waters by leveraging Indian naval strength, while reducing its own profile in the region, especially at a time when US naval fleets are already over-stretched in the Mediterranean, Persian Gulf, Arabian Sea and elsewhere. The Indo-US MSCF has also raised suspicions of being a part of a strategy of containing China and excluding it from the security architecture of the Malacca Straits and other vital sea-lanes in South East Asia. The MSCF seems to be yet another link in the security chain being built by India and the US as part of the Defence Framework Agreement and the broader Indo-US Strategic Partnership. How does India stand to gain from such a security architecture of the Malacca Straits?

LOGISTICS SUPPORT AGREEMENT

The draft of a Logistics Support Agreement (LSA) has already been

negotiated with the US under the Defence Framework Agreement, and is currently pending with the Cabinet Committee on Security. The LSA seeks to provide for the respective militaries to use each other's facilities for logistics support such as refueling and berthing facilities and to borrow specified "non-lethal" defence equipment for use elsewhere, all on credit. The LSA is not simply an agreement governing minor courtesies extended by one friendly country to another. Extension of such support services has a clear military purpose: in fact they are designed for use during military operations. Even before the agreement has been inked, Chennai played host to the USS Nimitz in July this year. After being refueled and resupplied at Chennai, the aircraft carrier promptly rejoined active duty in the Persian Gulf where the US fleet is currently deployed to intimidate Iran.

The term Logistics Support Agreement has been coined to disguise the real intent of such an arrangement between military allies. The LSA is merely a different terminology for Acquisition and Cross-Servicing Agreements (ACSA), which itself is only another version of the NATO Mutual Support Act, modified for US dealings with non-NATO countries. All the goals and operational requirements remain the same, namely, interoperability between the armed forces with provision for use of base services, logistics support and borrowing of equipment for urgent use. The US has such Agreements with several allies in different parts of Asia and Latin America. Some of those allies like the Philippines have also felt compelled to rename the ACSA (terming it the Mutual Logistics Support Agreement) so as to deflect domestic criticism. Depositing before the House Armed Services Committee in June 2004, the then US Under Secretary of Defence for Policy, Douglas Feith stated:

... because our forward-deployed forces are unlikely to fight where they're actually based, we have to make those forces rapidly deployable. For this concept to work, US forces need to be able to move smoothly into, through, and out of host nations, which puts a premium on establishing flexible legal and support arrangements with our allies and partners.

The UPA government has turned a blind eye to the US recently entering into an ACSA with Sri Lanka. The studied Indian silence on the US-Sri

Lanka deal is in sharp contrast to earlier times when India would be wary of such moves to expand US military presence in its neighbourhood. India's silence on the US-Sri Lanka ACSA is a pointer towards its own willingness today to provide similar military facilities to the US under the LSA. Facilities used under ACSA or LSA can be virtually the same as that available in permanent military bases. Hitherto, Diego Garcia is the only military base that the US has in the Indian Ocean, which too was once the focus of much objection by India. What are the security considerations on the basis of which India is looking favourably at the increasing military presence of the US in the Indian Ocean region? How does India stand to gain by providing military facilities to the US forces under the LSA?

JOINT MILITARY EXERCISES

One of the most visible manifestations of the growing military ties between India and the US has been the increasing frequency and complexity of the military exercises between the two. Of added concern is the fact that these exercises of late have also involved the militaries of different US allies, giving such exercises the complexion of an incipient military alliance. According to Defence Ministry's figures provided in August 2007, 11 army exercises, 5 naval exercises and 3 air exercises have been conducted jointly with the US since 2004. This is more than the number of joint military exercises that India had with any other country during this period.

In November 2005, India and the US conducted their hitherto largest naval exercise in the Arabian Sea off the Goa coast. Even this was dwarfed by the quadrilateral naval exercises in the Bay of Bengal involving the US, Japan, Australia, Singapore and India, in September 2007. The deployment of aircraft carriers and anti-submarine manoeuvres conducted during the naval exercises make it amply clear that they were not simply meant for maritime security or anti-piracy operations. These exercises aim at promoting closer military-to-military ties, greater familiarity with each other's equipment and operational systems, and above all interoperability in joint operations. Visiting US Pacific Commander Admiral Timothy Keating said as much during the quad exercises and raised concerns across the region by adding that India and the US shared a mutual interest in the security of the Malacca Straits. It is curious, to say the least, that the UPA government did not think it appropriate to insist that the Malabar exercises, given their stated objectives, should also have involved the three important littoral

states of the straits of Malacca- Thailand, Malaysia and Indonesia. These three countries have sought a joint regional initiative in the ASEAN, an approach that does not suit the US geopolitical objectives. However, the reason why India chose the US, Japan and Australia for the joint exercises and excluded its immediate neighbours in the Southeast Asian region remains unclear.

India has also allowed US special forces to train with their Indian counterparts in specialized camps for mountain warfare in Ladakh and counter-insurgency jungle warfare in Vairangte, Mizoram. These exercises are clearly aimed to provide immediate assistance to on-going US special forces operations in the "war against terror", in Afghanistan and Philippines. The joint air exercises, especially the Cope India series, raise other issues of concern. Specifically upon US request, India fielded its Russian-origin Su-30 fighters in these exercises 'against' US F-16s. The US, which previously had no experience of the Su-30s, was provided with valuable insights into this frontline aircraft used by both China and Russia.

The frequency and pattern of the Indo-US joint military exercises raises serious concerns regarding India joining a US-led military alliance in Asia, which some commentators have termed as an "Asian NATO". Such a military alliance would obviously suit the interests of the US, since in India they would get a major Asian ally. Question arises, whether such a military alliance with the US serves India's geo-strategic interests in Asia? Wouldn't it adversely affect India's ties with traditional friends like Russia? Would it not antagonize friendly nations in West and South East Asia and detract from improving relations with China?

PURCHASE OF US MILITARY HARDWARE

One of the more direct benefits to the US from increased joint exercises and promotion of interoperability between the armed forces, as envisaged under the Defence Framework Agreement, is the stepped-up Indian demand these are likely to trigger for US military hardware. The more the two countries exercise together, the greater the rationale to provide India with compatible equipment, communications and technologies. US Under Secretary Nicholas Burns, in his on-the-record briefing on the 123 Agreement in July 2007 stated: ". now that we've consummated the civil nuclear trade between us, if we look down the road in the future, we're

going to see far greater defense cooperation between the United States and India: training; exercises; we hope, defence sales of American military technology to the Indian armed forces". (emphasis added) The US side seems to be quite clear about the linkage.

Indian defence purchases from the international market are projected to be around \$30 billion during the Eleventh Plan period. It is evident that the US is eyeing this huge Indian, market and seeking to bag multi-billion dollar contracts for US defence firms. Major sale of US military hardware to India has already commenced with the refurbished US warship USS Trenton for around \$48 million along with six UH-3H Sea King helicopters for another \$39 million. The other large transaction is the acquisition of six US-made Hercules C-130 J military transport aircrafts along with spare engines, missile-warning systems etc. for over \$1 billion. Apprehensions have been expressed that the US is set to emerge as the largest supplier of defence equipment to India, replacing traditional suppliers like Russia. The contract for the 126 multi-role combat aircrafts worth around \$10 billion, for which two US firms have already been shortlisted, would be a test case.

While the Defence Framework Agreement speaks of "increased opportunities for technology transfer, collaboration, co-production, and research and development" , what is taking place is simple sale of US military hardware, carefully selected by the US to fit in with their strategic plans in South Asia and the wider Asian region. Just as the "full civilian nuclear cooperation" has turned out to be anything but full, with dual-use technologies being denied even as per the 123 Agreement, so too in defence cooperation. Interestingly, the US-India CEO Forum Report, released during the Bush visit, while talking about the integration of "Indian private sector companies into the global supply chain of US defense manufacturers, combined with co-production" on the one hand, also recommended the adoption of a "liberal offset regime" in India on the other. This would imply a dilution of the current Indian policy, which requires compulsory sourcing of at least 30 per cent of all defence imports from domestic industry for purchases over Rs 300 crores. US pressure to use "indirect offsets" in the name of "global best practices" is basically meant to avoid technology transfers.

Question therefore arises whether dependence upon defence supplies from the US serves India's interests? The Bush administration considers Pakistan as its foremost ally in its "war against terror". President Bush has recently rewarded Pakistan by approving the sale of F-16s, which had been blocked earlier. While the US continues its strategic partnership with Pakistan, selling it force-multipliers and assuring it that it would do nothing to upset the balance of power in South Asia, does it make sense for India to rely on the US as a major supplier of defence equipment?

SUMMING UP

The Defence Framework Agreement signed with the Bush administration by the UPA government is a major deviation from the NCMP. The Defence Framework entails a military alliance with the US, which not only finds no mention in the NCMP but also goes against the commitments made regarding promoting multi polarity and pursuing an independent foreign policy. Growing military collaboration with the US would harm India's security interests.



APPENDIX - XLIII

UPA Response to Left Parties' Note on Foreign Policy and Security Matters.

October 5, 2007.

INTRODUCTION

Assertion: The 123 Agreement cannot be regarded as a stand-alone project; it forms an integral part of a broader Indo-US strategic alliance ... "congruence" with US foreign policy also amounts to a subversion of India's independent foreign policy.

Response: India today has strategic partnerships and relations with 12 countries and the EU. A list of these partnerships is attached¹. We do not see these partnerships as in any way restricting India's ability to pursue her national interests. If anything, these partnerships help India to pursue her interests. The primary goal of India's foreign policy is to assist the domestic transformation of India's economy and society and to improve the welfare of the Indian people. For this purpose, we have pursued non-alignment as a means to enhance our strategic autonomy and freedom of choice. The 123 Agreement meets this test.

The a priori assumption that "congruence with US foreign policy amounts to subversion of India's foreign policy" in fact limits India's ability to pursue an independent foreign policy. India's national interest has been and will be the only consideration while taking a position or action. If such actions have the support of USA, Russia or China or any other country, we will welcome that support.

I. INDIA'S FOREIGN POLICY

1. IRAN

Assertion: "There was a complete volte-face by India during a vote on Iran in the IAEA".

Response: India's vote on the IAEA resolutions on Iran is in keeping with our consistent position that confrontation should be avoided and that the Iranian nuclear issue should be resolved through dialogue in cooperation with the IAEA. India worked with other NAM countries to balance the IAEA

1. Not included here.

resolution which recognized the right of Iran to peaceful uses of nuclear energy consistent with its international commitments and obligations. The February 2006 resolution, for instance, had the support of Russia, China, Brazil, Egypt and several NAM members.

The fact is, however, that the IAEA has catalogued nuclear activities in breach of Iran's commitments under its Safeguards Agreement, and that Iran's clandestine collaboration had its source in Pakistan. No explanation of this has been made to us. India cannot afford to turn a blind eye to security implications of such activities.

Some progress has recently been made in resolving outstanding issues between Iran and the IAEA, and a workplan has been agreed between DG IAEA and Iran which will now be implemented to resolve outstanding verification issues.

Assertion: The UPA government fights shy of constructively engaging Iran which is most evident in slowing down on the Iran-Pakistan-India gas pipeline project. India had envisioned a "strategic partnership" with Iran "for a more stable, secure and prosperous region and for enhanced regional and global cooperation". [India-Iran New Delhi Declaration, January 2003]. Can the UPA Government assure that the Iran gas pipeline project will go ahead despite the slowdown in the recent period?

Response: The New Delhi Declaration, signed during President Khatami's January 2003 visit, lays down a five year target oriented framework focusing on key areas like political dialogue, oil and gas, bilateral trade and economic cooperation and investments. All these continue steadily.

Based on its own independent and objective interests and position, India continues to develop cooperation with Iran in areas of mutual interest such as energy and transit. Specific projects being taken forward include the development of the Chahbahar Port, the North-South corridor and proposals to broaden and deepen economic cooperation. The touchstone in decisions on economic cooperation projects will remain their technical and economic feasibility. India also continues to engage with Iran in the search for regional stability, particularly in Afghanistan.

In the case of the Iran gas pipeline project through Pakistan, Government is continuing discussions with both Iran and Pakistan so as to secure a technically and economically viable project, while minimizing security and other risks, so as to assure natural gas supplies to India at a reasonable

cost. India remains firmly committed to establish a long-term, cost-effective and secure mode of transfer of gas from Iran.

India - Iran relations stand on their own. They are independent of our engagement with Third countries.

2. IRAQ

Assertion: Stance taken by the UP A government on the execution of Saddam Hussein and on the elections in occupied Iraq in December 2005 were deplorable.

Response: India's response to the death of former President Saddam Hussein was clear and consistent, reflecting the primacy that we attach to the welfare of the Iraqi people and the need for enabling a process of reconciliation and restoration of peace in Iraq. Reactions by other governments such as China and Russia were similar in tone.

On the overall situation in Iraq, Government's stand has been consistently guided by the unanimous resolution adopted by both Houses of Parliament in April 2003. Since then India has been associated with various steps to contribute to the rehabilitation and reconstruction of Iraq and is assisting Iraq in capacity building and development of human resources. India's humanitarian assistance includes the supply of milk powder and fortified food to Iraqi school children.

3. PALESTINE

Assertion: The UPA Government has incrementally distanced itself from the Palestinian cause.

Response: India continues to be deeply engaged in the Palestinian cause. At the request of the Palestine Government, India sent observers to the Parliamentary elections in Palestine in January 2006. India has also been quick to condemn violence and the disproportionate use of forces by Israeli armed force against civilians when conflict broke out in Gaza and later in the West Bank, in statements by the Ministry of External Affairs and by the Prime Minister in both Houses of Parliament. India's support to the Palestine cause has been repeated on several occasions; most recently at the 19th Arab League Summit in March 2007 and following the formation of new emergency government of President Abbas on 17 June 2007. Nor is there any change in India's active support to the cause of Palestine in all UN

fora. In 2007, as in 2006, India voted in favour of all UN resolutions on Palestine, including key resolutions on Palestine statehood and against the construction of security walls on Palestinian territory.

4. ISRAEL

Assertion: The UPA Government has remained silent about the highly provocative Israeli air attack on Syria on 6 September 2007.

Response: Syria's 'reaction to the Israeli air raid has been limited to a complaint to the UN Secretary General and UN Security Council without actually demanding retaliatory action. Arab reactions have been muted and no major developing country apart from Iran has commented on the incident in public.

India's relations with Israel are distinct and differentiated from India's relations with Palestine, nor do they impact on our relations with other Arab nations.

5. LOOK EAST POLICY

Assertion: The politics of creating rival blocs in Asia, which underlies the vision of preserving the "balance of power in Asia" is shared by the US and Indian strategic establishment. India has embarked upon a quadripartite strategic tie-up with the US, Japan and Australia.

Response: The record shows that India's Look East policy in its initial years was primarily economic: India's trade with ASEAN increased almost 10 times from US\$ 2.4 billion in 1990 to US\$ 23 billion in 2005. Upon the economic basis which has been created, recent years have seen considerable movement towards institutional arrangements such as the East Asia Summit, India's dialogue partnership with ASEAN and accelerated discussions on free trade arrangements between India and ASEAN and India and individual ASEAN countries. Given the significance of the region to India's security, we have engaged in dialogue and practical security cooperation bilaterally and through the ASEAN Regional Forum (ARF), which is the only political and institutional security forum in the region. We have also engaged with ASEAN, Far Eastern and Pacific countries on issues such as counter-terrorism. While some ideas about a quadrilateral dialogue have been suggested by Japanese leaders, India has taken no action in the matter.

6. SHANGHAI COOPERATION ORGANISATION

Assertion: Indian policy toward the Shanghai Cooperation Organization (SCO) has become noticeably lukewarm. India was the only country among the SCO's members and observers that was not represented at the head of state/government level at the Shanghai Summit.

Response: India became an observer at the SCO Summit Meeting in Astana in July 2005. India remains interested and I has formally communicated its interest in specific projects to the SCO Secretariat in Beijing eighteen months ago. A response is awaited. The SCO itself is reportedly divided on the issue of whether to admit fresh members and on the level of involvement of observers. (Observers presently do not participate in the deliberations to finalize summit documents or in any other way in the summit except a five-minute presentation at the plenary.) India has, therefore, consistently been represented at Cabinet Minister level at SCO Summits.

7. AFGHANISTAN

Assertion: The UPA Government has viewed the Afghanistan problem exclusively through the prism of the Bush administration's "war on terror".

Response: To say so flies in the face of fact and denigrates the efforts of 3,500 Indians who are presently engaged in the reconstruction of Afghanistan. India's involvement and commitment to a peaceful, stable, democratic future for Afghanistan cannot be questioned given the scale and intensity of our effort and involvement in Afghanistan consistently over the last six decades. This independent engagement, at considerable cost, was recognized in the Bonn process and by India hosting the Regional Economic Cooperation Conference on Afghanistan in November 2006 In New Delhi. The nature of our projects and the type of our engagement negates any statement that Afghanistan is regarded only as an object of any so-called war on terror.

II. DEFENCE CO-OPERATION WITH THE US: IMPLICATIONS FOR INDIA'S SECURITY

DEFENCE FRAMEWORK AGREEMENT

Assertion: In the history of independent India, this is the first time such a far-reaching defence cooperation agreement (New Framework of the US-India Defence Relationship) has been signed with any country. This unmistakable move towards cementing a strategic and military alliance

with the US goes against the understanding on foreign and security policies contained in the NCMP.

Response: The 2005 Defence Cooperation Agreement with the USA is not the first such agreement to be signed with any other country. Nor are its terms a radical departure from other such agreements. The 2005 Defence Cooperation Agreement was debated at length in the Rajya Sabha and the Raksha Mantri in his reply had given clarifications on each and every point raised.

India has been strengthening ties in the defence and military field with various countries.

Since 1996, India has entered into 30 Defence Agreements with other countries including Russia, Germany, Chile, Oman, Mozambique, Australia, South Africa, UK and Northern Ireland, Kyrgyz Republic, Hellenic Republic, Indonesia, Iran, Kazakhstan, Poland, Armenia, UAE, Seychelles, Tanzania, Singapore, Czech Republic and Brazil.

We have also established mechanisms for defence cooperation with countries like Malaysia, Vietnam, Indonesia, Australia and Laos, Japan and the ROK. With the European Union and individual member countries, the co-operation covers training exchanges, joint exercises and defence procurement, production and R&D. Mechanisms for security dialogue exist with France, UK, Italy and Poland. Defence -related exchanges have also been expanding with other countries like Germany, the Czech Republic, Ukraine and Belarus and other Central Asian countries. With Russia, acquisition, licensed production, R&D and product support have been the focus of discussions.

The Raksha Mantri visited China in May 2006 and signed an MOU for exchanges and cooperation in the field of defence - including joint military exercises training programmes in the fields of search and rescue, anti-piracy, counter-terrorism and other areas of mutual interest.

The 2005 Defence Framework Agreement with the USA updates an agreement signed twelve years ago in 1995 on Defence Relations between the United States and India.

MULTINATIONAL OPERATIONS

Assertion: One of the provisions of the Defence Framework Agreement

states that that the India and US defence establishments shall "collaborate in multinational operations when it is in their common interest". Through this provision on multinational operations India has accepted the US concept of multinational operations that might be undertaken in third countries outside of the UN auspices. The UP A Government therefore owes an explanation as to where it is that Indian Armed Forces could collaborate with US forces in multinational operations.

Response: As a sovereign state with independent foreign policy decision making, India's engagement in third countries is determined by India's own calculation of her own interest and the request of the receiving state, and is not contingent upon UN auspices. For instance the use of Indian forces in Bangladesh (1971), Sri Lanka (1978 - 91) and Maldives (1988) were decided upon this basis. Whether or not Indian forces participate in multinational operations in third countries will also be decided upon the same basis.

The relevant provision of the 2005 India - US Defence Framework Agreement is qualified by the phrase "when it is in their common interest". India will decide when and in what manner it will collaborate with the United States in multinational operations. For instance, India has not participated in the US led coalition operations in Iraq and Afghanistan.

MISSILE DEFENCE SYSTEM

Assertion: UPA Government professes commitment to a multi-polar world order and on the other hand seeks to collaborate with the US missile defence. The UPA Government's inclination to participate in the NMD can strain India's traditional ties of friendship and cooperation with Russia. It may also complicate the attempts to forge trust and mutual confidence in India-China relations. Do India's interests lie in dovetailing its security interest with the global strategies of the US, like pitting the transatlantic against Russia or dividing Asia into blocs? What is the commonality of interest between India and the US, as far as the initiative on the missile defence system is concerned?

Response: India is not participating in the NMD. There is no cooperation with the US on development of missile defence.

MARITIME SECURITY COOPERATION

Assertion: The Indo-US Maritime Security Cooperation Framework aims to give US greater strategic depth in South East Asia and Asia Pacific waters by leveraging Indian naval strength while reducing its own profile in the region. The Indo-US Maritime Security Cooperation Framework has also raised suspicion of being a part of a strategy of containing China and excluding it from the security architecture of the Malacca Straits and other vital sea lanes in the South East Asia. How does India stand to gain from such a security architecture of the Malacca Straits?

Response: India attaches importance to the security of sea lanes as this is vital to our economy. As much as 90 per cent by volume of our foreign trade transits over the seas. Our geographical location ordains that we play an active role in promoting maritime security in the Indian Ocean Region. We are pursuing this in a cooperative framework, in expanding circles of engagement. The Indian Navy has taken a number of initiatives for meaningful cooperation with the Navies of the region. Conduct of bilateral exercise is not limited to USA but has been institutionalized with a number of countries like Russia, France, Oman, Singapore, Thailand, etc. Our Maritime Security Cooperation recognizes the primacy of the littoral States (Malaysia, Indonesia, Singapore, Thailand) in the security of Malacca Straits and our policies have been shaped accordingly.

We are also engaged with littoral and user states of important sea lanes of communication and have offered to build capacity for maritime security and safety. The ASEAN Regional Forum (ARF) of which both India and China are members now includes regular discussions on maritime security issues.

LOGISTICS SUPPORT AGREEMENT

Assertion: The LSA is not simply an agreement governing minor courtesies extended by one friendly country to another. Extension of such services has clearly a military purpose; in fact, they are designed for use during military operations. The LSA is nearly a different terminology for Acquisition and Cross-Servicing Agreements (ACSA). All the goals and operational requirements remain the same, namely interoperability between the armed forces with provision for use of base services, logistics support and borrowing of equipment for urgent use. India's silence on the US - Sri Lanka ACSA is a pointer towards its own willingness to provide similar military facilities to the US under the LSA. What are the security

considerations on the basis of which India is looking favourably at the increasing military presence of the US in the Indian Ocean region? How does India stand to gain by providing military facilities to the US forces under the LSA?

Response: We have not signed any Logistic Support Agreement with the USA. The other questions, therefore, do not arise.

JOINT MILITARY EXERCISES

Assertion: One of the most visible manifestations of the growing military ties between the US and India has been the increasing frequency and complexity of the military exercises between the two. The frequency and pattern of Indo-US joint military exercises raises serious concerns regarding India joining a US-led military alliance in Asia which commentators have termed as an Asian-NATO. Question arises whether such a military alliance with the US serves India's geo-strategic interests in Asia. Wouldn't it adversely affect India's ties with traditional friends like Russia? Could it not antagonize friendly nations in West and South East Asia and detract from improving relations with China?

Response: The interaction of Indian Armed Forces with armed forces of other countries through activities that include training, joint exercises, etc, increases their own competence and tests their preparedness in a non-battle field environment. The nature and frequency of such cooperation and exchanges is solely determined based on the requirements of the Indian armed forces and benefits accruing to us.

India's defence ties with countries in the region and beyond have continuously increased in recent years - as our forces and our defence production have gained recognition as among the best in the world.

India conducts joint exercises with a number of countries including Russia, China and countries of South East Asia. These exercises cover areas like counter insurgency, high altitude mountain warfare and jungle warfare. It may be pointed that countries mentioned in Left Parties' Note include both Russia and China also conduct joint exercises with the USA.

JOINT EXERCISES WITH FOREIGN DEFENCE FORCES SINCE 2002

Conducting joint exercises is not unique to USA. The Indian Army has been conducting such joint exercises with foreign countries since 2002. Regular exercises are now planned with Russia, China, UK, USA, Thailand, Seychelles, Mongolia and Maldives.

PURCHASE OF US MILITARY HARDWARE

Assertion: One of the more direct benefits to the US from the increased joint exercises and promotion of interoperability between the armed forces envisaged under the Defence Framework Agreement is the stepped up demand that these are likely to trigger for US military hardware. While the US continues its strategic partnership with Pakistan selling its force-multipliers while assuring it that it will do nothing to upset the balance of power in south Asia, does it makes sense for India to rely on the US as a major supplier of defence equipment?

Response: India's acquisition of defence equipment will be in accordance with the Defence Procurement Policy which prescribes the procedure to be followed in making acquisitions of defence equipment - duly taking into account the extent to which the competing bids satisfy our technical, financial and offsets requirements as prescribed in the DPP 2006 (our offsets policy envisages joint development, co-production and technology transfer). Government has laid out a transparent policy of acquisitions wherein Requests for Proposals are circulated to a number of countries. Currently, our defence procurements are sourced from Russia, Israel, Germany, France, UK and South Africa. USA will, like other competitors, participate on a level playing field.

SUMMING UP

Assertion: India's strategic alliance with US has cast its shadow on India's policy. A strategic partnership with the US cannot go hand in hand with the NCMP commitment of pursuing an independent foreign policy.

Response: Despite the changing world order, the fundamental tenets of India's foreign policy have remained remarkably steadfast and unaltered and successive Governments have reinforced these guiding principles. At the core is our independence in decision making on foreign policy issues. The principles of Panchsheel, enunciated by India's first Prime minister are still relevant and we have, over the years, on every occasion, reiterated our commitment to an independent foreign policy - and the strengthening of multilateral mechanisms and institutions.

India's foreign policy has been pragmatic in its orientation and approach - not driven by ideology, maintaining and strengthening good relations

with both blocs of the Cold War. At the same time, India did not refrain from expressing her position on important issues - as when she supported Egypt during the Suez crisis.

India has advocated, since her independence, general and complete disarmament - and made such far-reaching proposals in 1950s on cessation of nuclear testing and production of fissile material. Here, too, while actively involved in NPT negotiations, India eventually stepped back from signing on to the Treaty as she saw that the Treaty did not meet India's security interests - and was discriminatory as it legitimized the possession of nuclear weapons only by the P-5.

While pursuing the goals of disarmament and nonproliferation, India developed, in her own national interest, an indigenous strategic programme. Even in the face of the consequences that followed her Peaceful Nuclear Test in 1974, India reiterated her need and intention to maintain a credible minimum deterrent, and kept in view the implications for India's security of the emergence of nuclear weapons states on our borders.

India is recognized in today's world as an independent minded nation. In fact, India's national interests require that it should maintain this while simultaneously cultivating close ties with key global players and playing a key role in global affairs - whether trade or security or climate change issues. India today has strategic dialogues with Brazil, China, EU, France, Germany, Iran, Indonesia, Japan, Russia, South Africa, the United Kingdom, United States of America and Vietnam.

Our international friends and partners recognize our commitment to pursue an independent foreign policy. They understand that a country like India cannot be persuaded to follow a course in its foreign policy which does not pass the litmus test of meeting our interests. If India could exercise autonomy in its decision-making during the cold war period, there is no reason to believe that today, when our strength as UPA's Response on Foreign Policy and Security Matters a global power is recognized, we can be coerced into following a foreign policy dictated by another country.



APPENDIX - XLIV

Left Parties Rebuttal to the UPA's Response dated 24th September, 2007

October 5, 2007

The purpose of this exchange is to clarify the issues and caution the UPA that an Agreement binding the country for the next 40 years must not be entered into without proper examination of all issues and clarity on what the Agreement entails. If there are differences on the interpretation of various clauses in the 123 Agreement and the implications of the Hyde Act, it is incumbent on all of us that these are clarified at this stage.

However, even after two sets of Notes and responses on both sides, as can be seen from below, there are a number of issues on which the Left Parties are unable to agree with the UPA's interpretation. It is in this context that the UPA should evaluate whether they should go ahead with this Agreement before clarifying these issues. It is in the interest of the country that we reach a consistent and clear position on these issues before entering into such a far-reaching agreement.

1. THE IMPACT OF US NATIONAL LAWS ON THE 123 AGREEMENT

1.1. Permanent Waiver and Recognition of India as a Nuclear Weapons State: The UPA's 24th September response argues that the waiver provided in the Hyde Act is a permanent one, as it does not require to be renewed every year. However, UPA's Note also admits that the waiver is a one-time waiver. There are two independent issues here. One is the one-time waiver, which refers to waiver regarding India's activities between 1978 and 2005 and whether this one time waiver can be considered as a permanent one. The other issue is whether there is an annual process of determination by which the US can terminate the Agreement, which has been dealt with in Clause 5 below.

1.1.1. One-time Waiver and the Sunset Clause: The UPA's response dated 17th September, 2007 had identified the sections 123, 128 and 129 of the US Atomic Energy Act, 1954 as relevant for the civilian cooperation agreement and stated that the Hyde Act gives "*a permanent waiver in respect to the*

above provisions of the Atomic Energy Act" (Emphasis added). It is in this context that the Left's Response of 19th September 2007 had stated that it is not a permanent waiver.

The waiver under discussion is required as the Nuclear Non-proliferation Act (NNPA) passed in 1978 prohibits transfer of any nuclear materials to any non-nuclear weapons country (as defined by NPT) which has exploded a nuclear device or has violated other clauses of NNPA. The Hyde Act makes clear that this waiver is not a permanent one and only a one-time waiver. Any future nuclear test and other violations as defined in NNPA will attract the provision of sanctions and termination of the 123 Agreement. A permanent waiver would have meant that the clause of sanctions as defined in NNPA would have been lifted permanently and not as a onetime waiver.

The UPA Response has quoted the sunset clause in the Hyde Act [104(f)]. The sunset clause makes this one-time waiver issue amply clear. It states that the President's waiver authority under section 104(a)(1) to exempt a US-India nuclear cooperation agreement will expire once the 123 Agreement is enacted. The purpose of this provision is to ensure that the President can use this waiver authority only once.

1.1.2. India Recognised as a Nuclear Weapons State: The Hyde Act categorically demands the termination of the nuclear cooperation between India and the United States in the event of a nuclear explosive test, vide Section 106: "A determination and any waiver under section 104 shall cease to be effective if the President determines that India has detonated a nuclear explosive device after the date of the enactment of this title." This clearly shows that India has not been recognised as a nuclear weapons state, implicitly or otherwise. This section, inter alia, also makes it evident that the Hyde Act does not offer a permanent waiver in relation to the application of Sections 128 and 129 of the Atomic Energy Act of the United States to India-US nuclear cooperation, both of which apply only to non-nuclear weapon states. Therefore, the application of US laws including the Hyde Act will recognise India as a non-nuclear weapon state. This has relevance to the way the

safeguard and other regimes apply in the 123 Agreement as the earlier Notes by the Left Parties have argued.

1.1.3. National Laws of the US that apply to 123 Agreement vide

Section 2.1: UP A's Response dated 17th September identifies some sections of the US Atomic Energy Act which will apply to the 123 Agreement, namely section 123 read with sections 128 and 129. This does not appear to be a comprehensive list of domestic laws or sections of the Atomic Energy Act. For example, Section 131 of the Atomic Energy Act applies to the implementation of the 123 Agreement but is not mentioned. The Left Parties insist that a comprehensive list of domestic laws of the US that are applicable for the implementation of the 123 Agreement, should be framed. Without such a list and a thorough evaluation of the sections of these laws, the Government should not proceed further with the 123 Agreement.

- 1.2. Hyde Act is of concern only to the US and not to India:** It is true that the Hyde Act is an internal US legislation. But it becomes an integral part of the 123 Agreement through Article 2.1 that requires conformity with national laws. Therefore it is erroneous to claim that the Hyde Act is of concern only to the US and not to India. It is correct that once the 123 Agreement is approved by the US Congress it will have precedence over the Hyde Act, but only to the extent that they conflict with each other and not where they do not conflict or cover the same ground. Is it the UP A's contention that where the Hyde Act and the 123 do not conflict with or cover the same ground, the Hyde Act provisions will not apply on the US Administration?

But it becomes an integral part of the 123 Agreement through Article 2.1 that requires conformity with national laws. Therefore it is erroneous to claim that the Hyde Act is of concern only to the US and not to India. It is correct that once the 123 Agreement is approved by the US Congress it will have precedence over the Hyde Act, but only to the extent that they conflict with each other and not where they do not conflict or cover the same ground. Is it the UPA's contention where the Hyde Act and 123 do not conflict with or cover the

same ground, the Hyde Act provisions will not apply on the US Administration?

The bridge to the Hyde Act is provided by the Preamble to the 123 Agreement. It may be mentioned here that the Preamble to the 123 Agreement states that the Agreement is "desirous of strengthening the strategic partnership between them". This preambular statement can be used to lend a certain colour and tone to the interpretation of the 123 Agreement. The 123 Agreement is to be interpreted in accordance with rules of interpretation in international law. Article 31 of the Vienna Convention on the Law of Treaties notes the general rule of interpretation: "A treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose". Article 31 (2) notes that "the context for the purpose of the interpretation of a treaty shall comprise, in addition to the text, including its Preamble ... ". Therefore the Preamble can always be taken cognizance of in the act of interpretation. The point is also dealt with in 1.5 below.

- 1.3. Hyde Act does not apply to India:** There is no need for the US to breach the Hyde Act for it is an integral part of the 123 Agreement through the terms of Article 2.1. It is inconsequential that the Hyde Act does not apply directly to India. For the Hyde Act continues to frame the obligations of the US through the reference to national laws in Article 2.1 of the Agreement.

The UPA's response quotes the US Assistant Secretary of State to suggest that the 123 Agreement is a deal between US and India. However, in the same briefing that the UPA's response refers to, Mr. Richard Boucher had also stated: "We have met all requirements of the Hyde Act. The 123 Agreement is in conformity with the Hyde Act". In response to a specific question whether the 123 Agreement superseded the Hyde Act, Mr. Boucher further stated: "I don't think that's a meaningful statement one way or the other".

- 1.4. On matters that 123 Agreement is silent, the Hyde Act will not bind the US actions:** The implementation of the 123 Agreement cannot neglect the provisions of the Hyde Act,

because Article 2.1 specifically provides that the 123 Agreement will be in accordance with the respective national laws of the parties to the Agreement. The UPA's 24th September response on the issue of Hyde Act binding the US Administration on matters that are not mentioned in the 123 Agreement is that the Hyde Act is an enabling legislation and not the implementing mechanism. The response seems to imply that since the Hyde Act is not the implementing mechanism, therefore the US actions in the civilian nuclear agreement are not going to be bound by it.

The key issue here is that as an enabling mechanism exempting the civilian nuclear agreement from certain provisions of the US Atomic Energy Act of 1954, the Hyde Act has also defined limits of the 123 Agreement. It has also set up various reporting and oversight mechanisms. It has prescribed what the US must do in the NSG negotiations so that India can not get more favourable terms from the NSG than what the US has given. Finally, it has not only defined the conditions for termination of the Agreement if India violates what the US Congress considers as Indian commitments, but also what the US administration should do if the Agreement is terminated. All these provisions of the Hyde Act are not in conflict with the 123 Agreement. Therefore the UPA's response that the Hyde Act is either not binding on India or is overridden by the 123 Agreement is not relevant. The Left Parties' Note had stated: "In this regard it may be noted that to the extent the provisions of the Hyde Act do not conflict with or cover the same ground as the 123 Agreement, even the explicit adoption of the latter by the US Congress will keep those provisions alive." The UPA's response has evaded this issue.

- 1.5. **The Vienna Convention, the Law of Treaties and Domestic Laws:** The UPA's response of 24th September does not appreciate the difference between a situation when domestic legislation is to be brought in conformity with international agreements and a situation when an international agreement is to be implemented in accordance with national laws. To take an example of the former, Article 16 (4) of the Marrakesh

Agreement Establishing the World Trade Organization explicitly states: "Each Member shall ensure the conformity of its laws, regulations and administrative procedures with its obligations as provided in the annexed Agreements". (The annexed Agreements contain all the multilateral Agreements on Trade in Goods, General Agreement on Trade in Services, Agreement on Trade-related Intellectual Property Rights, etc.). There is no such provision requiring the US to bring its domestic laws in conformity with the 123 Agreement. Indeed, to the contrary, it states that the 123 Agreement will be implemented in accordance with national laws and international treaties.

The UPA's response also states that in the case of an international treaty, domestic laws have to be brought in consonance with international obligations. As we note above, this does not happen automatically and has to be done explicitly. On the Fuel Supply Assurance, the 123 Agreement does explicitly mention that the US domestic laws would be amended for this purpose. The question which the Left Parties' Note dated 19th September 2007 had raised, is what are the specific domestic laws of the US and their provisions that need to be amended to bring them in consonance with the fuel supply obligations under the 123 Agreement? The UP Ns response does not answer that question. In view of the vital nature of the fuel supply assurance, any ambiguity of this kind even at this stage does not speak well of the Government's homework regarding the 123 Agreement.

The Left Parties' Notes, dated 14th September and 19th . September had specifically asked, what are the international treaties that are referred to in Section 2.1. Again there has been no response to this in the UPA's Note. The Government must surely be aware of the international treaties in accordance with which the 123 Agreement will be implemented. Therefore, not furnishing this list appears inexplicable. And if the Government is not aware of the international treaties referred to in Article 2.1 of the 123 Agreement, then this has to be clarified before proceeding further.

- 1.6. India and China : 123 Agreements:** The UPA's Note dated 17th September had claimed that the India-US 123 Agreement is superior to the China-US 123 Agreement. The Left Parties' response dated 19th September 2007 had cited just one instance, comparing the two 123 Agreements, to question that claim. The 1998 MOU between China and the US that the UPA's response refers to was signed 13 years after the 123 Agreement and not as a part of the 123 Agreement. It is in the nature of a subsequent arrangement that operationalises the relevant part of the Agreement. However, the provision for "mutually acceptable arrangements" for exchanges of information and visits to "material, facilities and components", that the UPA response of 24th September refers to in the MOU are in lieu of bilateral safeguards.

The Article 8(2) of the China-US Agreement is reproduced below:

The parties recognize that this cooperation in the peaceful uses of nuclear energy is between two nuclear-weapon states and that bilateral safeguards are not required. In order to exchange experience, strengthen technical cooperation between the parties, ensure that the provisions of this Agreement are effectively carried out, and enhance a stable, reliable, and predictable nuclear cooperation relationship, in connection with transfers of material, facilities and components under this Agreement the parties will use diplomatic channels to establish mutually acceptable arrangements for exchanges of information and visits to material, facilities and components subject to this Agreement.

A detailed examination of the 1998 MOU will also show that these are not safeguards but merely visits and cannot compare either in scope or in depth to IAEA safeguards that India will have to negotiate or even bilateral safeguards.

Unlike the India-US 123 Agreement, there is also no provision for IAEA safeguards or any other safeguards in the China-US 123 Agreement. There are also other differences between the India-US and the China-US 123 Agreements. As China is recognised by the US as a nuclear weapons power, there is no clause for return of materials on termination! cessation of

the agreement in China's case as exists in India's 123 Agreement.

The provisions in the China-US Agreement and the India-US Agreement regarding compatibility with national laws are not comparable. The China-US Agreement clearly states that a party "may not invoke the provisions of its internal law as justification for its failure to perform a treaty". The India-US 123 Agreement states precisely the opposite by allowing the Agreement to be implemented in accordance with national laws. The mention of the principles of international law in Article 16.4 of the India-US 123 Agreement has no bearing on this matter. Indeed, if anything, the principle of international law requiring treaties to be observed in good faith (which is explicitly stated in Article 16.4), achieves the opposite result. The provisions of the Agreement have to be interpreted in accordance with the principles of interpretation contained in Articles 31 and 32 of the Vienna Convention of the Law of Treaties which can exclude the interpretation offered in the UPA Note.

- 1.7. Termination Clause and Consultations:** The UPA's response essentially confirms that the US can terminate the agreement without consultations if it so desires. This is vide Article 14.2 of the 123 Agreement which states: "The Party seeking termination has the right to cease further cooperation under this Agreement if it determines that a mutually acceptable resolution of outstanding issues has not been possible or cannot be achieved through consultations". That they also may go through a detailed process of consultations and carefully consider various issues, does not detract from this central point raised in the Left Parties' notes.
- 1.8. Arbitration versus Consultation:** The provisions of consultations and arbitration are not mutually exclusive. All forms of dispute settlement should be provided for. For instance, the WTO Agreements provide all possible alternatives from consultations to arbitration.

The UPA's response while dealing with the question regarding the Tarapur 123 Agreement and in what respects the present 123 Agreement differs from it, talks of the present Agreement

being between two equal parties and the consultations clause. The Tarapur Agreement showed that the US, as a supplier, could not be bound by the provisions of the 123 Agreement regarding supply of fuel. Since the issue in the current 123 Agreement is also how we can bind the US, as a supplier, to the provisions of this Agreement, the UPA's answer is essentially the consultations clause. We have already pointed out the limitations of the consultations clause in 1.8 above, namely Article 14.2 of the 123 Agreement.

- 1.9. International Law Obligations and the US:** It is one thing for India to resist signing or ratifying a treaty and entirely another matter to get the US to abide by its obligations under the 123 Agreement. One situation is entirely in the hands of the Government of India and the other outside its purview. The UPA's responses show that the Government does not seem to recognize that given the wordings of the 123 Agreement, as the Left Parties have pointed out, the US can advance a strong legal case to justify the violation of obligations if feels its national interests are not being served by the 123 Agreement. It is this ambiguous nature of the provisions binding the US to respect vital requirements of India's, such as fuel supply, that makes it possible for the US to escape from its obligations if it so wants.

In recent years this is the general predisposition of the US, as Professor Vagts (Professor Emeritus at Harvard Law School) points out:

The commitment of the United States to its treaty obligations has recently been put in question ... What is especially unsettling is the change in the style of verbalization that has accompanied these breaches. In the past, the courts and the political branches consistently acknowledged that on a different plane treaties are binding upon the United States and that, if the United States breaches one, it has an obligation to set the matter straight. In recent years, however, the executive, Congress, the courts, and influential commentators have each conspicuously verbalized the idea that the later-in-time rule is the final answer and that the binding effect of international law carries little weight.

One author has interpreted this "later-in-time rule" under which later statutes may override treaty provisions as expressing "a clear disregard for the pacta sunt servanda rule" [Pierre Klein, "The effects of US predominance on the elaboration of treaty regimes and on the evolution of the law of treaties", in Michael Byers and George Nolte eds., *United States Hegemony and the Foundations of International Law*, Cambridge University Press, Cambridge, 2003, p. 386].

There are other examples of the US not respecting international laws and claiming the superiority of its national laws. The US quitting the jurisdiction of the International Court of Justice after the verdict of the ICJ went against it on Nicaragua is a pointer to this.

1.10. President Bush and binding/ non-binding sections of the Hyde Act: The UPA's response accepts that there is nothing that obliges a subsequent US President to follow President Bush's position on the Signing Statements. The UPA has not stated its understanding of the implications of a future US President not agreeing to President Bush's understanding of what is binding and not binding on the US. Should India be bound for 40 years on the premise of continued goodwill of US Presidents for this entire period?

2. FUEL SUPPLY ASSURANCE

The Left Parties' notes had raised the issue that the 123 Agreement is still talking about amending the US domestic laws (Clause 5.6). To repeat, the specific clause reads:

As part of its implementation of the July 18, 2005, Joint Statement the United States is committed to seeking agreement from the US Congress to amend its domestic laws and to work with friends and allies to adjust the practices of the Nuclear Suppliers Group to create the necessary conditions for India to obtain full access to the international fuel market, including reliable, uninterrupted and continual access to fuel supplies from firms in several nations.

The question here is what are the future amendments that the US will bring about in the Congress apart from the 123 Agreement? Which are the domestic laws where these amendments will be introduced? Is Hyde Act one of these laws? Till date, no clarification has been furnished on the above. On the face of it, it appears that

the fuel supply assurance in the 123 Agreement is conditional on future amendments to US laws. As the US Congress has already rejected giving fuel supply assurances except for market failures, to expect the US Congress to change its position in the future and base our course on such expectations seems to be a dangerous way to conduct the affairs of the country.

The other question that the Left had raised is whether the fuel supply assurance will hold good if the Agreement itself is terminated. Again, no answer has been given to this in the UP A's responses. The UP A's response misrepresents the Left Parties' argument as suggesting that the other NSG nations are bound by the Hyde Act. The Hyde Act Joint Explanatory Statement of the Committee of Conference was cited in the Left's Note to show what US policy would be in the NSG. The US can enforce its will on the NSG, as all NSG decisions have to be a consensus. The US can ensure that no extra beneficial terms are provided to India by any other NSG member-state while relaxing the NSG Guidelines. Further, as the US is supposed to present India's case to NSG, it is unlikely to present terms in the NSG that are commercially prejudicial to itself. Therefore, proceeding with this Agreement on the basis of securing better terms from the NSG is not a tenable proposition.

3. IAEA SAFEGUARDS

The UPA's response dated 24th September claims that there is symmetry between safeguards and fuel assurances as can be seen from Art. 5.6 and Art. 10. That it is not so can be seen from Art. 16.3 and Art. 5.6 (c) of the 123 Agreement (which deals with IAEA safeguards), which will continue to be valid even after the termination of the Agreement (together with Art. 6, 7, 8, 9, 10, 15). However this does not apply to the specific assurance of fuel supply that is contained in Art. 5.6(a) and Art. 5.6(b).

4. FULL NUCLEAR CO-OPERATION

The UPA's response of 24th September essentially confirms the Left's argument that restrictions on sensitive technology and dual use technology have not been lifted and all that we have secured is "forward looking language". Language is no substitute for actual measures required to lift the technology sanctions, which has been advanced as the *raison d'être* for the Agreement.

The UPA's response also states that "there are no legal impediments to the supply of dual-use items." This is indeed a strange assertion, as the technology control regimes are well known and there are legal impediments to import of such dual use items. Is it UPA's contention that all the technology control regimes - like the NSG and MTCR - are not restricting India's import of dual use items for the nuclear and space sectors? Dual use items require a lengthy and cumbersome procedure to satisfy the relevant regulatory authorities in the United States with the assurances and verification provided by the importing nation to guarantee that it would be used only for the stated non-nuclear or non-missile purposes. However the satisfaction of the relevant regulatory authority was never to be easily had in practice and this was the source of great difficulties in the acquisition of relevant scientific and technological materials even for non-nuclear uses.

There is also another category of institutions ('entities' in the language of the Bureau of the US Department of Commerce) in India, consisting of the key organisations under the Departments of Atomic Energy, Space and Defence, that face much stricter controls when they are required to import any of these dual-use items. These entities will also continue to face dual-use sanctions because of their direct connection to enrichment, reprocessing and heavy water technology or to launch vehicle and missile technology. The continuation of restrictions on dual use technologies on the new safeguarded reprocessing facility and civilian fast breeder reactors would have serious consequences. This is what the Left's notes had cautioned the UPA on. The response of the UPA on this shows a casual approach, which it is hoped is only in its response to the Left Parties' notes, and not reflected at the actual policy level. If a similar lack of application of mind takes place also in the realm of policies, the country will have to pay a very heavy price indeed in the future.

5. ANNUAL CERTIFICATION/ASSESSMENT

The operative content - what the President is expected to furnish every year to the Congress - remains the same even if it has been changed from Certification to Reporting! Assessment. The US Congress can still act on the basis of these reports. The Joint Conference Explanatory Statement makes clear that the annual reporting requirement was introduced in order to monitor continued

implementation of India's commitments as understood by the US Congress.

The conferees believe that India's continued implementation of those commitments is central to the integrity of our bilateral relationship. Therefore, the bill contains reporting requirements and a provision that calls for termination of exports in the event of violations of certain commitments. In addition, the bill seeks to uphold existing statutory congressional oversight of US nuclear cooperation and exports.

The Hyde Act also has specific provisions in the Reporting section, that the Report will contain "whether it is in the US security interest to continue with nuclear commerce" [104(g)(2) D (ii)(IV)] in case India does not comply with its commitments and obligations, one of which is working with the US to deny Iran the fuel cycle. Therefore, the Reporting/Assessment section of the Hyde Act is not an innocuous requirement as is being made out to be in the UPA Response.

6. REPROCESSING

On the question of reprocessing, is it the UPA's contention that the arrangements and procedures mentioned in the 123 Agreement are not subsequent to the Agreement or that the word subsequent is not there in the text? The substantive issue is whether the "arrangements and procedures" are subsequent to the 123 Agreement or not. It is clear that the arrangements and procedures" are subsequent from on-the-record briefing of July 27, 2007 of Deputy Secretary of State, Nicholas Burns. He states: "Our two countries will also subsequently agree on a set of arrangements and procedures under which reprocessing will take place. And for those of you who are steeped in this, you know that that's called for by Section 131 of the Atomic Energy Act of 1954." (emphasis added). Clarifying the matter further in response to a question he again stated: ". Section 131 of the Atomic Energy Act, of course, calls for subsequent arrangements in reprocessing, arrangements in procedures that would need to be agreed upon before the reprocessing could actually take place."

Therefore, the Left's contention that the reprocessing consent is only notional at this stage remains valid. It is not very different from the Tarapur 123 Agreement. It is more a consent to reach an agreement in the future 'on reprocessing, which mayor may not be reached.

The arrangements and procedures noted above have to be under Section 131 of the US Atomic Energy Act and will also need Congressional approval. This may be contrasted to the 123 Agreements with Japan and Euratom, which have prior consents for reprocessing along with pre-approved activities. In the US-Japan nuclear cooperation, both the 123 Agreement and the subsequent arrangement, that identified current and future reprocessing facilities, were offered for US Congressional consideration at the same time - a one-step process. Why has the Government chosen to keep the question of a new reprocessing facility and related technological options open to a later unspecified date instead of securing 'an immediate subsequent arrangement; i.e. why has it chosen a two-step process rather than a one-step one?

7. ENERGY ISSUES

7.1. Capital costs of imported nuclear reactors: The UPA's response dated 24th September states that although the capital costs of nuclear plants are higher, CEA analysis of studies by analysts in India and abroad, have concluded that nuclear power is competitive. Again, no details are provided regarding either the studies referred here or about CEA's analysis. The Left's Notes of 10th September and 17th September had asked for the studies which have been used as the basis for considering 40,000 MW of nuclear energy by 2020, that too largely using imported reactors. Before committing the country to a route with such large numbers of imported reactors, the minimum that we expect from any Government is such detailed and transparent analysis of the pros and cons of various sources of energy. It is the first time after Enron that, the fuel mix of the country is being determined with no public discussions of various options and their costs. During the Enron days also, a similar ill thought -out liquid fuel policy for 12,000 MW was promoted, leading to very high costs from such plants.

7.2. Lack of Sufficient Study and Techno-economic analysis: The Left's Note of 17th September had stated that the only detailed study on techno-economics and fuel availability for 'meeting future energy needs was that of the Planning Commission's "Integrated Energy Policy". The UPA's Note has

responded by stating that this document was drawn up in 2006 and had kept open the possibility of international co-operation on nuclear energy. This does not address the issue. The Left's Note wanted to know whether with the new scenario in mind, either the Planning Commission or any other body had done a similar exercise? The Planning Commission's study above had considered 11 different scenarios and was quite comprehensive. If it needs changes or modifications, there can be no quarrel with that. But can it be thrown out of the window now in order to promote 40,000 MW of power to be generated through imported reactors without any corresponding studies? That DAE has proposed 10 reactors for the 11th Plan, as the UPA's response states, again misses the point that we need alternate options to be evaluated by a planning agency before deciding on our future energy mix. Therefore, the question regarding the quantum of capital needed for the electricity sector, what should be the fuel mix and energy mix and an evaluation of the future energy basket still remain unanswered.

- 7.3. Nuclear Renaissance:** The UPA's response essentially firms that no new nuclear plant in the US has received license or has started construction. No new commercial reactor has come on line since May 1996, when Watts Barr Unit 1 came into operation. It took 23 years to build. The Early Site Permit for the two new plants that the UPA's response talks about can take anything from 2 to 20 years to receive a license. After the Early Site Permit, the party concerned still needs to seek a license from the NRC to build and operate a reactor. Therefore, the Early Site Permits mean very little.
- 7.3. Nuclear Renaissance:** The UPA's response essentially confirms that no new nuclear plants in the US has received license or has started construction. No new commercial reactor has come into operation. It took 23 years to build. The Early Site Permit for the two new plants that the UPA's response talks about can take any thing from 2 to 20 years to receive a license. After the Early Site Permit, the party concerned still needs to seek a license from the NRC to build and operate a reactor. Therefore, the Early Site Permits mean very little.

Similarly, very few new reactors are being constructed in Western Europe, where many countries are phasing out their nuclear plants or not building any replacement plants. Only France and Finland are building one new reactor each. India, China and Russia account for more than 50 per cent of the 34 reactors currently under construction. This, in our view, does not constitute a nuclear renaissance as claimed by the Government.

We do believe that nuclear energy as an option should be kept open and some investments made in this sector to support our domestic PHWR, FBR and thorium based AWR technology. The major manufacturers in the US and Western Europe are facing a shrinkage of their home market. GE and Westinghouse are surviving exclusively on foreign orders and are of course very keen to expand their market. Similarly, Areva NP, the French company, is largely dependent on sales outside Western Europe. Therefore, if we compare the nuclear industry now to its heydays, it is indeed in a moribund state. In fact it is because of the need to rescue these nuclear manufacturers that their Governments are creating this hype of a nuclear renaissance, hoping to get countries such as India to invest in large numbers of such plants.

7.4. Decarbonising the economy: We give below from the IPCC Working Group III Report "Mitigation of Climate Change", Summary for Policy Makers, its view on the impact of nuclear energy for de-carbonising the economy:

Given costs relative to other supply options, nuclear power, which accounted for 16 per cent of the electricity supply in 2005, can have an 18 per cent share of the total electricity supply in 2030 at carbon prices up to 50 US\$/tCO₂-eq, but safety, weapons proliferation and waste remain as constraints.

The impact of de-carbonising the economy, using nuclear energy in a big way will at best lead to a 2 per cent benefit in electricity terms by 2030, even assuming a high carbon price. If we reduce it to actual greenhouse gas reduction, it is of the order of 1 per cent. While it does remain an option for the long-term, it is not a major greenhouse gas mitigation strategy for the short or medium term. In fact, with the recent discoveries

of gas in large quantities in India, using gas for power generation would reduce greenhouse gases from power generation more effectively.

Even for India, the ambitious nuclear energy route will increase the share of nuclear energy from 5 per cent to at best 9 per cent. This constitutes a 4 per cent reduction in terms of greenhouse gases from electricity and only about 2 per cent if we take the total greenhouse gas emissions from India. Therefore, greenhouse gas emissions reduction cannot be a major argument for civilian nuclear power for the short and medium term.

This once again brings out the need for a comprehensive look at the techno-economics of our energy options taking also greenhouse gas reduction into account. This is what the Left has been arguing, that we need these studies before making up our mind on the quantum of nuclear energy we need and the strategy to be followed. Instead, what we seem to have is a strategy that has been already decided on extraneous considerations and is now being supported by dubious arguments regarding energy needs and greenhouse gases.

8. Impact of Imported Reactors on Domestic Industry:

The UPA's response dated 24th September argues that the imported reactors will be progressively indigenised by Indian industry. This still does not address the issues that we had raised. The issues are that Indian scientists and engineers have already scaled up the PHWR technology to 540 MW and have designs to scale it up to 700 MW. This is already indigenised. Comparable imported reactors will not only lead to outflows of foreign exchange but also manufacture and jobs. They are also about 50 per cent higher in costs to corresponding Indian reactors. The argument that the imported reactors will be progressively indigenised does not explain why higher cost reactors which will have to be completely imported at least in the initial phase are being considered when equivalent indigenous reactors are available at much lower costs.

Regarding the relationship between manufacturing reactors and creation of jobs, we quote below Condoleezza Rice, "Our Opportunity

With India," Washington Post, March 13, 2006:

... our agreement is good for American jobs, because it opens the door to civilian nuclear trade and cooperation between our nations. India plans to import eight nuclear reactors by 2012. If US companies win just two of those reactor contracts, it will mean thousands of new jobs for American workers.

If importing two reactors from the US means thousands of jobs in the US, surely manufacturing them here would similarly create jobs and opportunities here. This is why the Government's plan to import most of the 40,000 MW nuclear plant capacity is against our national interest. This is apart from the issue of imported Light Water Reactors introducing energy dependence through imported fuel.

9. COST OF ENERGY FROM VARIOUS SOURCES

Nuclear Power Corporation's Chairman and Managing Director, Mr. V. K Chaturvedi had stated in the joint press conference at the time of the inception of the Kudankulam project that power generated from it was likely to cost between Rs. 3.50 and Rs. 3.75 a unit. This was based on a capital cost estimated at that time to be Rs. 7 crore per MW. The total project cost was estimated to be Rs.14,000 crore with 50 per cent being met by soft loans from Russia at 4 per cent interest (From Volga to Ganga: The Story of Kudankulam, Al Siddiqui, NuPower - Vol. 16 No. 1-2,2002). In spite of this, the cost per unit was then estimated to be Rs.3.50-3.75 even after considering the low rate of interest. Somehow, this has now dropped to Rs. 1.99 in the UPA Note! Neither has this figure been backed by any calculations nor any break-up of costs.

We give below the tabulated figures for Kaiga Atomic Power Station as computed by NPC originally and the final computed figures.

Component of Tariff	Originally computed by NPC paise/kWh	Final Figures paise/kWh
Return on Equity	117.45	86.40
Interest on Govt. loan	10.77	10.57
Interest on market Borrowing	54.32	53.27

Interest on working Capital	21.70	18.97
Depreciation	110.11	51.84
Fuel consumption	48.06	47.14
Heavy Water Lease	50.55	49.58
Heavy Water Makeup	16.85	16.53
O & M Cost	35.85	35.16
R & D levy	3.00	3.00
Annual Fuel Recovery Charge	3.21	3.15
Provisioning for Decommissioning	2.00	2.00
R & M levy	5.00	--
Total Tariff	478.89	382.60

Even though the tariff - composite and not two part - arrived at was 382.60 paise/unit, it was further negotiated and fixed as follows, for the five-year block from the date of commercial operation, i.e 2001:

Year 1	295 Paise/unit
Year 2	310 paise/unit
Year 3	325 paise/unit
Year 4	340 paise/unit
Year 5	350 paise/unit

These figures are comparable to that of Kudankulam as originally stated by Mr. Chaturvedi and therefore it is difficult to accept the figures given in the UP A's response.

It is not very meaningful to compare the fuel cost of nuclear plants to the fuel cost of coal-fired plants, that too for locations far away from coal mines. The tariff from comparable coal fired plants (Ultra Mega

Power Projects awarded recently) varies from Rs.1.19 for Sasan at pithead to Rs.2.26 paise for Mundra with imported coal. If we take the 500 MW unit sizes, the tariff from coal-fired units varies from Rs. 2.20 to 2.60 per unit. This is considerably lower than the tariff from nuclear plants. If we take the international price of imported reactors, considering market rates of interest, a debt equity ratio of 70:30 as in other commercial projects, all of which are unlike Kudankulam, the tariffs for imported reactors will be in the range of Rs. 4.60 to Rs. 5.00 per unit as we have indicated earlier.

This once again brings out the central point regarding the techno-economics of nuclear power - that we need serious and comprehensive studies to substantiate the capital costs and tariff of imported nuclear plants. The Common Minimum Programme had incorporated the need for integrated energy planning, "An integrated energy policy linked with sustainable development will be put in place." This, we believe, was the Integrated Energy Policy, 2006 of the Planning Commission. If we are to consider changing that, we need another study to carry out a similar exercise. This is needed for identifying our future energy needs and the mix of energy to meet these needs.

10. URANIUM SUPPLIES

The UPA's response of 24th September, accepts that domestic supplies of uranium are sufficient for the domestic PHWR programme for generation up to 10,000 MW and that uranium imports are needed only for power generation beyond this limit. However, if the FBR route is followed, there is no restriction on the 10,000 MW either and India can have a nuclear energy programme up to 350,000 MW without importing either uranium or using thorium. With thorium, there is no restriction in terms of fuel for nuclear energy.

If indeed there is no shortage of uranium fuel immediately, it is difficult to understand the need for import of uranium. It is in this context we had asked whether the Government or any agency had done a detailed study for the 40,000 MW programme, identifying capital requirements, tariff from such plants, requirements of fuel and reprocessing of imported fuel. This would have identified our actual requirements of imported fuel and the requirement of reprocessing for either PHWR/LWR or for the FBR

programme. It is the absence of any concrete study on which this ad hoc 40,000 MW figure is based that is the cause for concern. This is further compounded by statements, as in the UPA's Response dated 17th September that "India has no intention to place fast breeder reactors under safeguards. The new reprocessing facility is not linked to India's breeder programme". The UPA's response of 24th September has stated a different position, saying: "(a)s conveyed in the earlier UPA Note, we have no intention of placing current fast breeder reactors under safeguards". It does appear that the plan of 40,000 MW being talked about is without a serious exercise taking all aspects of the nuclear energy programme into account. The role of FBR in this is also not clear. A programme based on imported reactors and fuel does not seem to take into account that the nuclear suppliers' cartel, though technically of 45 countries, is in effect a very narrow one. Therefore, dependence on imported fuel would be a deviation from the original three-phase path of nuclear energy development, and would be detrimental for future energy security.



APPENDIX - XLV

UPA Response to Left Parties' Rebuttal dated 5 October 2007.

October 8, 2007.

1. This is a negotiated agreement: A careful balance of obligations has been agreed upon. Both sides are obliged to implement the provisions of the Agreement. There is no reason to apprehend that India will be locked in or constrained from exercising the right to give notice of termination, take corrective measures or seek consultations should there be difficulties in implementing the Agreement.

It is envisaged that the Agreement will result in benefits to the people of India while at the same time securing vital interests: the autonomy of our strategic programme, our indigenous research and development and India's 3-stage Nuclear programme.

The 123 Agreement was negotiated after the Hyde Act was passed. Provisions in the Hyde Act that could have had implications for the proposed terms of the co-operation have been carefully addressed in the operative Agreement.

Query 1.1. Permanent waiver: "The Hyde Act makes clear that this waiver is not a permanent one and only a onetime waiver A permanent waiver would have meant that the clause of sanctions as defined in NNPA would have been lifted permanently and not as a one time waiver."

Response: The waiver provided by the Hyde Act is permanent in that it is not limited by time and does not require renewal during the lifetime of the Agreement - nor is there a requirement of periodic assessment or determination by the US for the continuation of the Agreement. In the context of India, the waiver means that the US can cooperate with India despite India having conducted a test, not having full scope safeguards and continuing to have a non-civilian nuclear programme. Should India conduct a test in future, which is our sovereign right, the US retains its right to impose sanctions. Just as we have a right to test, they have a right to respond.

Query 1.1.2. India's status as a nuclear weapons state:

"India has not been recognized as a nuclear weapon state, implicitly or otherwise. The application of the US laws including the Hyde Act will recognize India as a NNWS. This has relevance to the way the safeguards and other regimes will apply in the 123 Agreement."

Response: The Hyde Act as well as the 123 Agreement recognize India's strategic programme and endorse a waiver for India from full-scope safeguards. The safeguards and their applicability will be negotiated to make them India-specific and fully acceptable to India.

Query 1.1.3. National Laws of the US that apply:

"The Left Parties insist that a comprehensive list of the domestic laws of the US that are applicable for the implementation of the 123 Agreement should be framed."

Response: The US side will, naturally, implement the Agreement in accordance with US laws. There is no reason for India, who will ensure that implementation by India, too, is in accordance with her own national laws, to expect otherwise.

It has been clearly stated in the 123 Agreement (Article 16.4) that the Agreement "will be implemented in good faith and in accordance with the principles of international law— a concept that has been explained in the response of 17 September 2007.

Query 1.2. Applicability of the Hyde Act. "Hyde Act ... becomes an integral part of the 123 Agreement through Article 2.1 that requires conformity with national laws ... Is it the UPA's contention that where the Hyde Act and the 123 Agreement do not conflict with or cover the same ground as the 123 Agreement, the Hyde Act provisions will not apply on the US Administration?"

Response: It may be noted that there is no provision to the effect that the Agreement is subject to the national laws of the parties. Under Article 2.1, it is only the implementation of the Agreement that will be in accordance with the national laws of the respective parties. Accordingly, the substantive rights and obligations under the Agreement are not affected by the national laws of the parties.

The 123 Agreement, when it becomes law with US Congressional approval, will override Hyde Act. The 123 Agreement and its provisions will indicate the rights and obligations of both sides. The request that Left Parties may clarify which sections of the Hyde Act will prevent the US from fulfilling obligations committed in the 123 Agreement has not been answered in the October 5 response of the Left Parties.

2nd Query under 1.2: "The bridge to the Hyde Act is provided by the Preamble to the 123 Agreement It may be mentioned here that the Preamble to the 123 Agreement states that Agreement is 'desirous of strengthening the strategic partnership between them.' ... This preambular statement can be used to lend a certain colour and tone to the interpretation of the 123 Agreement. Article 31 of the Vienna Convention of the Law of Treaties notes the general rule of interpretation ... Therefore the Preamble can always be taken cognizance of in the act of interpretation."

Response: The Preamble of the 123 Agreement has been partially quoted in para 1.2. It is relevant to state that by the same argument, the Preamble also mentions that the two Parties enter into the Agreement "wishing to develop such co-operation on the basis of mutual respect for sovereignty, non-interference in each other's internal affairs, equality, mutual benefit, reciprocity, and with due respect for each other's nuclear programmes".

Article 31, para 2 of the Vienna Convention states:

"2. The context for the purpose of the interpretation of a treaty shall comprise, in addition to the text, including its preamble and annexes:

- (a) any agreement relating to the treaty which was made between all the parties in connection with the conclusion of the treaty;
- (b) any instrument which was made by one or more parties in connection with the conclusion of the treaty and accepted by the other parties as an instrument related to the treaty."

It may be noted that all the elements included in the "context" are based on agreement between the parties. Accordingly, the national laws of one party cannot be considered as being included as relevant for the purpose of interpretation of a treaty.

Query 1.3. Applicability of the Hyde Act: "The Hyde Act continues to frame the obligations of the US through the reference to national laws in Article 2.1 of the Agreement"

Response: The Hyde Act is an enabling legislation, an internal requirement in the US legislature. If its sections were meant to stipulate the terms of the civil nuclear cooperation between India and the USA agreement, then there would have been no need for it to enable a further Agreement - there would have been no requirement for the US Government to negotiate a separate agreement that spells out rights and obligations and send it for approval to the US Congress. The Hyde Act itself - and later the US government - have made very clear which sections are binding and which are nonbinding - even on the US Government. As far as India is concerned, it is the 123 Agreement, when it becomes law, that will govern the rights and obligations of the parties.

Query 1.4. Coverage of the Hyde Act regarding termination: "The Hyde Act has also defined limits of the 123 Agreement. . . . It has not only defined the conditions for termination if India violates what the US Congress considers as India's commitments, but also what the US Administration should do if the Agreement is terminated."

Response: The Agreement gives equal rights to both Parties to seek termination. Once the 123 Agreement becomes law, the termination clause in the 123 Agreement, and no other will apply.

Query 1.5. The Vienna Convention, Law of Treaties and Domestic Laws: "... What are the International treaties that are referred to in Section 2.1 ... if the Government is not aware of the international treaties referred to in Article 2.1 of the 123 Agreement, then this has to be clarified before proceeding further."

Response: A listing of international treaties to which a State may be party is not needed. What is relevant and logical is for the Agreement to clearly provide that international treaties that one Party is committed to should not become a liability for the other. This clause protects the Parties from unwittingly committing to additional or unknown obligations of the other Party.

Query 1.6. India and China Agreements: "The UPA's Note ... had claimed that the India-US 123 Agreement is superior to the China-

US 123 Agreement ... The provisions in the China US Agreement and the India-US Agreement regarding compatibility with national laws are not comparable."

Response: This Agreement is about India and the USA. It should be recognized that we have achieved terms that are appropriate for us. The position and rationale for preferring the formulation that we chose has been explained earlier in detail in the 17 September Note.

As stated in the Note of 24 September 2007, Article 16.4 of the India-US Agreement clearly stipulates that the 123 Agreement shall be implemented in accordance with the principles of international law, which includes the principles of law of treaties, and more specifically, includes the customary rule embodied in Article 27 of the Vienna Convention. This has also been addressed in the response at 1.1.3.

Query 1.8 Arbitration vs. Consultation: "The provisions of Consultations and Arbitration are not mutually exclusive. All forms of dispute settlement should be provided for. For instance, the WTO Agreements provide all possible alternatives viz. from consultations to arbitration."

Response: This is a bilateral agreement and not a multilateral treaty. There is a strong rationale for preferring consultations over subjecting ourselves to arbitration by a third party.

Arbitration involves a third party compulsory binding dispute settlement process, whereas in consultations, disputes are to be settled between the parties themselves, and no settlement may be forced on either party.

Query 6. Reprocessing: " ... the reprocessing consent is only notional at this stage ... It is more a consent to reach an agreement in the future on reprocessing, which may or may not be reached."

Response: The reprocessing consent has been granted and it is not "consent to reach an agreement in the future on reprocessing". The future negotiations will only be on arrangements and procedures under which such reprocessing or other alternations in form or content will take place.

The arrangements and procedure for reprocessing will, as provided in the Agreement, be negotiated. Nowhere in the 123 Agreement is there a commitment to follow a particular model prescribed in US or Indian Law or to use any existing template of either side.

Article 6 (iii) provides a definitive time-frame for finalizing the arrangements and procedures.

7. ENERGY ISSUES

7.1 **Capital costs of imported nuclear reactors:** Rebuttal asks for details of analysis by Commissariat a l'Energie Atomique (CEA). A paper by Eric Proust is enclosed. Studies carried out by DAE and reported in the document titled, "A Strategy' for Growth of Electrical Energy in India" (www.dae.gov.in) issued in 2004 concludes that even when, full potential of the fast breeder reactors have been realized, . cumulative import of primary energy till the middle of this century will be about 30 per cent. Obviously there is a need to reduce this dependence on import of fossil fuels. Report on Integrated Energy Policy prepared by the Planning Commission in 2006 recognizes this and recommends import of light water reactors to supplement the indigenous programme. In parallel, NPCIL has been also seized with this issue and carried out a detailed study in 2005 on economics of light water reactors. This study was updated recently and update was attached to inputs from DAE for the questionnaire dated 14 September 2007 received from the Left Parties. It is enclosed again for ready reference. It is based on all these analyses that NPCIL has formulated the programme to set up nuclear generation capacity of 40.000 MWe by the year 2020.

7.2 **Lack of sufficient study and techno-economic analysis:**
Please see response to paragraph 7.1

7.3 **Nuclear renaissance:** First, let us recall historical facts. While no new plant has been built in the recent past in the West, electricity produced from existing power plants has been continuously increasing. In Nineteen Seventies, nuclear power plants were operating at capacity factors of the order of 50 per cent, while at present they are operating at capacity factors of the order of 90 per cent. Simultaneously, nuclear power

plants set up earlier had certain operating margins, which were decided based on the knowledge of nuclear science and engineering in the seventies. As the knowledge base and operating experience increased, it was possible to upgrade the capacity of existing plants and this has been done. As a result of these two factors, electricity generated from nuclear power plants in the world has been continuously increasing (enclosed figure). Now when full potential of existing nuclear power plants has been realized, industry in the OECD countries where most of the nuclear power plants are located, is looking forward to building new plants and NRG Energy and South Texas Project Nuclear Operating Co., USA have filed the first full application with US NRC for a construction and operating license for a new nuclear power plant in September this year. Left Parties have already mentioned about new nuclear power plants in Finland and France and very soon one will see new plants in USA as well. Current nuclear capacity is about 370 GWe. Several forecasts have been made with regard to growth and even the MIT study, which has made very negative assumptions with regard to economics, postulates a global growth scenario that by mid-century would see 1000 to 1500 reactors of 1000 MWe capacity each deployed worldwide. License applications being moved now is a step towards increase in installed capacity in the future.

- 7.4. **Decarbonizing the economy:** IPCC has forecast an increase in the share of electricity supplied by nuclear plants from 16 per cent in 2005 to 18 per cent by 2030. This indicates that they expect that all existing nuclear power plants after completion of their life time will be replaced by nuclear power plants and new power plants will also be built. It must be remembered that several of the existing power plants are nearing the end of their life and will not get license for continued operation and will have to be closed down. Significant increase in nuclear generation will start only after existing plants have been replaced and developing countries have started setting up nuclear power plants. Setting up of additional nuclear power plants will also decrease carbon emissions, which otherwise would increase. It is worth recalling what Joint Science

Academies' statement (enclosed) on growth and responsibility: sustainability, energy efficiency and climate protection issued in May 2007 has to say, "Against this background it will be necessary to develop and deploy new sources and systems for energy supply, including clean use of coal, carbon capture and storage, unconventional fossil fuel resources, advanced nuclear systems and advanced renewable energy systems (including solar, wind, biomass and geothermal energy), smart grids and energy storage technologies." (emphasis added)

8. Impact of imported reactors on domestic industry:

Inherent assumption in the argument of the Left Parties is that imported reactors will replace indigenous reactors. It is restated that imported reactors will be in addition to the ongoing indigenous programme. As indicated earlier, at present India imports about 30 per cent of its primary energy. What we are proposing is to continue with our indigenous programme and use the additionality provided by opening up of civil nuclear cooperation for replacing import component of primary energy. It can take two forms: setting up of additional Pressurized Water Reactors using imported uranium as fuel and setting up of light water reactors. Setting up of additional reactors will thus provide additional jobs to Indian industry. We have also to remember that at present India faces shortage in peak power as well as average electricity supplies. Estimates by TERI with regard to the cost to the economy for each kilowatt-hour of energy not supplied are in the range of Rs 15-25.

9. Cost of energy from various sources:

The estimated cost of Kudankulam Nuclear Power Project units 1&2, as approved in the financial sanction was US \$2804 million. It consisted of Rs. 3796 crores (807 million US \$) Indian cost component and US\$1996 million as foreign component. The sanctioned cost of Rs. 13171 crores was estimated on the basis of prevailing exchange rate of Rs. 47/US \$.

As was mentioned in the communication written in response to the rejoinder of Left Parties dated 19 September, norms for fixing tariff of electricity from nuclear power plants in India have been continuously evolving. In the initial development phases, norms for

fixing tariff were based on single part tariff, a base capacity factor of 62.8 per cent, and levies for research and development, renovation and modernization. Later, the policy was revised and base capacity factor was increased to 68.5 per cent and the levies on research and development, renovation and modernization were withdrawn.

Also, the interest rate assumptions with regard to us \$ exchange rate have undergone significant shifts in the last few years. For example, it was assumed with regard to tariff estimates quoted earlier for Kudankulam Project, that US \$ will appreciate with respect to Rupee at a rate of 4 per cent per annum. Similarly, components in the tariff like return on equity, depreciation rate, interest on working capital etc. have generally seen downward trends in the last few years. Based on such varying parameters different tariff estimates have been quoted during the period.

As was stated in the Communication written in response to the rejoinder of Left Parties dated 19 September, the policy on tariff for light water reactor is being worked out. The estimate of Rs. 1.99 per kWh for Kudankulam Project has been carried out on the basis of the prevailing thermal power plant tariff norms and taking into account the present financial scenario. The broad Techno-Economical parameters assumed earlier and those at present are tabulated below:

	Sanction	Present Scenario
Debt: Equity Ratio	1.1	2.1
Exchange Rate Rs/\$	Rs.47/US \$	Rs.40/US\$
Rate of Return on Equity	16%	14%
Depreciation	5%	3.6%
Interest on working capital	16%	10.5%
Annual O&M cost	3% of capital cost (including plant insurance)	2% insur. on actual
Capacity Factor	68%	80%
R&M Levy	5 paise per kWh	Nil
R&D charges	3 paise per kWh	Nil

Comparison of Kudankulam tariff with that obtained at Kaiga is out of place. The high tariff of Kaiga 1&2 as worked out in year 2000 was an exception and not the norm. The dome de-lamination incident during the execution of the project and the subsequent regulatory review & reconstruction delayed the project completion. As most of the expenditure on the project had already been incurred, the high interest regime prevalent then led to a high Interest During Construction (IDC) component of about 37 per cent in the completion cost. Hence, a negotiated tariff as given in the Left Parties' Note of 5 October was adopted. However, tariff reduction measures and changes in economic parameters, brought out above, reduced the tariff. The current notified tariff of Kaiga 1&2 at present is 279.50 paise/kWh.

Kaiga-1&2 as mentioned above suffered delays and increase in cost due to higher accumulated interest during construction. It will be appropriate to look at the recently completed PHWR projects as at TAPP-3&4 (540 MWe units). These units have been completed ahead of schedule and well within the sanctioned cost. The current notified tariff is 265.48 paise/kWh. The project has been completed at the cost of Rs. 5570 core against Rs. 6525 core considered in the tariff notification. Further, the debt equity structure of the project is also being changed to 2:1 from the 1:1 envisaged earlier. These factors would result into further lowering the current notified tariff. Over the years, NPCIL has demonstrated maturity in handling multiple projects efficiently and in the recently completed projects there has been no time and cost overruns. The profitability achieved by NPCIL with the present reduced tariff has been such that it has not been drawing any budgetary support for the past two years for its projects. NPCIL is geared up to take up the XI plan projects from its own resources and debt from the market.

10. URANIUM SUPPLIES

Import of uranium is to provide additionality to the ongoing domestic nuclear power programme. It will help reduce import of primary energy.

As already stated NPCIL has done a detailed study of economics of light water reactors before arriving at the proposal to set up 40,000 MW by the year 2020.

Government has full clarity with regard to role of FBRs and about FBRs to be offered to the IAEA for safeguards. As noted in the response of 24 September, Government will consider offering specific fast breeder reactors for safeguards only after technology has stabilized and we are ready to use plutonium recovered from spent fuel of foreign origin.

(The following three annexure were provided with this note but not reproduced here)

Annexure 1: "Economic Competitiveness of New (3rd Generation) Nuclear Plants: a French and European perspective", paper presented at International Congress on Advances in Nuclear Power Plants (ICAPP) 2005, 15-19 May 2005 Seoul- Paper 5728

Author: Eric Proust [Nuclear Energy Division, CEA;

eric.proust@cea.fr].

Annexure 2: Chart on Nuclear electricity generation and capacity additions since 1966, Page 3, Nuclear Power and Sustainable Development, IAEA Publication, April 2006.

Annexure 3: Joint science academies' statement on growth and responsibility: the promotion and protection of innovation. Link: <http://www.nationalacademies.org/includes/G8StatementInnovation07May.pdf>!



APPENDIX - XLVI

Left Parties Rejoinder to UPA's Response of 8th October.

October 20, 2007

Despite several rounds of exchanges, the UPA has not been able to satisfactorily clarify upon the substantive issues raised by the Left Parties regarding the implications of the Hyde Act for the 123 Agreement and self-reliance in the nuclear sector. Clarity is essential before India can proceed on a path that involves obligations and commitments in perpetuity. The UPA continues to offer, on several questions relating to the 123 Agreement, interpretations that are different from the official and publicly stated positions of the United States. In some cases the positions enunciated by the two sides are contradictory. The record of the US reflects a tendency to continuously shift the goalposts on nuclear issues. This has become evident through actions taken by the US since the July 18, 2005 Joint Statement of Prime Minister Manmohan Singh and President Bush, especially the passage of the Hyde Act. The resolution of such contradictions and differences between the Indian position and that of the US is therefore imperative, before the Government proceeds further.

ISSUES RELATED TO THE 123 AGREEMENT

1. **Imbalance of Obligations Regarding Fuel Supply and Safeguards:** The UPA's Note continues to insist that a "careful balance of obligations has been agreed upon" in the 123 Agreement. However, the Left Parties' notes have repeatedly drawn attention to the actual lack of balance of obligations in the Agreement, where IAEA safeguards in perpetuity are clearly written into the text whereas the fuel supply guarantees are ambiguous and will cease on termination of the Agreement. This point is not clarified in the UPA's latest response. Various other clarifications that have been sought on fuel supply guarantees, particularly with regard to future amendment of US domestic laws as mentioned in Article 5.6(a), are also not forthcoming.
2. **Hyde Act and Permanent Waiver:** The UPA's Note now accepts that the provisions of the Hyde Act that are relevant to the terms of cooperation "have been carefully addressed in the operative Agreement". The UPA's Note also implicitly admits that in respect of the provisions of the Hyde Act that are not incorporated in the 123

Agreement, it is the Hyde Act that will prevail. This is evident in the admission contained in the UPA's Note that any nuclear test by India will result in the imposition of sanctions by the US. As the Left Parties' Note had pointed out, this is precisely the content of Section 106 of the Hyde Act. While the 123 Agreement itself is silent on this question, it is clear from the admission in the UPA's Note that it is the provision of the Hyde Act that is operative here. Similarly, there are other provisions of the Hyde Act, which are outside the 123 Agreement and could therefore be used to put pressure on India's foreign policy. The same admission in the UPA's Note also negates the claim that the Hyde Act constitutes a permanent waiver of the relevant provisions of the Nuclear Non-Proliferation Act of 1978. The Left Parties' Note had pointed out that these provisions of the NNPA prohibit the transfer of any nuclear material to any non-nuclear weapons country (as defined by NPT), which has exploded a nuclear device or has violated other clauses of NNPA and that the Hyde Act provides only a one-time waiver of these provisions.

3. **Hyde Act and the 123 Agreement:** The UPA's Note continues to assert that the 123 Agreement, once it becomes law with Congressional approval, will override the Hyde Act. The Left Parties' Note had referred to the clarification made by US Assistant Secretary of State, Richard Boucher that this was not "a meaningful statement". The UPA's Note remains silent on this obvious contradiction between its claim and the official position of the US.

4. **Reference to National Laws in the 123 Agreement:**

The UPA's Note seeks to make a distinction between the statement that "the Agreement is subject to the national laws of the parties" and the statement that "only the implementation of the Agreement that will be in accordance with the national laws of the respective parties". In the light of the above discussion relating to the Hyde Act, it is clear that this distinction cannot be maintained. In any case, an Agreement has meaning only in so far as it is implemented. Hence, the request made by the Left Parties to provide a list of all national laws relevant to the 123 Agreement is crucial and remains to be answered.

5. **Reference to International Treaties in the 123: Agreement:**

The UPA's Note insists that the reference in Art. 2.1 of the 123

Agreement to international treaties is innocuous. However, it ignores the sharp differences between the international obligations of the India and the US. One such difference relates to the Nuclear Non-Proliferation Treaty, where India is a non-signatory and the US is a nuclear weapons state signatory. It is therefore necessary to consider the possible conflict between the obligations of the US under the NPT and its obligations under the 123 Agreement. In this regard it is relevant to Note that the Hyde Act explicitly insists on the US maintaining its obligations under the NPT. Therefore, the Left Parties' request for providing a list of international treaties relevant to the 123 Agreement is an important one and remains unfulfilled.

6. Interpretation of Viena Convention:

The UPA's Note repeats its own reading of the status of the 123 Agreement in international law, particularly the Vienna Convention on the Law of Treaties. However, it fails to address the central issue raised in the Left Parties' Note that according to Article 31 of the Vienna Convention, the 123 Agreement would be interpreted in the way it is written. Since the implementation of the Agreement "in accordance with its respective applicable treaties, national laws" is categorically mentioned in Article 2.1 of the 123 Agreement, these would have to be considered and cannot be wished way, which the UPA's Note does. The Left Parties' Note had emphasized that the key issue was to get the US to abide by its obligations under the 123 Agreement. Given the wordings of the 123 Agreement, it is open to the US to advance a strong legal case to justify the violation of obligations if it feels its national interests are not being served by the 123 Agreement. The UPA's Note fails to provide any assurance that the wording of the 123 Agreement incorporates substantial guarantees against attempts by the US to renege on its obligations and commitments later on. The US obligations on fuel supply guarantees and reprocessing have been hedged in different ways, permitting them to rescind from these obligations later if they so wish. India's obligations, on the other hand, have been defined much more categorically and in hard treaty language.

7. Termination of the Agreement:

The UPA's response essentially confirms that the US can terminate the agreement without consultations if it so desires vide Article 14.2 of the 123 Agreement. The assertion made in the UPA's Note that

the Agreement "gives equal rights to both Parties to seek termination" is irrelevant, since the issue is to bind the US to its commitments and obligations as a supplier. It was in this regard that the Left Parties' notes had brought out the examples of the 123 Agreements that the US has with other countries. In particular, the nature of the guarantees in these agreements and the clear commitments that they impose on the US in specific terms of international law and/or the Vienna Convention were highlighted. The UPA, after having earlier claimed that India's 123 Agreement was "superior", is now justifying the wording of the current Agreement as one which is "appropriate for us". Thus, unambiguous guarantees that hold the US to its obligations in terms of international law is an issue that the UPA's Note has not addressed satisfactorily.

8. Reprocessing Rights in the 123 Agreement:

The UPA's Note repeats a position on reprocessing that has been flatly contradicted by US officials. The UPA's Note denies the role of Section 131 of the US Atomic Energy Act, despite the statement of the US Deputy Secretary of State, Nicholas Burns made on July 27, 2007, that "Section 131 of the Atomic Energy Act, of course, calls for subsequent arrangements in reprocessing, arrangements in procedures, that would need to be agreed upon before the reprocessing could actually take place." It is clear that the interpretation of the UPA, that further "arrangements and procedures" to be negotiated for reprocessing are of a routine nature, is not shared by the US side. Without agreement on the "arrangements and procedures", the so-called "consent" on reprocessing has little value. Apart from a timeline, the consent to reprocess in the 123 Agreement is the same as in the Tarapur 123 Agreement. The UPA Note appears to suggest that no further problem could arise between the in-principle consent for reprocessing and its actual implementation. Is the UPA aware that arrangements and procedures under Section 131 include US Congressional approval, which could lead to unacceptable policy pressures at a later date? Another potential source for shifting the goalposts on this issue is already evident in the repeated reference by Nicholas Burns to a "state of the art" reprocessing facility that India will set up. Has the Government considered the possibility that this may imply further conditions from the US side regarding the nature of the new reprocessing facility?

9. Reprocessing and the Fast Breeder Programme:

The UPA has failed to clarify upon the relationship, under the proposed nuclear cooperation regime, between the new reprocessing facility and the indigenous fast breeder programme. The timeline for the new reprocessing facility in relation to the setting up of fast breeder reactors that will be in the civilian sector under safeguards, utilizing spent nuclear fuel of imported origin, is totally unclear. Moreover, before the fast breeder technology is stabilized, what will happen to the large quantities of spent nuclear fuel that will be generated from imported uranium that will be utilized in safeguarded reactors, many of which themselves may have been imported? These issues remain unclear.

10. Restrictions on Dual-Use Technology:

The UPA's Note has once again evaded the issue of dual-use restrictions. The question of how burdensome the dual-use restrictions on reprocessing and enrichment are likely to be and how they will affect future reprocessing activity, fast breeder reactor development and construction and the full development of the three-stage closed nuclear fuel cycle, has not been addressed. There is no clarity on this in the UPA's response despite the Left Parties having repeatedly raised this issue. This is a central aspect of the discriminatory global nuclear regime that India has always resisted.

ENERGY ISSUES

1. **Capital Costs of Imported Reactors:** The question the Left Parties' Note had raised was whether independent studies have been carried out to examine the costs claimed by nuclear industry. Studies by either Commissariat à l'Énergie Atomique or Nuclear Power Corporation do not fulfill this requirement. It is well known that nuclear industry has made optimistic projections of costs, which have not been backed up by actual experience. The UPA's Note had mentioned CEA and other studies as the basis for arguing that electricity generated from imported reactors would be cost competitive with coal based plants. CEA in Indian energy circles would be considered Central Electricity Authority and not Commissariat à l'Atomique.

The basic question remains unanswered. If we want to invest 40,000 MW of nuclear power by 2020, we need studies, which analyze cost of domestic

reactors, imported reactors and also energy costs from other sources of energy. The Planning Commission study that was quoted in the Left Parties Note --- Integrated Energy Policy -- had done this exercise and had come out with a detailed plan. There is no such study which has undertaken a similar exercise for 40, 000 MW of imported nuclear by 2020 that the government is talking about. Without such a study and proper evaluation of other options, the country should not be committed to this path.

The study quoted in the UPA's Note brings out clearly how other countries have gone about evaluating their energy options. France has to import coal and gas/oil and therefore, the economics of nuclear energy is quite different from India, which has very large reserves of coal. France has also to take into account its per capita green house gas emissions (which are about six time more than India's) and the commitment it has made in Kyoto. Therefore what may be an economically viable option for France cannot be used as a basis for India. However, the French study is interesting for analyzing the cost of imported reactors. The study by Eric Proust takes the overnight cost (cost of the plant without taking interest during construction) as - Euro 1300 per KW (over \$ 1800 per KW at the current exchange rate). The first plant in Western Europe in ten years - the Olkiluoto Unit 3 of 1600 MW in Finland - started with a similar assumption of costs. However, when the actual order was placed on Areva, the French company, even after significant French Government subsidies, the cost had gone up to Euro 3.2 billion, i.e, the cost per KW was euro 2000 per KW (over \$ 2800 per KW at the current exchange rate). After the placement of order, it has seen a time overrun of 18 months in the first 18 months of its construction and a further cost overrun of more than 25 per cent (Nuclear Bid to Rival Coal Chilled by Flaws, Delay in Finland, By Alan Katz, September 5, 2007, Bloomberg).

Similar cost and time overruns have dogged other nuclear projects abroad. Internationally, investors and experts discount the highly optimistic figures given by the nuclear industry. The Finnish example only confirms our view that the actual cost of imported reactors is much higher than what the Government is considering.

The US Energy Information Administration, in its Annual Energy Outlook 2007 With Projections to 2030 has computed that with capital costs of nuclear reactors at 2006 levels, cost of electricity from nuclear plants will be higher than that from either coal or gas. (The chart from this study is reproduced (not reproduced here)).

It is in the light of the above that the need for an India specific independent study analyzing India's energy options was emphasized, rather than relying on the claims of the nuclear industry. There is also no detailed DAFJNPC study that has been enclosed with the UPA's Note, without which the basis of the capital cost of imported light water reactors considered by them cannot be commented upon.

2. Nuclear Renaissance: Nuclear renaissance is a hype created by the nuclear industry in the US, Western Europe and Japan. In all these countries, the total number of nuclear plants being built is only 3. This is in contrast to over 20 new plants being commissioned every year in those countries during the heydays of nuclear energy in the 1980s (see Chart 2). The majority of new plants are today in countries that are expanding their electricity sector significantly and as a part of that they are also investing in nuclear energy. Here also, the proportion of nuclear plants does not show any sign of the renaissance that the UPA's Note talks about. For example, China currently gets only 1.8 per cent of its electricity from nuclear plants, not very different from India. Even if we take the future nuclear plants that China proposes to build, nuclear energy is not going to be more than 5 per cent of its total installed capacity.

The talk of nuclear renaissance is based on the US Government trying to kick-start their moribund nuclear industry. There is up to half a billion dollars available as subsidy for the first six nuclear plants in the US, apart from numerous other measures such as soft loans and Government indemnity against time and cost overruns. Despite that, the first licenses to construct and operate nuclear plants are as much as 5 years away. Jim Rogers, the CEO of Duke Power, one of the companies proposing to build a new nuclear plant in the US, expressed his pessimism about Duke's ability to build this plant. About nuclear renaissance, in his testimony before the North Carolina Utilities Commission in January 2007, he said, "I'm not a true believer ... We're talking about a renaissance in nuclear. I don't see it." He also indicated in this testimony that he believed the cost per KW would be of the order of \$2500-2600 and not \$1800 as claimed by Westinghouse.

3. Decarbonizing the Economy: The Indian Government is on record that with our per capita emissions being one tenth to one twentieth of countries such as the US and other developed countries, we cannot take measures to decarbonize the economy before developed countries bring down their emissions. Indian estimates suggest that it will cost \$2.5 trillion to decarbonize the economy and would severely impact development. If

the Government wants to re-look at these issues, it is welcome. But that needs to be done in an analysis of what are the emission levels that we would like to reach, the impact of various options on such emission levels and the costs involved. If after that, it is felt that the nuclear option should be seriously pursued for decarbonizing the economy, the nuclear option of 40,000- MW can be considered. Otherwise, there are many other ways to limit greenhouse gas emissions, nuclear energy being only one amongst many. The key issue here is a quantitative analysis of the options before us including limiting greenhouse gas emissions and working out the targets. Instead, what the Government seems to be doing is first deciding on how much nuclear power we would like to add with imported reactors and then finding various justifications for this.

Nicholas Burns, in his recent article in Foreign Affairs, Nov/Dec 2007, stated: "This Agreement will deepen the strategic partnership, create new opportunities for US businesses in India, enhance global energy security, and reduce India's carbon emissions". It is ironical that the US is talking about helping India to reduce carbon emissions while not agreeing to reduce its own. This reflects the US position: if the world is endangered by greenhouse emissions, it is countries such as India and China that need to limit their emissions. For the US, no reduction of greenhouse gases is possible; George Bush senior expressed this quite clearly, "American lifestyles are not open to negotiations". India seems to be succumbing to the US view of greenhouse gas emissions and not developing a perspective of its own.

4. Impact of Imported Reactors on Domestic Industry:

It is difficult to understand the contention contained in the UPA's Note that imported nuclear reactors would be additional to the ongoing indigenous programme, and help in "replacing import component of primary energy". The bulk of our import of primary energy is oil and this cannot be substituted by nuclear energy. The country's fuel policy has to recognize coal as its immediate primary energy source and invest in technology upgradation and further prospecting. At present, we waste huge amounts of coal due to inefficient mining. This is where lack of capital is a major bottleneck. Instead of looking for high cost import of reactors, we should allocate larger resources for more efficient mining of coal and oil/gas exploration.

As far as power generation is concerned, if we decide to increase the share of nuclear power with imported reactors, the investment will have to be made either from the allocations earmarked for the power sector, or elsewhere. If we

import reactors in large numbers, then this investment will not lead to domestic manufacture or jobs. While the UPA is busy arguing that import of reactors would not have any impact on the domestic industry, US officials like Condoleezza Rice have been arguing that civilian nuclear cooperation with India would create jobs in the US. The other important issue related to this is that originally India had planned to overcome its shortage of uranium by the fast breeder route. From the UPA's Note, it appears that the focus is shifting towards an expansion of the nuclear energy sector by primarily promoting imported fuel based light water reactors. As we have noted earlier, this has long-term adverse implications for energy security.

5. Cost of Electricity from Kaiga and Kudankulam:

While the UPA's Note has talked of electricity from Kudankulam being Rs 1.99 per unit, the CMD of NPC, SK Jain has stated that power from Kudankulam would not exceed Rs. 2.50 per unit. No calculations have been provided to support these figures. Calculations using the figures from the UPA's Note and the NPC's document "Light Water Reactors in India, An Economic Perspective", show that the cost per unit of electricity comes to Rs.2.50-2.75 per unit and not Rs.1.99. However, NPC's figures, particularly for fuel costs, are questionable. We are not aware of the fuel contract with the Russians, but based on current international prices of uranium, the figures in NPC's document appear quite optimistic. The Annual O&M costs are similarly taken on an optimistic basis. No information is available on the impact of project slippage on the project cost. Once these are taken into account, the figures for Kudankulam, even with the low capital cost that the Russians have offered, would be around Rs.3.00 per unit.

Kudankulam is a project where an exceptionally low price for reactors was offered by the Russians and the Russian price was fixed in dollar terms. We have benefited from depreciation of the dollar. The Russians have also given us soft loans, again denominated in dollars, and this has helped the project cost. As the NPC CMD has explained, without the drop in dollar rate, the price would have been in the range of Rs.3.00 per unit. However, unless the project is finished and we have the actual costs, the figures quoted are only in the realm of conjecture. The other issue in the Kudankulam cost is the cost of reprocessing the fuel. If we take the cost of reprocessing fuel, waste disposal and decommissioning costs, the cost per unit would be higher.

Regarding Kaiga, the UPA's Note suggests that the high capital cost for the project is to be attributed to the dome failure and consequent delays leading to a high Interest During Construction. According to the UPA's

Note, the IDC part of the project cost is about 37 per cent. However, Sudhinder Thakur, Executive Director (Corporate Planning), NPC has given the figures of IDC for Kaiga as below:

The revised completion cost of the project is Rs 3,282 crore consisting of the base cost of Rs 2,727 crore and an interest during construction (IDC) component of Rs 555 crore ... The percentage of IDC in completion cost (inclusive of IDC) is therefore 16.9 per cent. (Economics of Nuclear Power in India: The Real Picture, Economic and Political Weekly, December 3, 2005)

If we take the capital cost of Kaiga as Rs. 2,727 crore and other parameters as given in the UPA's Note, and the operating cost as given during tariff calculations, the cost of power from Kaiga would be around Rs.3.20-3.50 per unit.

The key question here is what would be the future capital cost of nuclear plants? If we take the cost of other imported reactors, the prices are much higher than Kudankulam.

If we take the capital cost of Rs.9 crore per MW, the levelled fixed component of the cost (capital servicing cost) from nuclear plants would be around Rs.3.50. If we add the Kaiga variable cost to this, the cost per unit would be of the order of Rs.5.00. The UPA's Note also claims that NPC would be able to meet all its future requirements from its own resources and market borrowings. No information has been provided regarding the cash reserves of the NPC and how much it proposes to borrow. Is the UPA suggesting that NPC would be able to provide the equity for the entire 40,000 MW proposed to be constructed and raise the entire loan all by itself? The NPC balance sheet certainly does not show this picture. This is quite different from NPC meeting of the 11th Plan Project on their own.

The above shows that there are a number of questions with regard to the economics of nuclear energy that need to be answered. Merely producing figures from NPC, which is obviously advocating a very large share for nuclear power, is not the best way for planning the future of the power sector. This exercise needs to be undertaken by the Planning Commission to rigorously establish the baseline costs and plan for future investments in a holistic manner.



APPENDIX - XLVII

UPA'S Issue-wise Response to Rejoinder by Left Parties dated 22 October 2007.

November 16, 2007.

STRATEGIC RELATIONS WITH US

India has always followed an independent foreign policy. There is no change at all in this. The aim of such a policy is to create conditions where we can focus on the economic development of our people. The Government is, thus, committed to continuously improving bilateral relations with our immediate neighbours, the countries in our region and all other major powers in the world.

In an era where there is increasing interdependence among nations, the development of good relations with all major powers without being constrained by Cold War era thinking of blocs and alliances adds to our ability to pursue our independent path as dictated by our national interest. This provides us the leverage and space to pursue our independent foreign policy.

In this context, Government has pursued cooperation with the USA to the extent that it helps to achieve the goals set by successive governments for the welfare of our people, and in overall national interest.

IRAN

India's overall approach to Iran has been clear and consistent. EAM's recent remarks in May 2007 layout very clearly the approach towards Iran:

Throughout history, Iran has radiated through Persian language and culture its influence over all its neighbouring countries. In Iran, therefore, we deal with not just a political entity but also a cultural force that takes great pride in its civilizational achievements. I think it is worth reiterating this to ourselves when we deal with that country on difficult issues such as security, non-proliferation, etc. In our view,

Iran must be engaged purposefully and candidly -not by demonizing its social and cultural mores but by recognizing their internal dynamic even while we may not accept them for ourselves. For those of us who inhabit the same region as Iran and are aware of the richness of its history and culture, and the pride they take in their civilization, it is axiomatic that threats against or denigration of the country will not work.

Iran has to be mindful of its international obligations, but progress on the issues that concern us will not be possible by the use or the threat of use of force or sanctions. It is only engagement which will enable us to see that Iran views following its international obligations as being in its pragmatic self interest. It is a country of tremendous natural and human resources and the development of these resources will make Iran a factor for regional security. The threat or the implied threat of use of military or economic force will not.

IPI GAS PIPELINE

The statements of officials of the Iranian Ministry of Petroleum, that India has slowed down the IPI Project, are only intended to secure better financial terms for Iran in what is a commercial negotiation. On occasion, such statements may also be found in the Pakistani press based on background briefings. Here again, the attempt is to secure more favourable terms on transit fees.

The facts of the matter are that in the tripartite (India - Pakistan - Iran) meeting in January 2007, a pricing formula was negotiated. Pakistan had declared itself satisfied with the formula and we had agreed to consider it subject to the transit fee and transportation tariff issue being concluded with Pakistan. However, in the next meeting in May 2007, Iran presented a fresh set of proposals by insisting on inclusion of a price revision clause and thus altering the agreed formula. Neither Pakistan nor India could agree to the revised terms. The setback in the negotiations was therefore largely on account of the new Iranian position. Pakistan and Iran in their subsequent meetings have reportedly agreed to a pricing formula. The Government will negotiate with the concerned parties once we know the price of gas at the Pakistan - Iran border.

INDIA'S VOTES IN THE IAEA

The IAEA voting allowed India to articulate its principled and balanced stand on the issue. There is no question of double standards as Iran is a non-nuclear weapon state party to the NPT.

The assertion that it was India's votes in the IAEA in September 2005 and February 2006 that helped the US to transfer the subject of the Iran nuclear issue to the UN Security Council and to impose a sanction regime against Iran is incorrect. The breakdown of the IAEA vote in February 2006 is as follows:

Yes	:	27
No	:	3 (Cuba, Syria, Venezuela)
Abstain	:	5 (Algeria, Belarus, Indonesia, Libya, S. Africa)

It is clear that the IAEA Resolutions would have carried even without India's vote. Regardless of India's vote, there was a clear majority in favour of referring the Iran nuclear issue to the UN Security Council. The restrictive measures were imposed unanimously by the UN Security Council, where India is not a member.

IRAQ

The Government has always acted in a balanced and mature manner to developments in Iraq and has consistently been guided by the unanimous resolutions adopted by both the Houses of Parliament in April 2003. It has on every relevant occasion expressed the hope that Iraq would return to full sovereignty and political stability with control over its natural resources. On seeing reports that former President Saddam Hussein of Iraq had been sentenced to death by a Tribunal in Iraq, External Affairs Minister had said that such life and death decisions required credible due process of law and, while not appearing to be victor's justice, also needed to be acceptable to the people of Iraq as well as the international community. Once the sentence was confirmed, the Government had again expressed the hope that the execution would not be carried out and expressed its disappointment once it was carried out. In keeping with its civilizational ties, India wants the people of Iraq to succeed in their efforts towards nation-building and has, on various occasions, expressed this readiness to cooperate in the reconstruction effort.

PALESTINE AND ISRAEL

India has had a consistent policy of unwavering support for the Palestinian cause right from the days of our freedom struggle under Mahatma Gandhi and this has been continued by the Government. The last dignitary to meet President Arafat was Minister of State Shri E. Ahmad, who was deputed

specially by Prime Minister in September 2004 to Palestine to demonstrate to the world India's solidarity with the Palestinian people and their cause. Former EAM attended President Arafat's funeral in November 2004 in Cairo.

India has contributed much in practical terms in the last three years with the grant of more than \$15.5 million for Palestinian development projects which are under process, in addition to Rs. 10 crores in life-saving medicines delivered to the Palestinian people in 2006. India's support for the Palestinian cause has been reiterated on several occasions, including at the Arab League Summit in Riyadh in March 2007, after the formation of the emergency Palestinian government in June 2007 and most recently at the IBSA Summit in South Africa this month. Our support for a Palestinian homeland and the legitimate rights of the Palestinians is well known. We have welcomed the resumption of direct dialogue between the Palestinian and Israeli leaders. India's relations with the Arab world too have grown in key sectors in the last three years, demonstrating the goodwill for India in these countries.

India's diplomatic relations with Israel were established after the Madrid Peace Process and the establishment of formal relations between Israel and some Arab States. Our relations with Israel are not at the cost of our good relations with the Arab world.

"LOOK EAST" POLICY AND THE STRATEGIC DIALOGUE WITH US, JAPAN AND AUSTRALIA

The process of consultations between the US, Japan, Australia and India is an informal dialogue between the four countries to discuss issues of common interest. Our approach to this dialogue is reflected in the Joint Statement signed between the Prime Ministers of India and Japan in December 2006, in which, they agreed to share view with other "likeminded countries" in the Asia-Pacific region on themes of mutual interest. This informal consultation is not an exclusive group. Our understanding is that other like-minded countries could be included in this process in the future. It is also clear to all parties that this is not a strategic dialogue or strategic consultative mechanism. At the informal consultation between senior officials held in the margins of the ASEAN Regional Forum (ARF) Senior Officials' Meeting in Manila on 25 May 2007, the concerned countries agreed to discuss non-core security matters. These include possibilities of cooperation on issues like counter terrorism, anti-piracy, disaster relief,

energy, environmental issues, counter-narcotics trade and response to pandemics.

While it is true that the ARF is a broader platform for discussions on security issues, it is also true that there are other smaller frameworks for dialogue and cooperation based on the degree of interest in specific issues and their relevance for member countries. This includes groups such as the Six Party Talks on North East Asia and the 'Shepherd's group' on Disaster Management in ARF, both of which do not have India as a member. Our participation in restricted format dialogues is based on our belief that in an increasingly complex and interdependent world, it is important to have regular and focused consultations with all major powers.

SHANGHAI COOPERATION ORGANISATION

The six SCO Member States are Russia, China, Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan. The four Observer countries are Mongolia, Pakistan, Iran and India. The SCO chose to make India an Observer and not a member in July 2005. The then EAM represented India in 2005 at the SCO Summit and the Minister for P&NG did so in 2006 and 2007. At the SCO Summits, Heads of delegations from Observer countries are not included in the closed-door sessions, which are attended by Member countries to finalise Summit documents. At the three summits (Astana: July 2005, Shanghai - June 2006 and Bishkek - August 2007), India has been consistently represented by a Cabinet Minister.

AFGHANISTAN

India is involved substantially in the reconstruction of Afghanistan and is committed to a peaceful, stable, democratic future for Afghanistan.

India has a consistent policy towards the Taliban. The defeat of the Taliban in 2001 was, in fact, due to efforts of the Northern Alliance, whose cause we had supported against the Taliban. It is also a fact that the defeat of the Taliban in 2001 and the establishment and continuation of a new administration in Afghanistan thereafter would not have been possible without the UN mandated US and NATO forces.

India has been at the forefront of resisting calls which propose accommodation of Taliban in the power structure of Kabul. It must be noted in this context that our interest will not be served by a precipitate withdrawal of foreign troops. Any weakening of the international commitment to

Afghanistan at this juncture carries the grave risk of a reversion to a Talibanised Afghanistan, which would certainly not be in our interest. India is, therefore, engaged, along with the international community, in reconstruction efforts in Afghanistan. It would be wrong, however, to interpret this as harmonizing our policy with the US regional policy in Afghanistan.

DEFENCE FRAMEWORK AGREEMENT AND "MULTINATIONAL OPERATIONS"

As noted in an earlier response, the 2005 Defence Cooperation Agreement with the USA is not the first such Agreement. The framework is substantially similar to other such agreements signed with different countries.

As a sovereign State with an independent foreign policy, our engagement with other countries is determined by our own calculation of national interest and the request of the receiving State, and is not contingent upon UN auspices. The India - US Defence Framework Agreement clearly states that the Indian and US defence establishments shall "collaborate in multinational operations when its is in their common interest." It is India, therefore, that will decide the time and manner of cooperation. Such cooperation will only be when it is in common interest.

For example, in humanitarian relief operations or operations related to disaster management, India has participated in multinational operations such as in the aftermath of the Tsunami in 2005.

MISSILE DEFENCE

The subject of Missile Defence has been part of our overall dialogue with the US, just as it is part of the US's dialogue with other major players, including Russia. During this dialogue, both sides have had the opportunity to convey their respective perspectives on missile defence. Dialogue neither implies involvement nor participation.

MARITIME SECURITY COOPERATION

India is engaging with other countries of the region in a cooperative framework to ensure security of sea lanes. Besides the US, our naval forces cooperate with a number of countries of the South East Asian region, including Singapore, Indonesia and Thailand. We have stated clearly that the littoral states of the region have the primary responsibility for the security

of the Malacca Straits and that we are ready to work with them.

LOGISTICS SUPPORT AGREEMENT

The LSA provides for two specific areas of mutual interest: (i) joint exercises and (ii) disaster relief. This does not envisage providing military facilities to US forces. Neither does it provide for unqualified Indian support to the US in any armed conflict to which India is not a party. Items not eligible for transfer under this Agreement include weapon systems, lethal military equipment and those items which are barred for transfer under the national laws of the two countries. The proposed LSA does not carry any commitment to assist each other during periods of armed conflict.

JOINT MILITARY EXERCISES

Our forces conduct exercises with a number of countries and these are not unique to the US. The Indian Navy conducts regular annual exercises with Singapore, Thailand and Indonesia, as well as with other countries.

ARMS PURCHASE FROM THE US

Our defence procurements are currently from various countries, including Russia, France, Germany, UK and South Africa. The aim of the Government remains to ensure the procurement of the best technology and systems globally for the defence forces and there is no question of our getting dependent on a single country.

INDEPENDENT FOREIGN POLICY

The UPA government has continued to follow and build upon the basis tenets of India's independent foreign policy a foreign policy of peace, non-alignment and autonomous choice based on national self interest and the expansion of India's strategic autonomy and capability.

In an international situation marked by simultaneous competition and cooperation among the major powers, and of unprecedented interdependence created by globalisation, representing both a threat and an opportunity for developing countries, the government has steadily improved India's relations with all major powers.

In its interaction with the other major powers and the EU, India believes that multilateral and multi-polar solutions are the need of the hour for the world's major issues. Today's challenges - terrorism, proliferation of weapons of mass destruction, climate change, energy security and food

security - cut across borders and demand broad-based multilateral cooperation between nations and groups of nations.

As the world moves into a more complicated environment of interdependence and competition, multilateral solutions to international problems become even more necessary. The UPA Government has strengthened India's contribution and role in international organizations such as the UN and added meaningful content to other multilateral groupings in which India participates, such as IBSA, India-China-Russia Trilateral Forum and other such fora.



APPENDIX - XLVIII

Left Rejoinder to UPA's Response on Foreign Policy and Security Matters.

October 22, 2007.

The Left Parties appreciate the prompt response by the United Progressive Alliance vide its Note dated October 5, 2007 on the subject. Regrettably, however, most of the issues and questions raised in the Left Parties' Note dated October 2, 2007 have not been adequately addressed in the UPA's response. Any substantial and meaningful discussion can emanate only when the issues raised by the Left Parties are addressed effectively.

FOREIGN POLICY ISSUES

1. **Strategic Relations with US:** As far as the Left Parties are concerned, the National Common Minimum Programme (NCMP) should guide the foreign policy orientations of the UPA government, rather than subjective and unilateral perceptions of "national interests". The touchstone should be whether the government follows an independent foreign policy aimed at promoting multi-polarity in world relations and opposing all attempts at unilateralism. The issue is not the statistical data as to India's strategic partnerships and relations with the world community. It is about India's relations with the US, which are not envisaged in the NCMP as a strategic relationship. The nature, scope and depth of the "strategic partnership" with the US are at a qualitatively different level, making

it virtually a strategic alliance. The 123 Agreement forms part of a "strategic partnership", and influential Indian and US strategic thinkers have dwelt on the parameters and directions of such a partnership. Indeed, the text of the 123 Agreement itself acknowledges this in its preamble. The so-called Hyde Act makes explicit reference to this aspect. The UPA's Note is impervious to the understanding of independent foreign policy in the NCMP, and characterises it as an "a priori assumption".

2. **Iran:** It needs no reiteration that the final Indian stance at the IAEA vote on Iran in September 2005 was on the basis of last-minute instructions at the highest levels of government. While it is natural that a laboured attempt became subsequently necessary for the Indian side to explain away the shift in the UPA government's stance as a "consistent position", the fact remains that the shift: as such was prompted by the US pressure at the highest levels of government. Indeed, US officials and public figures - and even the Hyde Act acknowledged that India was "able and willing to adjust its traditional policies" with regard to Iran. No amount of pleas regarding "national interests" can cover the fact that the shift in India's stance has negatively impacted on Indo-Iranian cooperation, including in the LNG deal. Iranian officials are on record on the matter.

Second, the fact remains that the progress on the Indo - US (Iran) gas pipeline project has slowed down. This is a veritable reality. Again, the Iranian side, including the concerned officials and diplomats, are on record that India has slowed down the progress of the project, and Iran is, therefore, left with no option but to proceed ahead with Pakistan.

Third, India's votes in the IAEA in September 2005 and February 2006 helped the US to transfer the subject of the Iran nuclear issue to the United Nations Security Council and to impose a sanctions regime against Iran. The US has since then mounted a campaign threatening Iran with military attack and "regime change". Any balanced, principled Indian stance should have taken note that Israel is a virtual nuclear power, thanks to clandestine Western collaboration, and the US is blatantly adopting double standards.

3. **Iraq:** It is a fact that all that the UPA government could say about

the execution of Saddam Hussein was that it was a matter of "disappointment". The Indian statement completely overlooked the sort of "unilateralism" by the US that the NCMP precisely finds abhorrent in the conduct of international relations. Motivated solely by the urge not to cause annoyance to the US, the UP A government ignored the fact that India's relations with Iraq are in no way comparable to China's or Russia's with that country. The reality is that the UP A government is silent in the face of the war crimes being perpetrated by the US in Iraq. The continued military occupation of Iraq is the root cause of the anarchy in that country. Yet the UPA government remains silent on that score in deference to the compulsion not to annoy the US or to pose difficulties for the US regional policies in the Middle East. The UPA government's vulnerability at a time when the nuclear deal is under negotiation is all too apparent.

4. **Palestine and Israel:** The UPA government has continued with the previous NDA government's policy towards the Palestine issue. While keeping up verbal support to the Palestinian cause, UPA government has rapidly expanded India's relations with Israel. Considering the atrocities being perpetrated by the Israeli regime against innocent, defenceless Palestinian communities, the UP A government's policy is regrettable, both in moral and practical terms. It is not even expedient in so far as it may find acceptance with the pro-US Arab regimes in the region but is completely contrary to the opinion and feelings of the Arab people. This is particularly so because the UPA government is emphasising security and military cooperation with Israel involving precisely those agencies of the Israeli government that carry out the atrocities against the Palestinians. The UPA government entered into arms purchases from Israel worth \$1.5 billion as of 2006. India has emerged as the largest buyer of arms from Israel. Yet, Israel does not figure even cursorily in the text of the NCMP. The UPA government's zealousness in expanding and deepening India's security relationship with Israel cannot be sidetracked in any discussion over the UPA government's policies in the Middle East.
5. **"Look East" Policy and the Strategic Dialogue with US, Japan and Australia:** The UPA should clarify whether India has participated in a strategic dialogue with the US, Japan and Australia. If so, what is the rationale for such a limited grouping? The outgoing Japanese

ambassador to India has been quoted in an interview to The Hindu on October 1, 2007 that yet another round of the strategic dialogue is in the offing in the near future, and that there is a thinking to raise the dialogue to foreign minister level. Is it so? How does this dialogue mesh with India's "Look East Policy"? It is well known that the US, Japan and Australia have a tightly knit security coordination, which more often assumes the form of a de facto military alliance. How is India's security interest served by its cooperation with the US-led exclusive security grouping in the Asia-Pacific when the ASEAN Regional Forum already includes all the relevant countries in the Asian region?

6. **Shanghai Cooperation Organisation:** The Shanghai Summit in 2005 was not a routine meet of the Shanghai Cooperation Organisation (SCO). Yet, India was the only country not to be represented at the summit at the head of state/government level. This is a statement of fact. What was the basis for the Indian decision to keep its representation at the 2005 extraordinary summit at the ministerial level? Wasn't this yet another signal regarding India's growing harmony with the US's regional policies, which takes a negative view regarding the SCO?
7. **Afghanistan:** India should contribute optimally to the reconstruction of Afghanistan, which has profound links with India. But at the same time, India cannot be oblivious of the establishment of the long-term, virtually open-ended, military presence of the US and the North Atlantic Treaty Organization in India's neighbourhood. Second, India cannot ignore the killings of civilians being perpetrated by the Western forces present in Afghanistan. Third, the political rationale of the "war on terror" is becoming apparent with the ongoing efforts by the Western powers to accommodate the Taliban in the power structure in Kabul. Finally, the presence in Afghanistan is enabling NATO to make efforts to expand into the Central Asian region and to establish a naval presence in the Arabian Sea and the Indian Ocean. The US is using Afghanistan as a base from where it can threaten Iran. The growing opposition to the Western military presence among the Afghan people is leading to increased support for terrorists and fundamentalist elements in the region. All this directly affects the security environment around India. Yet, the UPA government remains silent on this score. It has not taken any initiative to address these security challenges, as it remains riveted to the one-point agenda of

harmonising its policy with the US regional policy in Afghanistan and Central Asia.

DEFENCE AND STRATEGIC ISSUES

1. **Defence Framework Agreement and "Multinational Operations":**

The issues raised by the Left Parties regarding the Defence Framework Agreement with the US should not be treated in a cavalier fashion, since they will profoundly impact on India's security interests for decades to come. It is the contention of the Left Parties that the NSSP and the Defence Framework Agreement remain by far the most far reaching defence cooperation agreement with any country in the history of independent India. No comparison can be drawn between the defence agreement with the US and India's defence cooperation agreements with Kyrgyz Republic or Armenia. The issues that deserve special attention are:

- I. The UPA Note says, "India will decide when and in what manner it will collaborate with the United States in multinational operations". Is this a new policy? In 60 years of independence, has India ever participated in a "multinational operation" outside the UN umbrella?
- II. Apart from the "use of Indian military force" in Bangladesh (1971), Sri Lanka (1987-91) and Maldives (1988), has India ever used its military force outside the UN umbrella in any part of the world? If so, what are the kind of "multinational operations" that are being envisaged where India and US can jointly participate? Can the UPA categorically assure that such "multinational operations" will never be outside the UN auspices?
- III. Other than with the US, has India entered into any defence agreements with any other country in the world for undertaking "multinational operations"? Is the agreement with the US an exception or a common feature of the 30 Defence Agreements that India has signed with other countries?

2. **Missile Defence:** It is well known that the US missile defence system (NMD) is under development and the first deployments outside the US mainland are under way. The UPA's Note is factually correct in maintaining that "India is not participating

in the NMD". However, it is well known that the US does not allow even its close allies to "participate" in the NMD programme. Thus, the issue is not about "participation" or "development" of the NMD alone, but about its deployment. In an answer to a question in the Lok Sabha on August 18, 2004, the Minister of State for External Affairs stated that "presentation and briefing by the US side on missile defence have been on the agenda of the Indo-US Defence Policy Group since 2001". Why should NMD form part of the NSSP? Is it a fact that the UPA government has held discussions with the US more than once regarding cooperation in the NMD? Is it a fact that the NMD figures in the agenda of "strategic dialogue" between the Indian defence officials and their American counterparts in the Pentagon? Is it a fact that the US has sensitised the Indian side, including through demonstrations, on the components of the NMD system? More important, does the UPA government recognise that any sort of involvement with the NMD would impact negatively on India's relations with Russia and China?

3. **Maritime Security Cooperation:** There is no gain saying the fact that India has concerns over maritime security. The issue here is of the rationale behind the Indo-US Maritime Security Cooperation Framework, covering the South-East Asian and the wider Asia-Pacific region. How does India stand to gain from the US-led security architecture of the Malacca Straits?
4. **Logistics Support Agreement:** It is true that India has not yet signed any Logistic Support Agreement with the US. The question is whether the UPA government has all but negotiated a draft for such an agreement, as claimed by senior US officials. If that is the case, what is the rationale for negotiating such an agreement? Is the UPA government aware of the negative impression that such a close identification with US naval power would create in India's adjacent regions?
5. **Joint Military Exercises:** The UPA should clarify whether the bulk of India's military exercises during the last 5 years period have been with the US? If so, what is the rationale for developing such an intensive level of "interoperability"? How does such close military cooperation with the US serve India's geo-strategic interests? Has

India ever conducted a collective military exercise before the joint military exercises conducted in the Bay of Bengal in September 2007"? The rationale advanced by the UPA government for the recently held Malabar exercises - as forming part of a struggle against sea piracy and drug trafficking or for rendering relief work during natural disasters - does not sound convincing. It is all too apparent that the size of the naval exercises was extraordinarily large and it was a carbon copy of a similar naval exercise involving the US, Australia and Japan in the Asia-Pacific. What is the rationale for the joint naval exercises involving the US, Japan and Australia? Why weren't India's immediate neighbours in the South East Asian region, including major countries such as Thailand, Malaysia and Indonesia, included in these joint naval exercises?

6. **Arms Purchase from the USA:** The UPA should respond to the specific questions raised in the Left Parties' Note dated October 2, 2007 regarding the contradictions involved in dependence upon defence supplies from the US. These remain unanswered, especially the implications for India-Pakistan relations. The issue is not about the UPA government's "transparent policy of acquisitions" of weapons for the armed forces. The Bush administration considers Pakistan as its foremost ally in its "war against terror". President Bush has recently rewarded Pakistan by approving the sale of F-16s, which had been blocked earlier. While the US continues its strategic partnership with Pakistan, selling it force-multipliers and assuring it that it would do nothing to upset the balance of power in South Asia, does it make sense for India to rely on the US as a major supplier of defence equipments?

SUMMING UP

What needs to be reiterated all over again is that the UPA government during its period in office has overlooked the commitment to an "independent foreign policy", as reflected in the NCMP. The departures are of major character. Admittedly, diplomacy can be pragmatic; it can and must safeguard national interests. But the foreign policy on which diplomacy is based, must always remain true to the guiding principles. The NCMP underlines that the guiding principle for the UPA government must be an "independent foreign policy". The NCMP further stresses the importance of the UPA government working for a "multi-polar" world and opposing all attempts at "unilateralism". These are fundamental principles. They demand

that India must speak its mind clearly and unambiguously over issues such as Iraq, Palestine and Afghanistan, where the US is the principal source causing, instigating or conniving with aggression, occupation and state sponsored violence.

As the UPA's Note recalls, what India did in the Suez crisis 50 years ago is a matter of pride for the country. More important, in the present juncture, it should remain a beacon light for India's policies in the Middle East. India should have the courage to dissociate itself from the double standards being adopted by the US over the Iran nuclear issue. India should call for the vacation of military occupation of Iraq. India should have the moral courage to maintain that what Israel does to the Palestinians is no less than what the South African apartheid regime did. India should curtail its security and military cooperation with Israel until the historic rights of the Palestinian people are recognised. There are so many countries other than Israel from where India can source its defence materials.

It is clear that the Indo-US nuclear cooperation agreement poses the real danger of locking India into a "strategic partnership" with the US. By the very nature of the relationship, India can only end up as a subordinate ally in the US geo-strategies, aiding and abetting its military misadventures. The Left Parties therefore reiterate their demand for a thorough scrutiny of the implications of the 123 Agreement and the Hyde Act on India's independent foreign policy.



APPENDIX - IL**Press Release of the UPA-Left Coordination Committee
on the 6th Meeting of the Committee.****New Delhi, November 16, 2007.**

The UP A-Left Committee on the India-US Civil Nuclear Cooperation held its Sixth meeting today. All members of the Committee, except Shri Laloo Prasad Yadav, who was out of Delhi, participated in the meeting.

The Committee has discussed the implications of the Hyde Act on the 123 Agreement, on foreign policy and security matters. After further discussion, it was decided that impact of the provisions of the Hyde Act and the 123 Agreement on the IAEA Safeguards Agreement should also be examined. This will require talks with the IAEA Secretariat for working out the text of the India-specific Safeguards Agreement. The Government will proceed with the talks and the outcome will be presented to the Committee for its consideration before it finalises its findings.

The findings of the Committee will be taken into account before the operationalisation of the India-US Civil Nuclear Cooperation Agreement.

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APPENDIX - L

Left Parties:

Issues in the IAEA Agreement.

April 9, 2008

THE CONTEXT OF THE IAEA AGREEMENT

There is a difference between the context of the current negotiations and previous negotiations that India has conducted with the IAEA. Whereas on earlier occasions, the IAEA was brought in to oversee safeguards that were associated with nuclear agreements that preceded them, the current negotiations are a pre-condition to the conclusion of a nuclear cooperation agreement with the United States. This has been made clear through the entire course of Indo-US negotiations and reinforced by the terms of Indo-US cooperation as set out by the Hyde Act.

The content therefore of the IAEA agreement must be understood in the light of the Hyde Act primarily and the 123 Agreement.

The Hyde Act specifically states:

- "(b) DETERMINATION BY THE PRESIDENT.-The determination referred to in subsection (a) is a determination by the President that the following actions have occurred:
- (1) India has provided the United States and the IAEA with a credible plan to separate civil and military nuclear facilities, materials, and programs, and has filed a declaration regarding its civil facilities and materials with the IAEA.

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- (2) India and the IAEA have concluded all legal steps required prior to signature by the parties of an agreement requiring the application of IAEA safeguards in perpetuity in accordance with IAEA standards, principles, and practices (including IAEA Board of Governors Document GOV1621 (1973)) to India's civil nuclear facilities, materials, and programs as declared in the plan described in paragraph (1), including materials used in or produced through the use of India's civil nuclear facilities. (3) India and the IAEA are making substantial progress toward concluding an Additional Protocol

consistent with IAEA principles, practices, and policies that would apply to India's civil nuclear programme."

It appears therefore that GOV/1621 is crucial to implementing safeguards. No reference is made to INFCIRC/66/Rev2 in the Hyde Act, which as per UPA's briefing in the last meeting is the template for the agreement with the IAEA whereas GOV1621 finds explicit mention.

The IAEA safeguards agreement is in effect a treaty, and obligations of such an agreement would be binding on India. In case a dispute arises between India and the IAEA regarding the interpretation and application of the safeguards agreement, there is no court or established judicial tribunal which has the competence to resolve such disputes. The IAEA is not subject to the jurisdiction of national courts, nor is it eligible to be a party to an action before the International Court of Justice (ICJ), according to the ICJ Statute. For this reason, all safeguards agreements contain a provision for submitting the disputes to binding arbitration.

If a dispute regarding an alleged violation of the safeguards agreement by India cannot be satisfactorily settled with the IAEA Secretariat, the Director General of the IAEA is required to report to the IAEA Board of Governors that India is in non-compliance with its safeguards agreement. Any actions which the Board then decides as essential and urgent to correct the situation are to be implemented by India without delay. If India does not act on this directive, the Board will have to report India's non-compliance to all members of the IAEA, as well as to the UN General Assembly and the Security Council. This could then trigger collective international condemnation and even binding punitive actions against India, such as the imposition of sanctions and embargos by the Security Council, if they so decide.

Therefore, the specific provisions in the India-IAEA safeguards agreement for dispute resolution have to be examined carefully to ensure that India's long terms interests and legitimate rights as a sovereign nation are protected.

FUEL SUPPLY ASSURANCES AND CORRECTIVE MEASURES

The UPA briefing acknowledges that the agreement with the IAEA does not deal with fuel supply and only facilitates foreign fuel supplies. The briefing also indicated that the Safeguards Agreement contains a clause declaring that India and the IAEA have agreed to the safeguards provision taking into account the fuel supply assurances and the right of India to take corrective action in case of disruption of such applies.

While it appears that India's commitments regarding safeguards are binding and will continue as per GOV11621, it is not clear that the IAEA has any binding obligations. It is not clear whether the clauses regarding fuel supply assurances and fuel reserves by the IAEA are in the preambular section or binding on the IAEA in any way. Is there a firm IAEA commitment to this effect included in the binding clauses of the agreement for ensuring facilitation of life-time fuel supply?

The UPA's briefing talked about a legal right that India can exercise to report a breach or material violation using IAEA document Article 52(c). It is not clear what these breaches or material violations are nor what is entailed in India's exercise of this right. The briefing also mentioned India's right to make a case for withdrawal of its indigenous reactors from safeguards, but again did not make clear the basis of such a case nor what happens after such a case is made. The right to make a case is quite different from right to take a course of action.

From the above, it appears that right to withdraw from safeguards would exist at best only for indigenous reactors. Even if these fuel supply assurance fail, as they did in Tarapur, India would have no recourse to withdrawal of facilities built with international collaboration from safeguards, for which safeguards will apply in perpetuity.

For the indigenous reactors, the UPA briefing made clear that the termination of safeguards will be implemented taking into account the provisions of GOV11621. Thus the crucial issue now is the implications of how INFCIRC/66/Rev2 is to be implemented together with IAEA Board of Governors document GOV11621 of 1973.

In our understanding, the primary purpose of GOV11621 is to deal with the duration and scope of the safeguards on all nuclear materials from safeguarded nuclear installations. In effect, the above could mean that all foreign supplies imported by India for civilian reactors till the date of withdrawal would have to remain under perpetual safeguards thereafter. Thus, any unused imported fuel or spent-fuel containing plutonium in these reactors, and all foreign equipments and components in them will remain under IAEA safeguards surveillance in perpetuity. Therefore, it is difficult to accept the UPA's position that the corrective measures mean that India can walk out of safeguards if the fuel supply arrangement fails or that the corrective measures in the IAEA agreement will lead to uninterrupted operations of all civilian reactors.

It might be noted that all previous safeguard agreements are now also to be subsumed under this new Safeguards Agreement. This means that while the earlier agreements carried no reference to GOV11621, it will now be applicable to such agreements also. Thus, a more restrictive regime will be imposed on plants such as Kudankulam or RAPP 1 & 2 or Tarapur 1 & 2, compared to the Safeguards Agreement that India had signed for term earlier.

The Prime Minister had stated in Parliament that India will have the same rights as any other nuclear weapon states. It might be noted that any nuclear weapon state can unilaterally and without any preconditions withdraw its facilities from safeguards. From the briefing, it appears that once India puts its civilian facilities including its indigenous reactors under safeguards, the withdrawal of such facilities are hedged in with various conditions.

GOV/1621 appears to be a restricted document. To understand the implications of GOV/1621, the explicit text of GOV/1621 therefore needs to be made available. The UPA Note does not provide sufficient basis to determine the exact import of the Safeguards Agreement with the IAEA in respect of the concerns that have been raised earlier. So detailed clarifications to the above and GOV/1621 would be required before we can arrive at an understanding of the IAEA text.

ADDITIONAL AND SUBSIDIARY PROTOCOLS

Government may clarify whether the draft safeguards agreement stipulates that the safeguarded Indian nuclear facilities shall be subjected to the IAEA Additional Protocol. Through this safeguards agreement, has the Government committed India to adhere to either the Model Additional Protocol applicable to non-nuclear weapon States or to an India-specific Additional Protocol to be developed in the future? If the safeguards agreement is silent on the question of Additional Protocol, is there a confidential "subsidiary arrangement" or "side letter" finalized between the Government and the IAEA Secretariat on the subject of Additional Protocol as applicable to India?

The legal framework of the IAEA safeguards also consists of a number of elements, including the basic IAEA documents (such as INFCIRC/66/Rev.2, GOV11621, etc.); the India-specific safeguards agreement between the IAEA and India, supply agreements calling for verification of nonproliferation undertakings, along with relevant protocols and "subsidiary arrangements"

(which usually detail how the procedures in the agreement are to be implemented). The UP A needs to clarify whether any other text of subsidiary agreement or protocol has been agreed upon or frozen between Government of India and IAEA or IAEA Secretariat.



APPENDIX - LI

Left Parties: Need for Further Clarifications Regarding India Specific Safeguards.

May 16, 2008.

The IAEA India-Specific Safeguards Agreement has to be seen along with the 123 Agreement and the Hyde Act. The Hyde Act has made clear that India must submit its civilian nuclear programme to a regime of perpetual IAEA safeguards. The Hyde Act has also made clear that if any of its conditions are not met, the US will terminate the 123 Agreement and stop all nuclear material and fuel supplies. Further, the Hyde Act has also asked the US Government to ensure that other members of the Nuclear Suppliers Group do not give any preferential treatment to India and that the NSG terms incorporate all these elements of the Hyde Act. Therefore, the India Specific Safeguards Agreement must be seen in this context and not in isolation.

The issue with respect to IAEA Safeguards has never been whether IAEA will accept that a part of India's nuclear programme will be outside of safeguards, but what are the terms under which we are putting our civilian programme under safeguards? Therefore, the argument that we have now received a major concession in terms of the India Specific Safeguards - that of keeping a part of our nuclear programme out of the purview of IAEA Safeguards - does not hold. The key issues for the IAEA Agreement were:

- In case the NSG countries renege on fuel supply assurances for imported reactors, will we have the ability to withdraw these facilities from safeguards?
- If we have to bring nuclear fuel from the nonsafeguarded part of our nuclear programme for these reactors in case of fuel supply assurances not being fulfilled, will we have the ability to take it back again?

- If NSG countries renege on fuel supply assurances, can we withdraw our indigenous reactors from IAEA Safeguards?
- When the UPA claims that IAEA has incorporated the fuel supply Assurances in the Safeguards Agreement, are there any operative obligations on the IAEA?
- Finally, how will the regime of inspections, etc., play out, specifically in view of the Hyde Act provisions that require monitoring of India's programme including its non-civilian component; in other words can the regime of inspections be used to examine the history of the nuclear programme and its technology development?

It is clear from what the UPA has stated that for imported reactors, in case of a dispute or fuel supply commitments being breached by countries supplying us with reactors or nuclear fuel, India will not have the option to withdraw them from safeguards - the safeguards regime will apply to them in perpetuity. Therefore, we cannot temporarily tide over a shortage of fuel by bringing it from the non-safeguarded part of the programme.

The Prime Minister had stated in Parliament that India will have the same rights as any other nuclear weapon state. It might be noted that any nuclear weapon state can unilaterally and without any preconditions withdraw its facilities from safeguards. Obviously, in India's case this right will not exist for imported reactors.

Regarding withdrawing of indigenous reactors from safeguards, the issues we had raised are not properly addressed in the UPA clarifications:

- Under what conditions can India exercise the legal right to report a breach or material violation using IAEA document Article 52(c)? What are these breaches or material violations?
- What is entailed in India's exercise of this right?
- Under what conditions can India exercise the right to withdraw its indigenous reactors from safeguards?
- What are the conditions that India will have to fulfil if it wants to withdraw its indigenous reactors from safeguards?

GOV/1621, as the UPA has clarified, pertains to the duration and termination of the safeguards. This means that if India wants to withdraw its indigenous

reactors from safeguards, the clauses of this document will apply. As we are not aware of what these clauses entail, we cannot therefore comment on whether the right of withdrawing indigenous reactors from safeguards is a real one or only cosmetic.

The argument that we have accepted GOV/1621 in the past regarding other safeguarded reactors is not relevant in this context, as all such reactors were imported ones. As the UPA has now clarified, in any case the right to withdraw such reactors from IAEA Safeguards is not there in the Agreement. The issue is not whether India will be in breach of the IAEA Safeguards Agreement, but if other countries breach their agreement with India, what protection does India have? Can it then withdraw its indigenous reactors from safeguards and will the provisions of GOV/1621 stand in its way? Therefore, clarifications regarding what conditions will need to be fulfilled before India can withdraw its indigenous reactors from safeguards are still required.

Regarding fuel supply assurances, it is clear from UPA clarifications that the fuel supply clause in the Agreement has no operative value and has been put there for largely cosmetic purposes.

The UPA has clarified that India had put its reactors and fuel supplies under IAEA safeguards on earlier occasions. With respect to past IAEA safeguards for reactors and fuel, there is a distinction. The imported reactors were put under INFCIRC/66/Rev2 with GOV/1621, while the fuel supplies to indigenous reactors were dealt with differently. However, now all the reactors - both imported and indigenous - offered as civilian under the Separation Plan, will be under INFCIRC/66/Rev2 with GOV/1621. The conditions therefore are not identical with respect to the past safeguards for supplying fuel to indigenous reactors. Therefore, the need to know what GOV/1621 entails in case of withdrawing indigenous nuclear reactors from IAEA safeguards.



APPENDIX - LII

Left Stand for UPA-Left Committee Meeting.

June 25, 2008.

Regarding the request for going to the IAEA Board of Governors for seeking approval of the Safeguards Agreement:

1. The sixth meeting of the UPA-Left Committee on the Indo-US civil nuclear cooperation held on November 16, 2007 had decided as follows:

The Committee has discussed the implications of the Hyde Act on the 123 Agreement, on foreign policy and security matters. After further discussion, it was decided that impact of the provisions of the Hyde Act and the 123 Agreement on the IAEA Safeguards Agreement should also be examined. This will require talks with the IAEA Secretariat for working out the text of the India-specific Safeguards Agreement. The Government will proceed with the talks and the outcome will be presented to the Committee for its consideration before it finalises its findings.

The findings of the Committee will be taken into account before the operationalisation of the India-US Civil Nuclear Cooperation Agreement.

Since the Committee is still engaged in discussions on the Safeguards Agreement and since the representatives of the Left Parties on the Committee are not able yet to come to any definite opinion in the absence of the text, and since the Committee has not yet arrived at its findings, the Government should not go for seeking the approval of the Board of Governors. The Left Parties expect the UPA to adhere to the understanding arrived at on November 16, 2007.

2. The reason for going to the Board of Governors at this stage is to ensure that the next step for operationalisation of the deal i.e. going to the Nuclear Suppliers Group for a waiver can be ensured. In this context the joint statement between President Bush and Prime Minister Manmohan Singh of July 2005 obligates the United States

to get its partners in the Nuclear Suppliers Group to agree to a waiver for India. The Prime Minister in his suo moto statement on India's separation plan to Parliament in March 7, 2006 confirmed this by stating:

Under the July 18 Joint Statement, the United States is committed to seeking agreement from its Congress to amend domestic laws and to work with friends and allies to adjust the practices of the Nuclear Suppliers Group to create the necessary conditions for India to obtain full access to the international market for nuclear fuel, including reliable, uninterrupted and continual access to fuel supplies from firms in several nations The United States Government has accepted this Separation Plan. It now intends to approach the US Congress for amending its laws and the Nuclear Suppliers Group for adapting its Guidelines to enable full civilian cooperation between India and the international community.

3. The former Chairman of the Nuclear Suppliers Group (till May 2008), Abdul S Minty, has gone on record as follows regarding the request for exemption for India: "The NSG has not formally considered this matter. It can only start the procedure once the Safeguards Agreement is complete with the IAEA. The way it will go will be that the US would make a request formally for an exemption and once we have the wording and see the implications of that wording for all the members of the NSG, then they will be in a position to judge what they should do." (Interview with Science Editor of NDTV, published in The Hindu of June 14, 2008.)
4. It should be underlined that the consultation process in the Nuclear Suppliers Group has already been initiated by the United States. In September 2007, the US presented a Pre-decisional Draft on "Submission on Civilian Nuclear Cooperation with India" to an informal meeting of the NSG. We are told that a revised Note has been submitted subsequently. The process of informal consultations will get formalized when the Board's approval is taken. So the Board's approval is an essential step to take the process of operationalisation of the Indo-US Nuclear deal forward.
5. So it is clear that India has a responsibility of concluding the Safeguards Agreement with the IAEA and the step of getting a waiver

from the Nuclear Suppliers Group has to be undertaken by the United States.

6. Given the fact that the Board approval is required for going ahead with the India-US nuclear deal, the Left Parties cannot agree to this proposal.
7. The Left Parties suggest that the Committee complete its deliberations quickly and arrive at its findings before any further step is taken.



APPENDIX - LIII

Letter From the Left Parties to the Convenor of the UPA- Left Coordination Committee,

New Delhi, July 4, 2008.

Dear Shri Pranab Mukherjee,

Various pronouncements are being made by leaders of the ruling coalition and some Union Ministers that the Government is going ahead with the nuclear deal.

We wish to know definitely whether the Government is proceeding to seek the approval of the safeguards agreement by the Board of Governors of the IAEA.

Please let us know the position by 7th July, 2008.

(Prakash Karat)
(Debabrata Biswas)

(A.B. Bardhan)
(T.J. Chandrachoodan)



APPENDIX - LIV**Letter of the Convenor of the UPA-Left Coordination Committee.****New Delhi, July 7, 2008.**

Dear Shri

This has reference to your letter dated 4 July, 2008. As decided In our discussions in the 9th meeting of the UPA-Left Committee on Indo-US Civil Nuclear Cooperation (copy of press release enclosed), we are now ready with a draft report for the consideration of the Committee. A meeting to consider this draft is being scheduled for 1600 hrs. on 10th July, 2008 at 13, Talkatora Road. Kindly make it convenient to attend the meeting. Early submission of the report by the Committee would enable the UPA Government to take into account the Committee's findings.

Yours sincerely,

(Pranab Mukherjee)

Shri Prakash Karat,
General Secretary
CPI (M),
New Delhi



APPENDIX - LV**Left Parties letter to the Convenor of the UPA-Left
Coordination Committee.****New Delhi, July 8, 2008.**

Dear Shri Pranab Mukherjee
Convenor
UPA-Left Committee on Indo-US Nuclear Cooperation

Dear Shri Pranab Mukherjee,

This is regarding your letter dated July 7, 2008. You have stated that a meeting of the UPA-Left Committee on Indo-US Civil Nuclear Cooperation will be held on July 10.

We wish to point out that in the sixth meeting of the Committee held on November 16, 2007, it was decided, regarding the talks with the IAEA, that: "the government will proceed with the talks and the outcome will be presented to the Committee for its consideration before it finalises its findings".

Till now, the "outcome of the talks", i.e., the text of the Safeguards Agreements negotiated with the IAEA Secretariat has not been made available to the Committee.

Without the text, the Committee cannot come to any findings.

Since the UPA has refused to provide the text to the members of the Committee, no purpose will be served by having a meeting on July 10.

Further, your proposal for a meeting on the 10th is rendered meaningless since the Prime Minister, while travelling abroad, has chosen to announce that the government will be going to Board of Governors of the IAEA "very soon".

As you are aware, the Left parties had decided that if the government goes to the IAEA Board of Governors, they will withdraw support. In view of the Prime Minister's announcement, that time has come.

(Prakash Karat)
(Debabrata Biswas)

(A.B. Bardhan)
(T.J. Chandrachoodan)



APPENDIX - LVI**Letter of the Convenor of the UPA-Left Coordination Committee to the General Secretary of the Communist Party of India (Marxist).****New Delhi, July 8, 2008.**

Dear Shri Karat

Thank you for your letter of July 8, 2008. You are correct in pointing out that, following the sixth meeting of the UPA-Left Committee on India- US Civil Nuclear Cooperation on November 16, 2007, it had been agreed that the Government would proceed for talks with the IAEA and that the outcome would be presented to the Committee before the latter's findings were finalized.

In the seventh, eighth and ninth meetings of the Committee held, respectively, on 17th March 2008, 6th May 2008 and 25th June 2008, the UPA did exactly this. We presented to the Committee the outcome of the negotiations with the IAEA. As far as the exact text of the Safeguards Agreement is concerned, you would recall that at the seventh meeting, in which the contours of the Safeguards Agreement were discussed for the first time, I had pointed out that the text was a privileged document held in confidence between GOI and the IAEA Secretariat and that it could not be shared with third parties without going through laid down procedures of the IAEA. It was for this purpose, in fact, that confidential briefing texts summarizing the contents of the Agreement and the outcome of the negotiations were circulated to all members of the Committee in all the three meetings in which the text of the Agreement was discussed. You would also recall that when some members of the Committee asked for the full text, I had pointed out that they would have to joint Government in order to have access to the text.

I am pointing out the above in order to set the record straight.



INDIA'S FOREIGN RELATIONS - 2008

SECTION - IV

**REGIONAL AND INTER-REGIONAL
COOPERATION**

ASEM

140. Statement by Prime Minister Dr. Manmohan Singh on his departure to Japan and 7th ASEM Beijing Summit.

New Delhi, October 21, 2008.

I will be visiting Japan from October 22-23 for the Annual Summit meeting between the Prime Ministers of India and Japan.

I consider our bilateral relations with Japan to be one of the most important bilateral relationships we have. India and Japan are two major countries in Asia, sharing many similar interests and subscribing to common values. A strong India-Japan relationship will play a significant role in the emerging Asian security architecture and will contribute to the peace, stability and prosperity of Asia and the world.

During my visit in Japan I will have the honour to call on Their Majesties The Emperor and Empress of Japan. In my discussions with Prime Minister Taro Aso, who is a close friend of India, we will review the progress that has been achieved in our bilateral ties over the last one year and set the agenda for the next year. Even though over the last four years there has been significant progress in all aspects of our bilateral relationship, there is still a lot of untapped potential that remains to be realised.

Japan is an important economic partner for India. The second meeting of the India-Japan Business Leaders Forum will be held on the sidelines of my visit. I look forward to addressing a gathering of Japan's business leaders being organized by the Nippon Keidanren.

After my visit to Japan, I will be traveling to Beijing for the 7th ASEM Summit. This will be the first time India will be participating in an ASEM Summit. Our participation in this Summit is a natural corollary of our close and growing ties with countries in Asia and Europe.

On the margins of the ASEM Summit, in addition to meeting President Hu Jintao, I will have the opportunity to meet with other world leaders, including President Purvanov of Bulgaria, President Enkhbayar of Mongolia, Chancellor Merkel of Germany, Prime Minister Berlusconi of Italy and Prime Minister Nguyen Tan Dung of Vietnam.



141. Remarks by Prime Minister Dr. Manmohan Singh on International Financial Crisis at the Asia - Europe (ASEM) Summit.

Beijing, October 24, 2008.

The international financial crisis has resulted from three failures:

- (a) A regulatory and supervisory failure in major developed countries;
- (b) A failure in risk management in private financial institutions;
- (c) A failure in market discipline mechanism

These are not my views but those of the distinguished Managing Director of the IMF, with which I agree.

We must analyse objectively how and why these failures have occurred with such ferocity. This is necessary to put in place a new set of rules which will prevent reoccurrence of such failures.

The sad truth is that in this age of globalisation we have a global economy of sorts but it is not supported by a global polity to provide effective governance.

The resulting crisis of liquidity, accumulation of bad assets, shortage of capital and collapse of confidence threatens to spill over into the real economy by way of reduced demand for goods and services particularly exports, reduced access to trade and suppliers credits superimposed on other crises - food and fuel price rises that have strained budgets and balance of payments leading to rising inflation and living costs in many developing countries.

The President of the World Bank has identified at least 30 developing countries whose balance of payments will experience a severe deterioration in the wake of this financial crisis.

The immediate task is to de-clog the credit markets the world over. Coordinated global action is essential to restore a measure of confidence in the credit markets.

From the standpoint of developing countries, international financial institutions, particularly the IMF and World Bank, need to put in place

exogenous shock facilities to provide assistance to the affected countries more quickly and in larger amounts with less service conditionalities and greater flexibility.

Countries with strong foreign exchange positions could make additional resources available to the international financial institutions on appropriate terms to finance their operations.

As a counter cyclical device, increased infrastructure investments in developing countries, if backed by increased resources flows from multilateral financial institutions such as the IBRD and Regional Development Banks, can act as a powerful stabilizer.

The IMF should revisit the potentially powerful instrument of creating liquidity through fresh allocation of Special Drawing Rights in favour of multilateral development finance institutions.

The reform and reconstruction of the financial system has to be a collective international effort since borders no longer confine financial institutions or can keep out financial turmoil. Given the growth in cross-border investment, trade and banking in the last three decades, the world must ponder over the need for a global monitoring authority to promote global supervision and cooperation in the increasingly integrated world in which we live.

In devising a reform agenda, one must bear the wise saying of John Maynard Keynes regarding the economically damaging role of excessive speculative activity. To quote Keynes :

"Speculators may do no harm as bubbles on a steady stream of enterprise. But the position is serious when enterprise becomes the bubble on a whirlpool of speculation. When the capital development of a country becomes a byproduct of the activities of a casino, the job is likely to be ill-done"

Clearly, there has been a massive failure of regulatory and supervisory powers. Speculators have had a free run for far too long a period. International institutions like the IMF have also not covered themselves with glory. There has been an unacceptable failure of effective multilateral supervision of major developed economies and in particular of what has been going on in their financial markets.

India's banking system is sound and well capitalized. It is not exposed to the type of assets which have given rise to this crisis. Our real economy will grow at the rate of 7 to 7.5 percent this year despite the global slowdown of export demand and capital inflows. We have injected fresh liquidity in the system.

We realize that we cannot remain totally unaffected when the global economy and financial system are in deep trouble. Our stock markets and the exchange rate of the rupee are under pressure due to capital outflow of foreign institutional investors. Sooner or later, the real economy is bound to experience the pain.

We are therefore sincere in our desire to cooperate and coordinate our actions with the world community to find effective and pragmatic solutions to the formidable challenges the world economy is now faced with.

Thank you.



142. Statement of Prime Minister Dr. Manmohan Singh on Sustainable Development at the Asia - Europe (ASEM) Summit.

Beijing, October 25, 2008.

Driving Sustainable Development

(Millennium Development Goals, Energy Security and Climate Change, Social Cohesion)

Sustainable development is among the biggest challenges of our times. However, a lot of cooperative work is needed to transform it from a mere buzz word to an operational strategy for development.

We know that Asia is home to the largest concentration of the world's poor. Poverty eradication at this scale requires a collaborative global effort to promote development and in particular to create job opportunities. If we fail, we will continue to live in a world of instability and conflict.

The development strategies that we adopt have to result in a fair, equitable and balanced distribution of the economic dividend. At the same time, it must also preserve and protect the environment. Only then can we make faster progress in meeting the Millennium Development Goals.

We therefore need to put in place a global action plan to promote both food and energy security for managing the challenges of both accelerated growth and its environmental sustainability.

Unfortunately, the international community has not lived up to its commitments for technology transfer and additional financing since the Rio Conference. We should pursue innovative mechanisms for raising finance for development and creating a favourable IPR regime.

Ladies and Gentlemen,

Climate change threatens our environment and our development. A holistic approach is needed to tackle this problem. We cannot do so by perpetuating the poverty of the developing countries, or by preventing their industrialization. The challenge ahead is to put in place development strategies which improve living standards, create opportunities for job creation and are also environment friendly.

Thus, common but differentiated responsibility should be the cardinal principle of negotiations to find practical and pragmatic solutions within the UN Framework Convention on Climate Change.

Progress on the implementation of the Kyoto Protocol has been slow. Emissions of developed countries have actually increased by 2.6 % from 2000 to 2005. We should call upon our European partners to do more in this regard. The developing world is committed to doing its share.

I believe that the principle of convergence of per-capita emissions of developing countries with advanced developed countries is catching the imagination of the international community. We should recognize that each citizen of the world has equal entitlement to the global atmospheric space.

Our dependence on fossil fuels is a cause of many problems. Greater effort is needed to promote clean and renewable sources of energy, including nuclear energy.

The world therefore needs a new compact to increase efficiency in the use of available energy resources.

Ladies and Gentlemen,

Without peace there can be no sustainable development. Terrorism, extremism, and intolerance threaten our social cohesion.

We need to continuously strengthen international cooperation to combat terrorism. We must bring perpetrators, organizers, financiers and sponsors of terrorism to justice.

Finally, globalization, if it is to succeed, must be fair and benefit the whole of humanity. Development has to be inclusive. It must reduce disparities of income and wealth. It should create ever widening circles of stake-holders. It should respect pluralism and diversity.

Ladies and Gentlemen,

Asia is growing rapidly and has proven capabilities as a provider of goods, services and knowledge. Europeans are world leaders in the scientific, technological and financial areas. We have therefore much to learn from each other. We seek on this historic occasion a meeting of minds and of these complementarities to bring both stability and prosperity to our two continents and to the world at large.

Thank you.



143. Intervention by Prime Minister at Working Lunch of ASEM.**Beijing, October 25, 2008.****(PM was the first speaker)**

We have had a very fruitful discussion and dialogue. There is complete agreement among all of us that ASEM is a powerful forum to deal with global issues.

We are all agreed regarding the Millennium Development Goals (MDGs). But our pre-occupation with the global financial crisis should not detract from pursuing the goal of fulfillment of MDGs.

We are half-way in 2008 to reach the targets (of MDGs) set for 2015. However, the way things are moving, few believe that those targets will be met. One participant had mentioned the amount required for the purpose. The UN Secretary-General has been able to secure pledges of only US \$ 16 billion. This is reflective of the unequal world that we live in.

We should be concerned about the fulfillment of the MDGs which requires far more energetic efforts. Far more energy is required if we are to meet the goals by 2015, rather than later discuss why we did not realize those goals.

Thank you.

ASEAN & EAST ASIA SUMMIT

144. Press Release issued by the Ministry of External Affairs on the visit of Minister of State Anand Sharma to Singapore in connection with the East Asia Summit (EAS) Foreign Ministers' Meeting.

New Delhi, July 23, 2008.

Minister of State for External Affairs, Shri Anand Sharma led an Indian delegation to Singapore in connection with the East Asia Summit (EAS) Foreign Ministers' Meeting, ASEAN-India Ministerial Meeting and the 15th ASEAN Regional Forum from 22-24 July 2008.

Shri Sharma had bilateral meetings on 22-24 July with Foreign Ministers/ heads of delegation of Singapore, Australia, Canada, Russia, Japan, Republic of Korea, China, Philippines, France, Malaysia, Canada and Thailand on the sidelines of ASEAN/EAS Meetings. The bilateral meetings covered a wide range of issues of shared interest. The Minister also held discussions on India's civil nuclear energy program and sought support of member countries of the IAE board of governors and the Nuclear Suppliers Group.

He also met with US Secretary of State Dr Condoleezza Rice and discussed with her the next steps for concluding Indo-US civil nuclear energy agreement.



145. Joint Press Statement at the conclusion of 6th ASEAN - India Economic Consultations.**New Delhi, August 29, 2008.**

The Sixth Consultations between the ASEAN Economic Ministers (AEM) and India (6th AEM-India Consultations) was held in Singapore on 28 August 2008. The Consultations was co chaired by Mr. Lim Hng Kiang, Minister for Trade and Industry of Singapore and Mr. Kamal Nath, Minister of Commerce and Industry of India. The annual consultations provided the opportunity for Ministers to exchange views on issues and developments affecting global and regional trade, particularly those that are significant to the bilateral trade between ASEAN and India. The Ministers noted that, despite the challenges prevailing in global and regional trade, ASEAN-India bilateral trade continues to grow at impressive rates. From 2005-2007, trade in goods between ASEAN and India increased at an average annual rate of 28 percent. ASEAN exports to India during the same period grew at an annual rate of 31 percent on average, the fastest among ASEAN's exports to major trading partners. The share of ASEAN-India trade in relation to total ASEAN trade continued to increase and India remains ASEAN's seventh largest trading partner. On the investment side, in 2007, India's Foreign Direct Investment to ASEAN, valued at USD 641 million, was the highest ever recorded since 2000. The other Ministers who attended the meeting were Mr Pehin Dato Lim Jock Seng, Second Minister of Foreign Affairs and Trade, Brunei Darussalam; Mr. Cham Prasidh, Senior Minister and Minister of Commerce, Cambodia; Mr Mari Elka Pangestu, Minister of Trade, Indonesia; Mr Nam Viyaketh, Minister of Industry and Commerce, Lao PDR; Mr Tan Sri Muhyiddin Yassin, Minister of International Trade and Industry, Malaysia; Mr U Soe Tha, Minister for National Planning and Economic Development, Myanmar; Mr. Peter B. Favila, Secretary of Trade and Industry, the Philippines; Mr. Pichet Tanchareon, Deputy Minister of Commerce, Thailand; (representing Mr. Chaiya Sasomsub, Minister of Commerce, Thailand); Mr. Nguyen Cam Tu, Vice Minister, Ministry of Industry and Trade, Viet Nam (representing Mr. Vu Huy Hoang, Minister of Industry and Trade, Viet Nam and Mr. Surin Pitsuwan, Secretary-General of ASEAN.

The Ministers announced the conclusion of the ASEAN-India Free Trade Agreement (AIFTA) negotiations for trade-in-goods. The Ministers were pleased that, despite the difficult issues in the negotiations, both sides were able to reach an agreement on the modality for tariff reduction and/or

elimination, which is among the key elements that will facilitate the creation of an open market in a region comprising about 1.7 billion people and with a combined gross domestic product of approximately USD 2,381 billion as of 2007. The Ministers viewed that the AIFTA could be a major avenue in harnessing the region's vast economic potentials towards sustained progress and improved welfare not only for ASEAN and India but for the greater East Asian region as well. The Ministers agreed that officials finalise the text of the ASEAN-India Trade in Goods Agreement in time for signing during the ASEAN-India Summit in December 2008, together with the ASEAN-India Agreement on Dispute Settlement Mechanism. The Ministers agreed to target implementation of tariff reduction commitments starting 1 January 2009. The Ministers also instructed officials to commence, as soon as possible, negotiations on trade in services and investment as a single undertaking, and to work towards the conclusion of substantive discussions on these two agreements by 2009 to bring about a complete ASEAN-India Comprehensive Economic Cooperation Agreement. The Ministers also took stock of the latest developments in the Doha Round and emphasised that a stronger multilateral trading system would benefit all Members, especially the developing countries. Since the Doha Round is a Development Round, the developing countries have a special stake in its successful conclusion. The Ministers reaffirmed their commitment to active and constructive engagement in the negotiations to bring about balanced and ambitious outcomes in all areas, especially in agriculture, NAMA and services. The Ministers assured Lao PDR of their continued support in her accession to the WTO.

The Economic Ministers of ASEAN, Australia, the People's Republic of China, the Republic of India, Japan, the Republic of Korea and New Zealand had a productive exchange of views on the areas of cooperation within the East Asia Summit (EAS) framework. The Ministers welcomed the establishment of the Economic Research Institute for ASEAN and East Asia (ERIA) with the Inaugural Governing Board Meeting of ERIA held at the ASEAN Secretariat on 3 June 2008. The Ministers also welcomed the research activities of ERIA and looked forward to ERIA's practical policy recommendations for deepening economic integration, narrowing development gaps and sustainable development. In particular, the Ministers noted with appreciation the ERIA East Asia Industrial Corridor Project for the region-wide comprehensive development, affirming the importance of linking the infrastructure development and industrial development planning. The Ministers also expressed interests in the ERIA Energy Outlook which

demonstrates the importance of enhancing energy efficiency for sustainable development. The Ministers agreed to report the outcome of ERIA's activities to the EAS Leaders.

The Ministers also discussed current regional and international policy issues such as the increase in the energy and foods prices and its impact on the region. In this regard, the Ministers welcomed Japan's proposal to host the symposium on the energy and food security in cooperation with ERIA. The Ministers noted the report of the Track Two Study Group on Comprehensive Economic Partnership in East Asia (CEPEA), which shows greater potential trade and GDP growth if enhanced integration among EAS members is achieved. Consistent with the request of Leaders, the Ministers agreed to convey the report to Leaders at the 4th East Asia Summit (EAS). The Ministers also agreed to a Phase II Track II Study on CEPEA, detailing the pillars of economic cooperation, facilitation and liberalisation as well as institutional developments. The Ministers acknowledged that substantial progress was made during the World Trade Organisation (WTO) Mini-Ministerial in July and members came very close to agreement. However, there are still outstanding issues before modalities in Agriculture and Non-Agriculture Market Access (NAMA) can be resolved. The Ministers agreed that all economies must work together to preserve what has been achieved to date, and to show constructive and continued engagement to conclude the Round. The Ministers also agreed that a strong and equitable global rules-based trading system is necessary for continued growth. The Ministers also stressed the importance of concluding the round to achieve development objectives and to respond effectively to the global financial and food crisis. The Ministers committed to intensify efforts in the coming weeks to resume negotiations and achieve convergence in the remaining areas before the window of opportunities closes. The Ministers supported WTO DG Pascal Lamy's efforts to bridge gaps among the key economies and his call on these economies to show political commitment and flexibility to work towards a balanced and ambitious outcome. The Ministers agreed that it is important to ensure the integrity of the multilateral trading system, and that work on the remaining areas of the single undertaking should resume in Geneva even as modalities in Agriculture and NAMA are being worked out.



BIMSTEC

146. Joint Statement of the Tenth BIMSTEC Ministerial Meeting.

New Delhi, August 29, 2008.

[The Tenth BIMSTEC Ministerial Meeting was held in New Delhi, India on 29 August, 2008.

The meeting was attended by H.E. Dr. Iftekhar Ahmed Chowdhury, Adviser for Foreign Affairs of the People's Republic of Bangladesh, H.E. Lyonpo Ugyen Tshering, Minister for Foreign Affairs, of the Kingdom of Bhutan, H.E. Mr. Pranab Mukherjee, External Affairs Minister of the Republic of India, H.E. U Nyan Win, Minister for Foreign Affairs of the Union of Myanmar, H.E. Mr. Upendra Yadav, Minister for Foreign Affairs of Federal Democratic Republic of Nepal, H.E. Mr. Rohitha Bogollagama, Minister of Foreign Affairs of the Democratic Socialist Republic of Sri Lanka. and H.E. Mr. Tej Bunnag, Minister of Foreign Affairs of the Kingdom of Thailand.

H.E. Mr. Pranab Mukherjee, External Affairs Minister of India chaired the Meeting.

The Meeting approved the Report of the Twelfth Meeting of the Senior Officials held on 28 August, 2008.

At the conclusion of the Meeting, the Heads of Delegation issued the following Joint Statement:]

We, the Heads of Delegation of the Tenth BIMSTEC Ministerial Meeting, having gathered in New Delhi on 29th August, 2008 reiterated our commitment to the founding objectives and principles of BIMSTEC to accelerate economic and social growth in the region and noted with satisfaction the progress made since our last Meeting in New Delhi in August 2006.

We considered it opportune to review activities in the regional cooperation grouping, with BIMSTEC having crossed the landmark of its 10th Anniversary last year. We reviewed the progress made in the various sectors and noted with satisfaction the achievements since the last Meeting.

We reiterated our agreement to pursue cooperation in the following 13 areas identified under the BIMSTEC framework:

Trade and Investment

We reaffirmed the importance of realizing a BIMSTEC Free Trade Area for increasing trade and investment, enhancing competitiveness and promoting socio-economic development of BIMSTEC countries. We noted with satisfaction the progress made at meetings of the Trade Negotiating Committee. We reiterated our resolve to conclude the negotiations on trade in goods under the proposed FTA at an early date, preferably before the next BIMSTEC Summit.

We noted the progress made at the Experts Group meetings on the BIMSTEC Business Visa Scheme as well as the BIMSTEC Business & Economic Forum during the last two years since the 9th Ministerial Meeting.

Transport and Communication

We reaffirmed that optimal transport linkages are necessary for achieving efficient levels in connectivity amongst member countries to promote movement of goods and people. Accordingly, we recognized the need for development of key infrastructure, including transportation and communication linkages. In this context, we noted with satisfaction the progress made since our last meeting. We complimented the Asian Development Bank which has concluded the mandated study on BIMSTEC Transport Infrastructure and Logistics (BTILS). We noted BTILS including the proposed institutional mechanisms and the terms of reference which are being examined by BIMSTEC member countries.

Tourism

We recalled our earlier decision that tourism should be actively encouraged, both intra-BIMSTEC cooperation among member countries as well as from outside the BIMSTEC region. In this context, we expressed satisfaction that considerable progress had been made since our last meeting. We welcomed the 2nd Round Table and Workshop of Tourism Ministers held in Kathmandu in August 2006 and endorsed the Kathmandu Declaration and the Plan of Action for taking forward tourism related activities in the BIMSTEC framework. We decided to constitute a Tourism Working Group to implement tourism programmes and follow up on the Plan of Action. We

welcomed the establishment of the BIMSTEC Information Centre in New Delhi for promoting tourism.

Energy Cooperation

We reemphasized the importance of sharing experiences and strengthening cooperation amongst member countries in the fields of grid connectivity, gas pipelines, hydro power, renewable sources of energy, energy efficiency and energy sector reforms, restructuring, regulations and best practices with a view to promoting energy security in the BIMSTEC region. In this context, we welcomed the BIMSTEC meetings and activities during the last two years, and particularly the progress made in realizing the BIMSTEC Energy Centre in India. We approved the Memorandum of Association (MoA) for setting up the BIMSTEC Energy Centre in India and recommended the MoA for signing during the forthcoming BIMSTEC Summit. We expressed the hope that the Energy Centre would be operational as soon as possible.

Technology

We reiterated the need to enhance cooperation in advanced areas of fundamental and applied scientific and technological research. We welcomed the progress made since our last meeting including regarding the BIMSTEC Technology Transfer Exchange Facility and expressed the hope that the facility would be realized as soon as possible.

We appreciated the progress in the sector including the decision to establish the BIMSTEC Centre for Weather and Climate. We approved the Memorandum of Association (MoA) for setting up a BIMSTEC Centre for Weather and Climate in India and recommended the MOA for signing during the next BIMSTEC Summit.

Fisheries

We reiterated our commitment to continue our efforts to promote the sustainable use of marine resources through effective conservation and management of the resources in the Bay of Bengal in close coordination with existing frameworks. We welcomed the progress in terms of the Workshop and Joint Survey undertaken during 2007.

Poverty Alleviation

We welcomed the progress made particularly at the first Ministerial Meeting on Poverty Alleviation held in Dhaka in July 2008 and noted the observations

of the Ministerial meeting. We focused on poverty alleviation in the context of ensuring food security in the BIMSTEC region. We noted the proposal of Nepal to prepare a Plan of Action on Poverty Alleviation to be submitted to the second BIMSTEC Ministerial Meeting on Poverty Alleviation to be held in Nepal in 2009. We noted with appreciation the proposal of Bangladesh to host BIMSTEC Poverty Alleviation Centre in Dhaka.

Culture

We recalled the Paro Initiative and Plan of Action adopted at the First BIMSTEC Ministerial Meeting on Cultural Cooperation held in Bhutan in May 2006. We welcomed the finalization of the Memorandum of Understanding (MoU) for the establishment of the BIMSTEC Cultural Industries Observatory (BCIO) and BIMSTEC Cultural Industries Commission (BCIC) as the institutional mechanisms to facilitate cooperation in the area of culture. We recommended that the approved MoU be signed during the Second BIMSTEC Summit.

Agriculture

We welcomed the progress made during meetings held in the last two years and the wide array of cooperation activities and projects identified at the Expert Group meetings along with lead coordinating country for each. We expressed the hope that these concrete activities and projects would be implemented expeditiously. We felt the need to address the issues relating to agricultural productivity in this regard.

Counter-Terrorism & Trans National Crimes

We welcomed and accepted the offer of India to be the lead country. We reiterated the significance of the work done in the Joint Working Group on Counter Terrorism & Transnational Crimes and its four sub-groups covering Intelligence Sharing; Legal and Law Enforcement Issues; Combating the Financing of Terrorism and Prevention of Illicit Trafficking in Narcotic Drugs, Psychotropic Substances and Precursor Chemicals. We expressed the hope that the draft BIMSTEC Convention be finalized as soon as possible for signing during the next BIMSTEC Summit.

Environment & Disaster Management

We welcomed the Workshops organised since our last meeting and endorsed the Agenda for Action for effective regional cooperation among

BIMSTEC countries prepared by the Workshop on Disaster Risk Reduction and Management in October 2006.

Public Health

We welcomed initiatives to host the BIMSTEC meeting on Traditional Medicine and Generic Drugs for the poor and to organise a study visit regarding Avian Influenza Pandemic. We appreciated India's ongoing programme offering 30 'Ayush' scholarships to BIMSTEC students to study traditional medicine.

People-to-People Contacts

We expressed appreciation for initiatives to organise various events and activities including to mark the 10th Anniversary of BIMSTEC in Thailand last year to promote people-to-people contacts and interaction among member countries.

We the Heads of Delegation of the BIMSTEC tenth Ministerial Meeting, on the recommendation of the 12th BIMSTEC Senior Officials Meeting, approved the following:

- (a) The Memorandum of Association of the BIMSTEC Centre for Weather and Climate in India
- (b) The Memorandum of Association of the BIMSTEC Energy Centre in India
- (c) The Memorandum of Understanding (MoU), of BIMSTEC Cultural Industries Commission (BCIC) and BIMSTEC Cultural Industries Observatory (BCIO)
- (d) The setting up of Tourism Working Group and its Terms of Reference (ToRs), and
- (e) The setting up of a BIMSTEC Joint Working Group to consider:
 - (i) all aspects including organisational structure, financing mechanism and staffing, pertaining to the BIMSTEC Secretariat, and thereafter
 - (ii) operational structure and financing of BIMSTEC Centres.

Further, **we** the Heads of Delegation of the tenth BIMSTEC Ministerial Meeting agreed to the following:

BIMSTEC Centre

We also thanked Thailand for its continued contribution to the BIMSTEC Centre particularly its decision to extend the contract of the BIMSTEC Centre for another year.

BIMSTEC Official Website

We expressed satisfaction on the improvements made to the BIMSTEC website www.bimstec.org maintained by Sri Lanka in coordination with BIMSTEC Centre in Bangkok and BWG.

BIMSTEC Summit

We noted with satisfaction BIMSTEC achievements thus far and reaffirmed our commitments to further deepening our partnership within the BIMSTEC framework. We expressed confidence that the 2nd BIMSTEC Summit to be hosted by India in November 2008 will carry forward our cooperation activities with renewed dynamism. The 2nd BIMSTEC Summit will also provide an opportunity to review the achievements since the establishment of BIMSTEC which as a regional cooperation and integration grouping celebrated its 10th Anniversary last year. It will also provide further impetus to BIMSTEC cooperation activities and projects.

11th Ministerial Meeting

The Eleventh BIMSTEC Ministerial Meeting will be held in India in November 2008.



147. Extract from the Briefing by Secretary (East) N. Ravi relevant to the BIMSTEC Summit.

New Delhi, November 7, 2008.

Official Spokesperson (Shri Vishnu Prakash): Good evening and welcome to the Media Hall.

Secretary (East) Mr. N. Ravi is here to brief you about the forthcoming visit of Prime Minister to Oman and Qatar*. He will also be talking to you about the forthcoming BIMSTEC Summit. To Secretary (East)'s right is Joint Secretary (Gulf) Mr. A. Manickam, and to my left is my colleague Joint Secretary (Economic Relations) Mr. J.S. Mukul. Secretary will also be taking a few questions after his opening remarks.

Secretary (East) (Shri N. Ravi): Thank you Vishnu.

* * * *

After returning from the visit to the Gulf, the major event is being hosted here in Delhi, and that is the BIMSTEC Summit. It is the Bay of Bengal Area for International Multisectoral Technological and Economic Cooperation. But it also simultaneously coincides with the members of the organization who are the littoral states of the Bay of Bengal. Initially it started off with Bangladesh, India, Myanmar, Thailand and Sri Lanka, and then Bhutan and Nepal joined us a little later. This would be the second Summit of BIMSTEC which is being held. The first one was held in 2004 in Bangkok. This is the second Summit which will take forward the process of integration of the states around the Bay of Bengal.

When we look back at the progress achieved since the first Summit, the states that are members have got expertise in very similar areas. Keeping that in mind we have as many as thirteen sectoral areas which cover areas like trade and investment, technology, energy, transportation and communication, tourism, fisheries, agriculture, cultural cooperation, environment disaster management, public health, people-to-people contact, poverty alleviation, counter terrorism, and trans-national crime.

Each country is given one particular sector, some countries are given more than one, to have meetings at the official and the experts level to come up programmes to enhance cooperation among the countries concerned. To

* For briefing relevant to Oman and Qatar, please see Document No.452.

go back a little, the Summit proper would be held on the 13th of November. The Summit would be held in Taj Palace Hotel, all the events would be held there. And there is a press interaction which is being organized soon after the Summit. The Summit would be followed by a retreat followed by a special lunch for the leaders, and then there would be a brief press interaction with all the Summit leaders.

Separately, in order to draw the link from where we started with BIMSTEC, a curtain raiser event is being held over the weekend, in fact tomorrow, in Kolkata organized by the Indian Chamber of Commerce - because BIMSTEC forms a very important part of our Look-East Policy - a curtain raiser event by which the Indian Chamber of Commerce has called its compatriots from other countries. And they would be unveiling a report that they have prepared on trade facilitation and certain other areas of joint investment and wherever joint ventures can be established.

In Delhi, the events actually start on the 11th. On the 11th, we have the senior officials meeting of the BIMSTEC countries. On the 12th, we have the Ministerial Meeting where the Foreign Ministers of all the BIMSTEC countries would be taking part, followed by the Summit on the 13th. The programme of the Heads of State and Government who are going to attend would conclude with a joint call on the President in the evening of the 13th. This is the general programme of the BIMSTEC Summit.

A business summit is also being organized in Delhi on November 12th by our apex chambers of commerce and industry - CII, FICCI and ASSOCHAM - with themes like energy including hydel power, agri-business including fisheries, as well as transportation and connectivity.

When we look at BIMSTEC as a multilateral, regional organization, we do see that the BIMSTEC actually includes the bridge between India and South-East Asia because Myanmar is a member of the ASEAN. So, we have the connection with ASEAN through BIMSTEC. Then we also find that other members like Bangladesh, Nepal, Bhutan, Sri Lanka are members of SAARC. So, there is a certain degree of overlap, but it has an independent character of its own mainly because it forms a bridge between South and South-East Asia. Over a period of time the focus has been to enhance transportation and connectivity; and discussions have been held among experts; and there are many projects on the anvil.

After the Summit, a declaration would be issued and this would include some of the major conclusions that the Heads of State and Government

would have arrived at in the course of the Summit. Needless to add, the Summit would also complement the existing state of bilateral relations with all the member countries because the Heads of State and Government would like to have, are having, independent calls and meetings with our External Affairs Minister, with their counterparts; and also with the Prime Minister the Heads of State and Government would be meeting.

So, we look at the Summit as a major event being hosted by India in the regional context particularly keeping in mind that the economic structure of development of all the countries is highly comparable, and the ring, the Bay of Bengal countries all of whom have a major portion of their population who draw their sustenance not only from the Bay of Bengal itself through fisheries but also through the rivers that empty into the Bay of Bengal through all these countries.

Thank you.

* * * *

Question: Do we have any figures for BIMSTEC of total trade and how much do we export to the region and how much do we import?

Secretary (East): We have close to 20 billion dollars worth of trade amongst the BIMSTEC countries although it is not as large as what we have with ASEAN with much larger economies. We look at this way. I think in terms of population, about a little over 20 per cent of the world's population is in this region of BIMSTEC with very significant contribution to the GDP of the region mainly through agriculture and that really sustains the cooperation among the countries concerned.

Question: Are you also thinking in terms of a Free Trade Area among the BIMSTEC members?

Secretary (East): This is one of the topics that are under discussion, and a certain degree of progress has been achieved. But there are certain other areas within the free trade area discussions, two or three in fact that some countries are still to get back to us. But the discussions are on.

* * * *

Question: Is there a bilateral meeting planned between Prime Minister and Myanmar's leader? The UN Secretary-General was here and he said that perhaps India could do more to promote democracy in Myanmar. What will be your message to Myanmar's leader?

Secretary (East): Meetings with all the leaders are being planned. Our message to Myanmar continues to remain the same that we would like the special offices of the UN envoy to really be given the centre stage, and that all countries with similar interests in Myanmar cooperate with that UN initiative; and that the process of reconciliation should be all-inclusive and should proceed forward expeditiously.

Question: There was some talk of doing something with the river waters in Nepal and India so that there are no floods damaging North India most of the time; and ADB and other financial institutions were supposed to be involved. Is there any development on that? Also, what is the position on the rail link through Burma?

Secretary (East): You referred to the ADB. They have done a study on BIMSTEC's infrastructure and connectivity. But I am not aware of anything done on river waters by them. We have, of course, our bilateral discussions with all our neighbours on this particular subject.

As regards the rail link, that comes under a slightly different umbrella. There is a much older, shall we say, project of connecting Delhi to Hanoi through the Mekong-Ganga Cooperation. It was one of that organisation's projects. But purely as a matter of connectivity, we are discussing various possibilities with all the neighbouring countries.

Question: Any bilateral meeting scheduled with the Sri Lankan President on the margin of the BIMSTEC Summit?

Secretary (East): As I just now mentioned, bilateral meetings are being scheduled with all the Heads of States and Government who are coming to Delhi. These would become known as we pass on to early next week.

Official Spokesperson: Thank you very much for joining us today.



**148. Speech by External Affairs Minister Pranab Mukherjee
as the Curtain Raiser to BIMSTEC Summit 2008.**

Kolkata, November 8, 2008.

Shri Buddhadeb Bhattacharjee, Chief Minister of West Bengal

Shri Sanjay Budhia, President, Indian Chamber of Commerce

Lt. General (Retd.) B.S. Malik, President, CSIRD

Members of the Indian Chamber of Commerce,

Distinguished Guests,

Ladies & Gentlemen

It gives me great pleasure to participate in this Curtain Raiser event to BIMSTEC Summit 2008. I would like to congratulate the Indian Chamber of Commerce and the Centre for Studies in International relations and development (CSIRD) for organizing this special event and for its continuing efforts in the service of the industry. The publication of "BIMSTEC Cooperation Report" in this connection is well-timed and I am sure such efforts would help in carrying forward the objectives of this Initiative.

The BIMSTEC Summit's curtain-raiser programme this evening is very important from West Bengal's perspective. The geographical location of this State is significant for promoting business and trade in the BIMSTEC region. In the past, West Bengal has played an instrumental role in furthering the objective of BIMSTEC cooperation. Hence, it is indeed appropriate that the Curtain Raiser to the second BIMSTEC Summit is being held in Kolkata. The business potential within BIMSTEC region is huge and our nation can gain immensely if the basic objective of BIMSTEC economic cooperation is properly addressed.

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) has evolved from its origins as Bangladesh, India, Sri Lanka, Thailand Economic Cooperation (BIST-EC). Today, BIMSTEC is in the second decade of its existence. BIMSTEC provides a unique link between South Asia and Southeast Asia bringing together more than 20 percent of the world population. This region is also witnessing some of the strongest economic growth in recent years. There are many areas of

complementarity among BIMSTEC countries, given geographical contiguity and resource endowments.

The main aim of this Group is to fully utilize the existing potential of BIMSTEC partner countries for promoting economic co-operation in the areas of investment, industry, technology, human resource development, agriculture and infrastructure. BIMSTEC provides an opportunity to optimize complementarities in trade, investment and production between South and Southeast Asian countries. This Grouping cutting across regions can be considered an important step towards the process of economic cooperation between different regions of Asia.

Distinguished Guests,

BIMSTEC has emerged as one of the fastest growing regions of the world with a growth rate of 8 percent sustained over the past five years. The proposed BIMSTEC Free Trade Agreement will contribute to mutually beneficial regional economic integration. The FTA regarding 'Trade in Goods' would be a meaningful instrument for increasing intra-regional trade if the members make joint and focused efforts to deal with tariff and non-tariff barriers. It has been observed that India's export and import baskets with other BIMSTEC countries are well diversified. Other BIMSTEC countries also have much to offer. Our businessmen should make full use of the opportunities offered by the BIMSTEC framework for two-way trade.

BIMSTEC region has very high scope to exploit the potential of intra regional FDI flows especially in the context of emergence of BIMSTEC as a significant source of FDI in recent years with Indian and Thai companies undertaking relatively large investments in different parts of the world. Deeper regional economic integration in BIMSTEC is needed to enable the region not only emerge as a more attractive destination for FDI inflows but also for intra-regional FDI. The BIMSTEC FTA, in addition to Trade in Goods, also envisages agreements covering Investments and Services.

Considering the importance of energy, it is necessary to ensure energy security through cooperation among BIMSTEC countries. The energy resource endowment, namely, natural gas in Bangladesh and Myanmar, coal and petroleum products in India and hydropower in Nepal and Bhutan provide a basis for regionally integrated energy cooperation. BIMSTEC has

taken the initiative to promote regional cooperation through the BIMSTEC Energy Centre to be set-up in India.

Ladies & Gentlemen, BIMSTEC countries also face many challenges. The major challenge is the need to enhance transport and communication infrastructure. This can help increase the capacity of the BIMSTEC economies to gain from a liberal trading environment. The potential in BIMSTEC will not be fully realized without development of infrastructural facilities like transport and communications. Once physical connectivity is established, the next step should be developing the software of transport and communications, namely, rules and regulations facilitating cross-country movements.

The Group has identified 13 major areas for strengthening economic cooperation and have also assigned one lead country for each group. India is the lead country for tourism, transport and communications, counter-terrorism, and environment and disaster management and BIMSTEC is the first formal link between South Asian and South East Asian countries. Added to the important contributions made by all members, India's 'Look East' Policy with Thailand's 'Look West' Policy help in strengthening the internal bonds of cooperation in BIMSTEC.

The Asian Development Bank (ADB) has completed a technical assistance project for BIMSTEC Transport Infrastructure and Logistics Study. This will contribute to the ultimate objective of increasing trade and travel among BIMSTEC member countries.

Tourism in the BIMSTEC cooperation framework is an expanding sector. It provides significant foreign exchange and employment to BIMSTEC countries. It constitutes about 2 per cent of world's total tourism.

Finally, we would like to underline the need for collective action for poverty alleviation through exchange of best practices and mobilization of resources, especially in rural areas employing innovative approaches and initiatives such as micro-credit and development of Small and Medium Enterprises (SMEs). This is because despite robust growth, the region is home to more than 40% of the world's poor. Large sections of BIMSTEC population are still to attain efficient access to education, health, nutrition and basic amenities like safe drinking water and sanitation. Hence, the developmental challenge faced by this region is huge.

We believe that regional cooperation can help us develop partnerships with countries that share with us similar developmental experiences and thus have the potential for identifying win-win solutions. They also help by widening market opportunities and generating greater flow of investment into the country.

In conclusion, I am confident that BIMSTEC Summit's curtain-raiser programme at Kolkata will provide the necessary focus and momentum to intra-BIMSTEC business cooperation. It is for our business community to seize the opportunities BIMSTEC processes and initiatives offer for further deepening and diversifying our economic-commercial relations which are already strong.

Thank you.



149. Statement of Prime Minister Dr Manmohan Singh at the Second BIMSTEC Summit.

New Delhi, November 13, 2008.

Excellencies,

It is my great honour to welcome all of you for the Second BIMSTEC Summit in New Delhi. I would like to thank the Government of Thailand for their efforts in preserving the momentum of our organization.

BIMSTEC is an opportunity we should seize together. Your presence here today is an indication of our political will to do so.

In the past ten years, our combined GDP increased two and a half times to reach 1.7 trillion US dollars. There is much greater connectivity between us, more trade and investment and more people to people exchanges.

The winds of democracy have swept across our countries.

Globalisation and economic interdependence offer opportunities for growth and prosperity but also have their downside, as the recent international economic and financial crisis has shown.

Regional integration has increased dramatically. ASEAN Summits are now held annually. The East Asian Summit process has begun. SAARC has been revitalized.

In this period, new trans-national challenges have emerged. Climate Change, energy and food security threaten our developmental efforts. Terrorism and threats from the sea continue to challenge the authority of the state.

This Summit provides an opportunity for us to give a new strategic thrust to BIMSTEC in the backdrop of these changes.

There are a few cross-cutting issues I wish to place for your consideration on which we should focus so as to strengthen BIMSTEC and make it a viable regional entity.

Firstly, from the experience we have gained, we should undertake a comprehensive review of our activities. We should prepare a blue print for future activities that is focused on a limited number of areas of common priority. These areas should have the maximum potential for producing visible results and strengthen our common vision of the region and of BIMSTEC. We must force the pace of implementation of our projects and ideas.

Excellencies,

BIMSTEC is the bridge between South Asia and South East Asia. We all belong to the Bay of Bengal community. Nature and geography have bound us together by land and by water.

We should reflect on how best to create opportunities for growth and prosperity centred around the riches of the Bay of Bengal, keeping in mind also the dangers posed by the sea.

Transport infrastructure and logistics would be a key. We need to coordinate on issues of maritime transport such as construction of a deep-water port to service the region, inter-modal connectivity, cooperation among our port authorities and our shipping and logistics networks.

We should examine cooperative mechanisms to exploit our marine resources. I am pleased that a BIMSTEC Business Summit was organized yesterday with themes on energy, including hydel power, agri-business including fisheries as well as transportation and connectivity.

The devastating tsunami in 2004 highlighted the imperative need for collective action, and a review of our approach to disaster management.

India has set up a Tsunami Early Warning Centre. We would be happy to extend information exchange and data sharing arrangements to BIMSTEC countries. This could also include training facilities for capacity building.

People to people contacts should certainly be one of our priority overarching goals. The areas of education, tourism and training come to mind.

India is already in the process of establishing the Nalanda University as an international university of excellence. We would be happy to have BIMSTEC closely associated with it.

The 300 scholarships that India had offered in 2004 under the ITEC programme for BIMSTEC countries have had a utilization rate of more than 80%. We would be happy to offer an additional 150 scholarships to encourage greater exchange of technical know-how in areas of mutual benefit.

Each of our countries is an important halt on the tourist map. We already have Buddhist circuits. These can be popularized much more and other innovative packages can be worked out by our tourism boards and jointly promoted.

Lastly, I feel that we should do something visible in the area of trade and economic cooperation as a manifestation of our ability to do something big together.

Considerable progress has been made in the negotiations on the BIMSTEC Free Trade Agreement for trade in goods. The early conclusion of such an agreement would be a shining symbol of our cooperation. We also look forward to the next stage of an agreement in the area of investment and services.

Excellencies,

The 21st century belongs to Asia. Asia will be the engine of the world economy. BIMSTEC is an important part of the wider Asian community. It has the potential of playing a vital role in the Asian community of nations linked by effective road, rail, air and shipping services across which there would be free movement of people, capital, ideas and goods.

India is firmly committed to the ideals and objectives of BIMSTEC. Our resources are at the disposal of member States.

I look forward to your valuable suggestions.

Thank you.



150. Joint Press Conference at the end of the Second BIMSTEC Summit.

New Delhi, November 13, 2008.

Official Spokesperson (Shri Vishnu Prakash): A very good afternoon to you and welcome to the press interaction with BIMSTEC leaders.

Hon'ble Prime Minister of India, Dr. Manmohan Singh, would be making the opening address. Thereafter, the Leaders will take one question from each country. Hon'ble Prime Minister, Sir, the floor is yours.

Prime Minister of India (Dr. Manmohan Singh): Excellencies; ladies and gentlemen of the press;

We have just concluded the second BIMSTEC Summit. This is a very special occasion. The Summit has taken place four years after the first Summit in Thailand. It marks the completion of ten years of the creation of BIMSTEC in 1997.

Ten Ministerial meetings of BIMSTEC have taken place so far. In addition, meetings at Senior Officials level are held twice a year, and there is a BIMSTEC Working Group based in Thailand which meets every month. BIMSTEC is the bridge between South and South-East Asia. There is far greater regional and sub-regional integration in Asia than was the case when BIMSTEC was created in 1997. We all belong to the Bay of Bengal community. Nature and geography have bound us together by land and by water. We are all developing countries faced with similar challenges. BIMSTEC is therefore an idea whose time has come.

It is against this background that we have held very positive and forward-looking discussions today. We were unanimous that the commonalities between us provide vast opportunities to enhance cooperation and connectivity between us.

We agreed to focus on enhancing our rail, road, air and shipping links to further promote people-to-people contacts and to further facilitate cultural exchange, business and tourism flows.

The leaders expressed their satisfaction at the progress that has been made in the negotiations for a Free Trade Agreement in trade in goods and called for their early conclusion. They welcomed the establishment of the Centres for Energy and Weather and Climate in India and the BIMSTEC

Cultural Observatory in Bhutan. They expressed concern at the threat which terrorism poses to our region.

The Retreat provided us a useful opportunity to exchange views on several pressing issues such as the international financial crisis, energy security, food security and climate change. There was a common desire among all leaders to work together to meet these challenges.

The Summit has given a strong political impetus to the strengthening of our cooperation in the identified thirteen areas. We have agreed to direct our officials to focus on concrete outcomes and implementation of decisions that have been reached.

I would like to personally thank the leaders of Bangladesh, Bhutan, Myanmar, Nepal, Sri Lanka and Thailand for their active contribution in making this Summit a success. Their guidance and suggestions helped to enrich our discussions and to chart out a new roadmap for BIMSTEC.

Thank you.

Official Spokesperson: Thank you, Sir.

Now, one question will be taken from one media representative of each country in alphabetical order. You will please introduce yourselves and your organization; and indicate whom the question is addressed to. As a courtesy to our guests, the Indian side would be taking the last question.

First question goes to Bangladesh.

Question (Mr. Rashid Ahmed, UNB, Bangladesh): I have a question to the Prime Minister of India. His Excellency, as you know, food security is a serious concern in this region. Did you consider in detail how the issue can be addressed? And, would you please tell us something on the proposed BIMSTEC Food Bank?

Prime Minister of India: There was a very extensive discussion on issues relating to food security. There are two aspects to it. First, how can agricultural production be increased, how can agricultural productivity be increased? That is fundamental to solving the problem of food scarcity. In this context we discussed the role of cooperation with regard to the research and extension facilities in which the countries of BIMSTEC could cooperate with each other. There was yet another idea which was mooted that the countries of BIMSTEC should pool a part of their reserves and set up a

Food Bank which could be drawn upon by needy countries whenever there are difficulties.

Question (Mr. Tenzing, Bhutan): I was supposed to ask you, Mr. Prime Minister, this question but I will second it to the Bhutanese Prime Minister Mr. Lyonpo Jigme Thinley also. The question basically first to you Prime Minister Manmohan Singh is that how will the countries benefit from BIMSTEC in terms of economy, transport, communications, and technology and so on and so forth. The same question is seconded to you as well. First if the Indian Prime Minister could answer that question.

Prime Minister of India: Well, as you know, BIMSTEC has decided to concentrate on thirteen sectors for priority consideration. They are: (1) trade and investment, (2) transport and communication, (3) energy, (4) tourism, (5) technology, (6) fisheries, (7) agriculture, (8) public health, (9) poverty alleviation, (10) counter terrorism and transnational crime, (11) environment and natural disaster management, (12) culture, and (13) people-to-people contacts. For each of these topics we have a lead country. The choice of topics is such that if cooperation in the BIMSTEC region increases, it will help to promote balanced growth of all countries of the region, particularly laying emphasis on the needs of smaller countries like Bhutan.

Connectivity, transportation, the establishment of new links, is fundamental to accelerating the development of poorer countries. If we succeed in charting out a cooperative path of development in these areas, it will have a definitely positive affect on sustained development of smaller countries like Bhutan.

Prime Minister of Bhutan (Mr. Lyonpo Jigme Thinley): After His Excellency the Prime Minister of India's response to your question, I am not so sure whether I need to elaborate anything. But, may I say that true to its nomenclature, BIMSTEC is about cooperation multisectorally in all disciplines, thirteen areas, in fact, the Prime Minister mentioned. These are all areas in which Bhutan stands not only to benefit but also can contribute. It is with the belief that we have the capacity to contribute as well as to benefit for the overall development of the region that we have become a member. May I assure you that small as we are, we have been contributing in all the discussions and in the framing of the various policies, the various projects, and the ideals that we intend to pursue and that we are pursuing. To be very specific, Bhutan's principal contribution will be in the cultural area. It is with respect to the development of this area that

Bhutan has volunteered and has been accepted and endorsed as the country that will be the venue, that will play the host, to the BIMSTEC Cultural Observatory. This will have a very important contribution to make to the development of the entire region. For one thing what we will do is change the conventional notion of our culture as an area that needs protection but contributes very little to the economy of a country.

We, by firstly adopting this nomenclature of industry, we will recognize the culture as an industry that has a very definite and a very significant substantial contribution to make in enhancing and expanding a country's economy. And as you know, our region comprises of members all of which are rich in our culture, in cultural heritage, in all forms, both in terms of tangible and intangible, as well as movable and immovable properties. Among other things, by preserving and promoting this industry, we intend to also address the problem of unemployment in our region. When we talk about intangible forms of culture, we are also talking about the arts and crafts, the skills that are mainly in the possession of the rural deprived by promoting cultural industries, as an industry, as an economic sector, I believe, Bhutan will be contributing and benefiting through collaboration. Thank you.

Question (Mr. Moe, Myanmar Radio and Television): My question is addressed to Mr. Chairman, Prime Minister of the Republic of India. As we all know, next year Myanmar will take over the Chairmanship of the BIMSTEC. Mr. Chair, could you kindly make a comment that starting from now to the next year, as current BIMSTEC Chairman, what steps and priority should be taken for BIMSTEC as a group?

Prime Minister of India: As I mentioned earlier, we have identified thirteen sectors where we must expand areas of cooperation. Sometimes they involve joint thinking, exchange of best practices, learning from each other's experience. That is a process which will benefit all member countries of BIMSTEC. In addition, we have nearly completed work, though formal signatures have yet to be appended to the following four major areas. (1) A Convention on Combating International Terrorism, Transnational Organised Crime and Illicit Drug Trafficking; (2) A Memorandum of Association regarding BIMSTEC Energy Centre to be established in India; (3) A Memorandum of Association regarding BIMSTEC Weather and Climate Centre to be established in India; (4) A Memorandum of Understanding on BIMSTEC Cultural Industries Observatory and BIMSTEC Cultural Industries Commission in Bhutan, about which the Hon'ble Prime

Minister of Bhutan has already mentioned. In all these four areas work is in progress. We have nearly completed our discussion. Only formalities with regard to signing ceremonies have to be completed. They will be done in due course of time.

Question (Mr. Lakshman, Nepal Television): My question goes to the Prime Ministers of both India and Nepal. Despite several meetings of BIMSTEC, a landlocked country like Nepal does not seem to be getting much benefit from BIMSTEC. How do you think the BIMSTEC should try to give more benefit to the needy country like Nepal?

Prime Minister of India: I think the important thing is that we must accelerate the progress of the work of BIMSTEC in all the thirteen priority areas that have been identified. I am confident, if cooperation grows in all these thirteen areas, all countries of the BIMSTEC would benefit. But certainly a country like Nepal would also benefit enormously from this expanded area of cooperation.

Prime Minister of Nepal (Mr. Pushpa Kamal Dahal 'Prachanda'): As everybody knows, previously Nepal was in a very serious internal conflict, and during that period it was not possible to have a serious interaction and serious effort, developmental effort, because we were mainly fighting against feudal autocracy, we were fighting against this feudal property relation and cultural relation. As everybody knows, a tremendous change is going on. Now, we already have a historic election of the Constituent Assembly and we declared this a Federal Democratic Republic. Now the situation has qualitatively changed. Now we have a historic and unique peace process which is going on. I think that through this Summit and through this tremendous change that is going on in Nepal, a very conducive atmosphere has emerged and I hope that now a country like Nepal, landlocked and least-developed, will be benefited from this type of regional institutions like BIMSTEC and other institutions. This new Government is completely committed to create such an atmosphere. In this meeting also we proposed to establish a Tourism Centre in Nepal. I hope that in the near future this will be established and we will be benefited from this institution. Thank you.

Official Spokesperson: I would request you, given the time constraints, to kindly address your question to one BIMSTEC leader. I think you for your cooperation.

Question (Mr. Mohan Karunaratne, Rupvahini): My question is addressed to His Excellency Dr. Manmohan Singh, Prime Minister of India, and His

Excellency Mr. Mahinda Rajapakse, President of Sri Lanka. Was there any discussion on the subject of terrorism amongst BIMSTEC leaders? After all this is an issue that has affected many of the BIMSTEC member states. If it was addressed, what were the decisions and how will they benefit the people living within the BIMSTEC region?

Prime Minister of India: I mentioned in my opening statement that all leaders referred to the threat that terrorism poses to our societies and to our economy, and the need to combat this threat. As I also mentioned a few minutes ago, we are working on a convention on combating international terrorism, transnational organized crime, and illicit drug-trafficking, which I hope will address this question of combating terrorism in precise ways.

President of Sri Lanka (Mr. Mahinda Rajapakse): The Prime Minister of India has already answered your question. Terrorism is a major concern of the BIMSTEC. Our Summit Declaration fully reflects our collective concern on this issue. Especially we discussed about the Bay of Bengal Maritime Surveillance because the terrorists are using the Bay of Bengal sea lines to transport arms and ammunition, and drugs and all that. So, we have discussed it. And it will help the people of the BIMSTEC. All the countries and societies are affected by terrorism. Thank you.

Question (Mr. Pisano, Thailand media): Your Excellency Prime Minister of India, has the BIMSTEC Summit discussed and agreed on any specific measure to address current global financial crisis? If so, can you bring about concrete outcomes and you can tell us how such measures will relate to the forthcoming ASEAN Summit in Chang Mai, Thailand next month?

Prime Minister of India: The global crisis affects all countries though it originated in the United States and in Europe. We are affected, though relatively less than the banking and the financial sectors of the developed countries. Our countries' banks are relatively well regulated. They have adequate capital-asset ratios. Therefore, there is no danger to the health of the financial system in the BIMSTEC region. But because of the slow down in the developed countries growth rates in those countries are likely to be adversely affected. That will affect the demand for our exports. Also because of the financial crisis, banks and other financial institutions are reluctant to lend money to the developing countries both for investment and for trade credit. That will, therefore, create problems for some of the developing countries in managing their balance of payment. If the flow of resources from developed to developing countries gets affected, that could

also interfere with the effective implementation of the Millennium Development Goals. So, therefore, our message to the G-20 will be that they must do everything in their power that the process of development particularly with regard to the implementation of the Millennium Development Goals by the developing countries is not adversely affected by the global economic crisis. The international financial institutions - both the International Monetary Fund and the World Bank and Regional Development Banks, and that also includes regional arrangements among developing countries like Chang Mai Initiative - should be strengthened to ensure that the fall out on developing countries of the global crisis is minimal.

Official Spokesperson: This is the last question, from India.

Question (Mr. Ajay Kaul, India): Actually I had to ask the same question as to what would be your message to the G-8.

Prime Minister of India: I have already answered that.

Question (Mr. Ajay Kaul, India): Yes, that is answered. Thank you.

Official Spokesperson: Thank you. The Press Interaction now draws to a close.



151. Declaration of the Second BIMSTEC Summit.**New Delhi, November 13, 2008.**

We, the Chief Adviser of the People's Republic of Bangladesh, the Prime Minister of the Kingdom of Bhutan, the Prime Minister of the Republic of India, the Prime Minister of the Union of Myanmar, the Prime Minister of the Republic of Nepal, the President of the Democratic Socialist Republic of Sri Lanka and the Prime Minister of the Kingdom of Thailand met in New Delhi, India on November 13, 2008 for the Second BIMSTEC Summit Meeting;

Recognising that with our geographical contiguity, abundant natural and human resources as well as rich historical and cultural heritage, BIMSTEC Member States have great potential for economic and social development which provides a sound basis for mutually beneficial cooperation,

Acknowledging that our economies and societies have become increasingly inter-linked and inter-dependent,

Realizing that globalization has brought about increased opportunity for economic and social development, and that increasing complexity of economic, social and environmental challenges facing the world highlights the need for concerted regional efforts to respond to these challenges,

Noting the progress made in promoting and strengthening active collaboration and mutual assistance in the economic, social, technical and scientific fields for attaining the purposes and objectives of BIMSTEC,

Recognizing that the recent extraordinary volatility in fuel and food prices not only puts our resources and growth prospects under pressure, but also hits hardest the poorest sections of our population calling for timely and effective responses,

Recognizing the adverse impact of climate change on the lives and livelihoods of our populations and the serious threat it poses to our region,

Convinced that through our close cooperation we can maximize the potential of our capabilities and resource endowments for economic and social development of our states and peoples,

Recognizing the threat that terrorism poses to peace, stability and economic progress in the region, emphasise the need for close cooperation in combating all forms of terrorism and transnational crimes,

Reiterating our commitment to BIMSTEC as a regional cooperation grouping,

Do hereby:-

Underscore our resolve to abide by the founding objectives and principles of BIMSTEC.

Take note with satisfaction of the progress of our cooperation in the energy sector and in the establishment of the BIMSTEC Energy Centre in India.

Take note with satisfaction of the progress and substantive outcome of our cooperation in the environment and disaster management sector and in the establishment of the BIMSTEC Weather and Climate Centre in India.

Take note with satisfaction of the progress made in the establishment of the BIMSTEC Cultural Industries Commission and the BIMSTEC Cultural Industries Observatory in Bhutan.

Take note with satisfaction of the finalization of the BIMSTEC Convention on Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking.

Take note with satisfaction of the progress made on the negotiations of the Agreement on Trade in Goods with agreed General Rules of Origin and Product Specific Rules under the BIMSTEC Free Trade Area.

Direct the BIMSTEC Trade Negotiating Committee to conclude the negotiations on Trade in Goods as soon as possible, and to continue its efforts for Agreements on Services and Investments.

Agree that improved transportation and communication linkages and greater connectivity between our Member States is an important element for the BIMSTEC process that will lead to direct benefits to our peoples through increased trade and investment, tourism, and people-to-people contacts. In this regard, we acknowledge and note the BIMSTEC

Transport Infrastructure and Logistics Study (BTILS) conducted by the ADB in association with the BIMSTEC Member States as an important first step in identifying the bottlenecks and suggesting ways to overcome them.

Agree to harness the region's natural, cultural and historical endowments in order to enhance intra-BIMSTEC tourism as well as tourism from other countries.

Agree to continue our cooperation in the area of energy and decide to hold the second BIMSTEC Energy Ministers' Conference in Thailand in 2009.

Agree to cooperate in expanding the technology base of Member States through collaborations and partnerships targeted towards micro, small and medium scale enterprises and decide to establish a BIMSTEC Technology Transfer/Exchange Facility in Sri Lanka.

Agree to continue cooperation for the sustainable use of marine resources through effective conservation and management of resources in the Bay of Bengal and decide to include inland fisheries in the scope of cooperation in this area.

Agree to continue and strengthen our cooperation on poverty alleviation in the context of ensuring food security for the vulnerable people in the region and decide to hold the second BIMSTEC Ministerial Conference on Poverty Alleviation in Nepal in 2009 and to establish a BIMSTEC Poverty Alleviation Centre in Bangladesh.

Agree to expand cooperation in culture to include cultural values, diversity and heritage and decide to support the establishment of the BIMSTEC Cultural Industries Commission and BIMSTEC Cultural Industries Observatory in Bhutan.

Agree to continue cooperation in the field of agriculture and decide to initiate short and long term joint research programmes to increase productivity and yields in our region.

Agree to continue our collective efforts to combat public health threats from emerging and re-emerging infectious diseases as well as to cooperate in the area of traditional medicine by setting up a BIMSTEC Network of National Centres of Coordination in Traditional Medicine.

Agree to augment our efforts to further promote people-to-people contacts among our States and decide that India will take the lead to establish a BIMSTEC Network of Policy Think Tanks.

Agree to share experience and enhance collaborative efforts to jointly face the current global financial crisis, while taking into account the needs of the vulnerable sections of the society.

Agree to intensify our efforts to strengthen cooperation in all areas of activities within the framework of BIMSTEC so as to promote regional cooperation and cohesion.

Agree to establish an institutional structure to serve as a focal point for coordination and to follow up on decisions taken by BIMSTEC Summits, Ministerial Conferences and other official meetings, and decide to establish a Permanent Secretariat for BIMSTEC.

We, the leaders from Bangladesh, Bhutan, Myanmar, Nepal, Sri Lanka and Thailand, express our appreciation to the Government of India for its hospitality and for the arrangements made for the Summit.



INDIA-RUSSIA-CHINA TRILATERAL CONFERENCE

152. Briefing by Official Spokesperson on External Affairs Minister Pranab Mukherjee's visit to Yekaterinburg (Russia) to attend the meeting of Foreign Ministers of India, Russia and China.

New Delhi, May 12, 2008.

Official Spokesperson (Shri Navtej Sarna): Good afternoon....., the (External Affairs Minister) will be visiting Yekaterinburg in Russia from 14th to 16th of this month for a trilateral meeting of India, Russia and China at the Foreign Ministers' level. He will also participate in a meeting of the Foreign Ministers of Brazil, Russia, India and China on the 16th of May.

To give you some background, the trilateral Foreign Ministers meeting in Yekaterinburg will be the fourth stand-alone trilateral minister-level meeting. Earlier meetings have been held in Harbin, China in October 2007; in New Delhi in February 2007; and Vladivostok in June 2005. Beside these stand-alone meetings the Foreign Ministers have also met on the sidelines of several other international meetings in September 2002, September 2003, October 2004 and September 2005.

As part of this trilateral process, India has also hosted a trilateral seminar¹ on the evolution of geopolitical strategic trends in New Delhi in March 2008, as well as a trilateral business conference in New Delhi in December 2007.

¹ The Seminar to discuss evolution of geo-political strategic trends was attended by senior officials and academics from Russia, India and China and was hosted by the Indian Council of World Affairs and the Institute of Chinese Studies in Delhi. It discussed climate change, the current international situation and prospects for trilateral economic cooperation. Inaugurating the seminar on March 27, Secretary (East), Ministry of External Affairs N. Ravi reminded his audience that the meeting was the outcome of the decision taken by the Foreign Ministers of Russia, India and China in 2007. Their task was to examine ways of taking the trilateral process forward in different areas. He said that between them, the 'RIC countries' account for 20 per cent of global land mass and 40 per cent of the world's population. He expressed his confidence that the trilateral process would help tap the energy already existing in bilateral relations to the advantage of the three. The three countries had to play a leading role in pushing the principle of common but differentiated responsibilities in tackling climate change, and for multi-polarity and multilateralism in international affairs. The Director of the Institute of Chinese Studies Patricia Uberoi in her remarks said the involvement of both officials and academics from the three countries would allow the participants to think both "in and out of the box." She appreciated the fact that the three countries had brought in social issues such as education, public health, climate change and disaster management within the trilateral dialogue, apart from strategic issues.

The BRIC (Brazil, Russia, India and China) Foreign Ministers meeting at Yekaterinburg will be the first stand-alone meeting of the Foreign Ministers of the BRIC countries.

To give you some idea of the agenda, the trilateral meetings have essentially discussed political and economic issues, issues related to UN reforms, terrorism, proliferation of WMD, situation in the region, in Central Asia, Iran, Iraq, DPRK, Middle-East and so on, as well as trilateral economic cooperation. Particularly in the last meeting at Harbin they decided to form a consultative mechanism at the level of Head of Department in the Foreign Offices and hold expert level consultations in agriculture, health and disaster management.

The BRIC meeting, which is the first one, also has a wide agenda which covers strategic issues of international politics and security, a review of the international situation, proliferation and disarmament, counter-terrorism, fight against organized crime and drug-trafficking as well as economic issues and issues of global interest such as climate change, international development assistance², and so on.

That is it. That is the full three days of meetings in Yekaterinburg after Abu Dhabi and Dubai. We will keep you posted when we get reports from there.

Question: Are there going to any bilateral interactions?

Official Spokesperson: We will let you know if there is any occasion for bilaterals.

Question: Any separate bilateral meetings?

Official Spokesperson: We will let you know once they happen. I know that bilateral meetings did take place in Harbin. But it again depends upon scheduling and various other things.

2 The BRIC concept which was first articulated by the corporate sector and the four countries found it practical to adopt it as part of foreign diplomacy by enlarging the trilateral concept. The Goldman Sachs report "Dreaming with BRICs: The path to 2050," focusing exclusively on the economic potential of the four countries, underlined the fact that they complement each other. It pointed out that while China and India are strong in manufacturing, Brazil and Russia were rich in raw materials. The Sachs report predicted that by 2050, the economies of the four countries could disturb the pecking order of rich countries. Collectively, their wealth will outstrip that of the original G-6 countries (the U.S., France, Germany, the U.K., Japan and Italy).

Question: Since Iran, Iraq and North Korea may be discussed....

Official Spokesperson: These were the subjects discussed at previous trilateral meetings.

Question: What has been in general the reaction of the United States and Western European countries to BRIC?

Official Spokesperson: That you must ask those countries. I cannot speak on behalf of other countries.

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Thank you.



153. Joint Communiqué on the outcome of the 8th Meeting of the Foreign Ministers of the Russian Federation, the People's Republic of China and the Republic of India.

Yekaterinburg, (Russia), May 15, 2008.

1. The Eighth Meeting of the Foreign Ministers of the Russian Federation, the People's Republic of China and the Republic of India was held on May 14-15, 2008 in Yekaterinburg, Russia.
2. The Ministers noted with satisfaction the increasing interaction between Russia, China and India, fast growing, multi ethnic countries with rich history and culture. It was underlined that trilateral interaction was contributing to the shaping of a multi polar, stable and harmonious world, to democratization of international relations and a more just and rational international order.
3. The Ministers positively assessed the efforts made by the three Parties to build up the potential of cooperation in accordance with the outcome of the Harbin Meeting on October 24, 2007.
4. The first round of consultations between the Heads of Departments of the Russian, Chinese and Indian Foreign Ministries held in February 2008 in Moscow was highly appreciated. It signals the beginning of regular exchange of views at this level on

implementation of understandings reached during the Russia-China-India Foreign Ministers' meetings and preparation for their future meetings. Russia - China - India forum on agricultural cooperation on April 28, 2008 in Beijing is an important step towards promotion of trilateral interaction in this sphere. Substantial work to establish cooperation between experts of the three countries on health & medicine and disaster mitigation & relief has also been started. It was agreed that the first trilateral meetings on these subjects would be held in 2008.

5. The Ministers highlighted the importance of enhancing contacts between the business communities of Russia, China and India and in this regard commended the outcome of the first trilateral business forum held in New Delhi in December 2007. A meeting of the Chambers of Commerce and Industry of Russia and India and the China Council for the Promotion of International Trade will be held in Moscow in the autumn of 2008. The second trilateral business forum is scheduled to take place in China in 2009.
6. The Ministers appreciated the holding of the trilateral Seminar on Evolution of Geo-Political Strategic Trends in New Delhi in March this year with the participation of officials and experts from Russia, China and India which further encouraged the multifaceted dialogue between the official circles and academic communities of the three countries.
7. The Ministers reiterated their intention to actively deepen dialogue and interaction between the three countries. Special attention was paid to the wide-ranging possibilities of cooperation in the humanitarian field. In this context, Russia, China and India stated that they attach great importance to international cooperation in promoting and protecting human rights and basic freedoms. Bearing in mind that drawing lines on the ground of ideologies and values or on geographical criteria is not conducive to peaceful and harmonious coexistence, the Ministers believe that such cooperation should take due account of specific characteristics of cultural and historical development of each of the countries and respect for traditional values of civilizations. The Ministers emphasized that international humanitarian assistance should focus on disaster relief, reconstruction etc and refrain from interference in internal affairs.

8. The Ministers discussed in detail the global situation and the major international and regional problems and reaffirmed the commonality in the approaches of the three countries.
9. The Ministers reiterated that today's world order should be based on the rule of international law and the strengthening of multilateralism with the United Nations playing the central role. They reaffirmed the need for a comprehensive reform of the UN with a view to make it more efficient so that it can deal with the current global challenges more effectively. The Ministers of Russia and China reiterated that their countries attach importance to the status of India in international affairs, and understand and support India's aspirations to play a greater role in the United Nations.
10. The Ministers confirmed their countries' commitments made under the UN Framework Convention on Climate Change and the Kyoto Protocol and underlined the need to develop greater interaction in international cooperation to combat global climate change. They declared the intention of the three nations to take all necessary efforts to implement the Bali Plan of Action.
11. The Ministers agreed that elaboration of a common position in the field of counteracting new challenges and threats within the framework of the United Nations is of particular importance. They expressed their confidence that their anti-terrorism cooperation should be actively supported both within the framework of the UN system and regional organizations. They also called upon all member states to comply with relevant international terrorism conventions and related protocols, and the Security Council resolutions on counter-terrorism. While supporting the implementation of the UN Global Counter-Terrorism Strategy the Ministers emphasized that all member states should make concerted efforts towards expeditious finalization of a Comprehensive Convention on International Terrorism at the UN. They reaffirmed their commitment to further strengthening cooperation among their countries to combat terrorism.
12. Reviewing the situation in the Asia-Pacific Region (APR), the Ministers stated that it is defined by the aspiration of the region towards peace and sustainable economic development. Guided by the principles of multilateralism and equal security they stressed the necessity of a regional security system based on mutual confidence,

mutual taking into account the interests of the other sides, equality and cooperation. They expressed themselves in favor of expanding the economic integration in the APR on a mutually beneficial and non-discriminatory basis in accordance with the principles of open regionalism.

13. The Ministers reaffirmed their countries' common desire to expand multifaceted cooperation with the Central Asian countries, including in the fields of combating terrorism, separatism, extremism, illegal drug trafficking and trans-boundary crime. The Ministers spoke in favor of identifying various forms of trilateral interaction in order to promote further development of the region. The Ministers of Russia and China welcome India's aspirations for playing an enhanced role as an Observer State within the SCO framework.
14. The Ministers praised the achievements of Afghanistan on the way for its reconstruction, but at the same time expressed concern at the continuing deterioration of the security situation there due to continued terrorist attacks and resurgence of the Taliban and Al Qaeda. They stressed the importance of rendering assistance to the Afghan government in fulfilling its tasks in the field of security, in improving the functioning of governmental institutions and social and economic development of the country. They highlighted the need for strict observance of the sanctions regime against Afghan extremist leaders and other persons and entities listed by UN Security Council Committee 1267, tough rebuff to the forces of terrorism and extremism in Afghan territory as also for further increasing the efforts to eradicate the drug threat coming from Afghanistan. The Sides noted the importance of international and regional cooperation in creating a comprehensive system of anti-drug security belts alongside the borders of Afghanistan with the UN playing a central coordinating role and cooperation of the neighboring countries.
15. The Ministers noted the need to continue the efforts to achieve at the earliest a political and diplomatic settlement of the situation around the Iranian nuclear program through negotiations. The purpose of these negotiations is to find a long-term comprehensive solution that provides for the trust of the international community to be restored in the exclusively peaceful nature of the program to ensure that Iran can exercise its right to the peaceful use of atomic energy and to open up the path to wider international cooperation with Iran.

16. The Ministers call upon all interested parties to continue active efforts to promote the six-party talks on resolving the Korean Peninsula nuclear problem towards peaceful and full denuclearization of the Peninsula in accordance with all relevant agreements achieved earlier in Beijing.
17. The Ministers noted the importance of settling the issue of the status of Kosovo in accordance with norms of international law with the UN playing the leading role and on the basis of an agreement between the parties. The unilateral declaration of independence of Kosovo is contrary to the UN Security Council Resolution 1244, which should remain the legal basis for the settlement of Kosovo issue till new decisions by the UN. The Ministers call upon Belgrade and Pristina to act within the framework of international law in order to search for an appropriate solution to the problem through negotiations.
18. The Russian and Indian Ministers reaffirmed their countries' support to the Beijing Olympic Games and efforts to ensure their successful holding.
19. The Ministers expressed satisfaction with the outcome of the meeting and decided to hold the next trilateral meeting in India.



CHOGM

154. Press Release issued by the Ministry of External Affairs On Finance Minister's participation in Commonwealth Foreign Minister's Meeting and a Special Meeting of the Commonwealth Heads of Government (CHOGM) during the 63rd UNGA in New York.

New York, September 24, 2008.

Shri P. Chidambaram, Finance Minister represented India at the Commonwealth Foreign Minister' Meeting and a Special Meeting of the Commonwealth Heads of Government (CHOGM) held in New York on 24 September, 2008 during the 63rd Session of the UN General Assembly in New York.

These meeting were chaired by Foreign Minister and President, respectively of Uganda -current Chair of the Commonwealth. Commonwealth Secretary General Mr. Kamallesh Sharma gave an overview of major activities of the Commonwealth Secretariat. The deliberations at these meeting covered a wide range of issues of interest to the Commonwealth Member States, including the status of implementation of salient mandates of the last CHOGM held in Kampala (Uganda) in November 2007, Millennium Development Goals (MDGs), climate change, terrorism, international trade, global food crisis and reform of international institutions. In his highly acclaimed interventions, Finance Minister presented India's perspective on major issues such as terrorism, climate change, Doha Development Round of trade negotiations and the global food crisis. He reaffirmed India's commitment to further strengthening its engagement and cooperation within the Commonwealth in areas of common interest.



CICA

155. Opening Statement by Minister of State Anand Sharma at the 3rd CICA¹ Ministerial Meeting.

Almaty, August 25, 2008.

Your Excellency Marat Tazhin, Excellencies, Ladies and Gentlemen,

At the outset, I would like to thank our hosts Kazakhstan for their warm hospitality and excellent arrangements. I would also like to (join my colleagues in extending) a warm welcome to the Ministers of the Kingdom of Jordan, Qatar and the United Arab Emirates. India has age old civilizational and historical links with these countries, which in the contemporary context are manifested in strong mutually cooperative and beneficial relations.

Mr. Chairman, India is proud to be associated with the CICA process since its inception. It is a matter of satisfaction to us that CICA has emerged as an important forum for dialogue in Asia, offering member states an opportunity to exchange views on a broad range of issues impacting on security and stability in our region. By bringing together countries from various parts of Asia, CICA has successfully laid down a framework that

¹ The meeting was opened by President Nazarbayev and was attended by 18 country delegations. The meeting inducted Jordan and UAE as CICA member states and Qatar was given an Observer Status. The heads of delegation adopted a Ministerial declaration which outlines the blueprint of common understanding reached among participating States on peace, security and stability in the region. The meeting adopted the Protocol amending the Statute of the CICA Secretariat and in principle adopted the Convention of Legal Capacity and the Immunities and Privileges of Personnel of CICA. On the margins of the ministerial meeting, Sh Sharma held a bilateral meeting with the Kazakh Foreign minister Mr Marat Tazhin, covering a wide range of issues of shared interest. Mr Tazhin articulated his country's interest in cooperation in the fields of high technology, textiles and space. Shri Sharma also emphasized the importance of cooperation in the energy sector. It is pertinent to mention that negotiations between ONGC Videsh Limited and Kazmunaigaz, the Kazakh national oil company for joint exploration are underway. It may be recalled that the idea of Conference on Confidence Building Measures in Asia (CICA) was originally floated by Kazakhstan President Nursultan Nazarbayev at the annual U.N. General Assembly in 1992. A decade later in 2002 a summit meeting with the heads of government of 11 countries, including India participating, was held in Astana. Two years later, the grouping laid down five dimensions for realisation of confidence building measures - military, political, fight against new threats and challenges, economic, environmental and humanitarian. After another two years the CICA Secretariat took shape with diplomats seconded from India, Russia, Turkey, Kazakhstan and Pakistan. The 16 nations signed the Almaty Act, establishing the CICA and pledging to work "towards

will take us closer to realizing our shared vision of peace and prosperity in our region.

CICA member states are no strangers to each other. As heirs to a rich heritage, we share common strands in our history and culture which, to this day, plays the role of a binding force. It is, therefore, a matter of great personal satisfaction to me to be here today in Almaty, a city closely associated with the legend of the Silk Route, which was a meeting place of different cultures through many centuries.

Mr. Chairman, the two decades since the end of the Cold War marks a period of significant change, of new opportunities and new challenges. There is no doubt that fundamental shifts are underway in the global distribution of economic and political power. The complexities of the present day demand an orderly transformation and recasting of the world order so that it reflects the realities and the urges of our age, in which globalization is moving ahead. The discourse on globalization, the setting of the international agenda has to be a cooperative global effort in which Asia has to play a prominent part to ensure that the world order is inclusive, just and equitable.

Our meeting today offers us an opportunity to take stock of where we are and the road ahead. The emergence of complex, transnational threats and security challenges, whose influence and potential impact is global, not only regional or local, is necessitating the crafting of security responses that go beyond traditional solutions. Some of these issues were previously viewed as law and order problems, viz. drug smuggling and illegal

promoting peace, security and stability in Asia." The Act was signed in June 2002 after the first CICA Summit by Chairman of the Administration of Afghanistan Hamid Karzai, President of China Jiang Zemin, Prime Minister of India Atal Behari Vajpayee, President of Kazakhstan Nursultan Nazarbayev, President of Kyrgyzstan Askar Akayev, President of Mongolia Natsagiin Bagabandi, President of Pakistan Pervez Musharraf, President of Russia Vladimir Putin, President of Turkey Ahmet Necdet Sezer, and President of Tajikistan Imomali Rakhmonov. Signatories from other CICA members included the prime ministers of Azerbaijan and Uzbekistan, a deputy prime minister of Israel, as well as special high-level envoys from Egypt, Iran, and the Palestinian National Authority. Ten more nations, including the United States, have observer status in the forum, as do a number of international organizations, such as the UN, the OSCE and the Arab League. In 2007, the Senior Official Committee of CICA met in Bangkok - the first time outside Kazakhstan - to adopt the Cooperative Approach for the realisation of the implementation of CBMs. Now, the process has begun with members having volunteered to act as coordinating countries for certain CBMs. India along with Korea and Azerbaijan, offered to act as coordinator for the implementation of CBMs in energy security cooperation and development of secure and effective systems of transportation. It currently has on its

immigration; or, required intervention by frontline agencies dealing with pandemics and sea piracy. There is also today a better understanding of the impact of climate change on the earth's biodiversity and the cross-sectoral stresses it is causing, particularly in the less developed countries where adaptive capacities remain limited. Taken together with the persistence of terrorism and onward proliferation of nuclear weapons related technologies, the security challenges we face reinforces the need for comprehensive approaches and obliges cooperation and collaboration among states. We believe that CICA has a role to play in devising collaborative strategies that help deepen cooperation among member states.

Mr. Chairman, of all the threats we in Asia face today, none is as dangerous as that of terrorism. Many Member countries in the CICA process are victims of terrorism. Thus there is common need to combat extremism and terrorism. In our view, no goal or grievance can justify terrorism. CICA had recognized the need to eliminate this scourge early and in 2002 adopted a "Declaration on Eliminating Terrorism and Promoting Dialogue Among Civilizations". We hope the forum will be able to take firm steps in this direction.

India will continue to actively participate in the CICA. We have contributed in the drafting of the basic documents of CICA, an exercise which for us showcases the uniqueness of the CICA process, whose ultimate goal is to create a pan Asian dialogue on cooperation mechanism on security issues. We believe that we need to concentrate on simple and uncomplicated issues for cooperation and focus on CBMs that are practical and achievable and at a pace comfortable to all. The Catalogue of Confidence Building Measures elaborates a broad framework of CBMs in the economic, social and humanitarian dimension. We appreciate the progress made on these issues and the experts level meetings hosted by meetings in Turkey and Iran on New Threats and Challenges and cooperation on combating illicit drugs. We have also noted the circulation of draft concept papers by

rolls Israel, Iran, Pakistan, Korea, India, Jordan, Tajikistan and Turkey among others. With the gaining of confidence about the CICA approach, it has been decided that majority of events would be held outside Kazakhstan, pointed out Mr. Yermekbayev. The venues too are diverse - Ankara, Moscow, Seoul and New Delhi. CICA is defined by two major approaches. One, it is heterogeneous character. Geographical distances or difference in political approaches are not inhibiting factors. The membership itself gives an indication. The second is its resolve to progress gradually, keeping in mind the diverse profile of CICA and to focus more on realisation of CBMs in non-traditional security challenges to generate sufficient goodwill among the members. While CICA is seeking cooperation with other regional organisations, all its members have agreed its primary task would be to supplement them.

Azerbaijan and Republic of Korea in the areas of Secure and Effective Systems of Transportation Corridors and on Energy Security. We look forward to contributing in realising these concepts. We will also carefully study Russia and Tajikistan's draft concept papers on Development of Small and Medium Enterprises and Tourism respectively.

Mr. Chairman, India believes that CICA can help contribute to the development of a cooperative and pluralistic security order in Asia, based on mutual understanding, trust and sovereign equality. We need to be mindful of the diversity and the heterogeneity that pervades through our social, economic, political and cultural systems. It is this distinctive panorama which requires that we pay heed to our unique Asian framework. We believe that replication of models, which have perhaps been successful elsewhere, may not necessarily be suitable for us. India has, therefore, consistently emphasized that CICA has to evolve its own approach, rooted in the realities of Asia. In CICA, we have recognized this diversity and the consequent need, therefore, to move ahead gradually, building upon the basis of consensus and voluntary participation. We have pledged to work together to build a cooperative architecture by enlarging the areas of common advantage and convergence. I would like to reiterate that our focus should be on what unites us and set aside areas of divergence.

Mr. Chairman, it is only by evolving certain reliable ground rules, that CICA can more effectively promote peace and security in Asia and help reconcile the diverse concerns and interests of its member states. Deeper and broader Asian cooperation, with an emphasis on dialogue, holds the key to unleashing the full potential of Asia for peace and development both in our own continent and around the world.

Before I end, I am pleased to announce that New Delhi will host the next round of CICA SWG/SOC (Special Working Group/Senior Officials Committee) meetings on February 18-20, 2009. We would look forward to welcome delegates from all CICA Member States for these meetings.

Thank You.



EUROPEAN UNION

156. Press Release of the Ministry of External Affairs on the 19th India-EU Troika Ministerial Meeting.

New Delhi, May 29, 2008.

The 19th India-EU Troika Ministerial Meeting is scheduled to take place on May 30 2008 in New Delhi. Sh. Pranab Mukherjee, Hon'ble Minister of External Affairs, will lead the Indian delegation. The EU side will be represented by Mr. Dimitrij Rupel, Minister for Foreign Affairs, Slovenia, in his capacity as President of the European Council. Ms. Rama Yade, MoS, Ministry of Foreign Affairs, France, is representing the incoming French Presidency. The last Troika meeting took place in Berlin on May 31 2007.

The EU 27 is an important trade, technology and investment partner for India. The EU is India's largest trading partner (1/5th of India's total external Trade). The Bilateral Trade has crossed 55.6 billion euro in 2007 (Indian exports of euros 26.2 billion; Indian imports of euros 29.4 billion). The EU is also home to a large Indian diaspora.

India and the EU share a 'Strategic Partnership' since 2004. The relations have diversified from what used to be a purely trade and economic driven relationship to one covering a wider cross-section of interaction. The annual Summits and Troika ministerial meetings are the highlights of the institutional structure that has facilitated regular high level contacts between the two sides. The Troika Ministerial meetings provide an opportunity for general exchange of views on bilateral, regional and global issues.



**157. Opening Remarks of Prime Minister Dr. Manmohan Singh
at the Joint press meet with President Sarkozy.**

Marseille, September 29, 2008.

At the outset, I would like to thank President Sarkozy for the most gracious hospitality that has been extended to me and to my delegation in this beautiful city of Marseilles.

I have had very useful and constructive discussions with President Sarkozy and EC President Barroso.

Our partnership based on shared values and commitment to democracy, human rights, fundamental freedoms and pluralism is an important pillar of the emerging international order.

We shared assessments of our respective regions and exchanged ideas on major global issues. This included the current international financial crisis, need for reform of international institutions, including of the United Nations, energy and food security, climate change and terrorism.

We have agreed to achieve an annual bilateral trade turnover of 100 billion Euro within the next five years and to work towards the conclusion of the India-EU Broad based Trade and Investment Agreement by end-2008.

We reviewed the Joint Action Plan adopted in 2006 and agreed to add several new areas of cooperation. These include vocational training, post harvest technologies, exploitation of solar energy in India and civil nuclear research and development including in fusion energy. We discussed various issues related to counter terrorism, including cooperation between Europol and counterpart organisations in India.

We have also launched Joint Working Programme on Energy, Clean Development and Climate Change. This provides for collaboration in clean coal technologies, energy efficiency, renewable energy, climate change adaptation and mitigation and financing and transfer of climate friendly technologies. The Horizontal Civil Aviation Agreement between India and the EU was signed yesterday. We have also decided to work towards the finalisation of Memorandums of Understanding in the field of education and culture.

I am extremely satisfied with my discussions today. The holding of annual Summits between India and the EU reflects the importance both sides place on this relationship. It is our belief that the India-EU strategic partnership contributes to global peace, prosperity and stability. I am confident that our relations will continue to grow and diversify on the basis of the many synergies and complementarities that exist between us.



158. Joint Press Communiqué issued at the end of the India -European Union Summit.

Marseille, September 29, 2008.

The ninth European Union - India Summit was held in Marseille on 29 September 2008. The EU was represented by President Nicolas Sarkozy, in his capacity as President of the European Council; by Mr. José Manuel Barroso, President of the European Commission; by Dr Javier Solana, High Representative for the EU's Common Foreign and Security Policy; by Mr. Bernard Kouchner, French Foreign Minister; by Mme Anne Marie Idrac, French Secretary of State for external trade and by Mr. Peter Mandelson, European Commissioner for Trade. The Republic of India was represented by Prime Minister Dr. Manmohan Singh; Shri Kamal Nath, Minister for Commerce and Industry; and Shri M. K. Narayanan, National Security Adviser. The Leaders discussed regional situations, global issues and the strengthening of EU-India relations.

I. Regional and international issues

The EU and India, as the two largest democracies in the world and global actors in a multipolar world, reiterated their commitment to their strategic partnership. The Partnership is firmly based on shared values of democracy and human rights, fundamental freedoms (including religious), pluralism, rule of law and multilateralism.

The EU and India are committed to promoting international peace and security. They reaffirmed their strong and continued commitment to the Government of Afghanistan in its efforts to build a democratic and pluralistic society.

They agreed that strengthening Afghan security and military forces would help in the enforcement of the rule of law. They further agreed to assist the Afghan authorities in ensuring free and fair elections in the period ahead. They recalled their commitments taken at the Paris International Conference in Support of Afghanistan. They expressed deep concern at the continued deterioration of security conditions in areas bordering Afghanistan, and reiterated that the situation required sustained action. They noted the new commitments of the Government of Pakistan to address regional and international concerns.

They expressed their serious concern over the Iranian nuclear issue and called on Iran to take steps to re-establish confidence in the nature of its nuclear programme, as required by the IAEA Board of Governors. They expressed their support for the current diplomatic efforts and steps in order to find a satisfactory solution to the nuclear issue.

They discussed the situation in Burma/Myanmar, agreed on the need to strengthen efforts towards national reconciliation and reaffirmed the need for an inclusive dialogue, including with Daw Aung San Suu Kyi and the Myanmar ethnic groups, to progress towards democracy.

The Leaders condemned terrorism in all its forms and manifestations, committed by whomever, wherever and for whatever purpose. The EU and India agreed to work actively towards a swift finalisation of a Comprehensive Convention on International Terrorism at the UN. At the bilateral level, the two sides expressed commitment to continuing their cooperation on counter-terrorism and early formalisation of cooperation between Europol and Indian agencies.

II. Global issues

Food security

The Leaders exchanged views on how best to deal with rising commodity prices, which pose a serious challenge to stable growth and further increases in global inequalities. They recalled that, in the short-term, actions should be taken to address and mitigate the effects of the food price shocks on the most vulnerable groups of population. They agreed that the international community needs a fully coordinated response and a comprehensive strategy to tackle this issue in an integrated manner, from short to medium and long term. They also declared that a high level of priority should be given to rural development policies, in particular with a

view to enhancing agricultural productivity. Finally they called for a global partnership on food and agriculture.

Climate change and energy

The Leaders stressed that climate change is one of the great challenges of our time and decided that clean and sustainable development should be a joint priority area of EU-India cooperation. They called for tangible action in this field, involving all stakeholders. They also reiterated their determination to step up the pace of negotiations in order to reach, by the end of 2009, an ambitious and comprehensive agreed outcome, in accordance with the principle of common but differentiated responsibilities and respective capabilities as set out in the UN Framework Convention on Climate Change. Recognising each other's efforts to tackle climate change, as demonstrated by India's National Action Plan on Climate Change and the EU's emissions reduction targets of at least 20% by 2020 (and 30% in the event of a satisfactory global agreement), the Leaders agreed to work towards a long term cooperative action including a long term global goal. The EU and India also reaffirmed their commitment to promote energy security and energy efficiency as a key to stable and sustainable development.

Global economy

EU and India discussed the pressing need to address the impact of current problems in the international financial sector and to adjust global economic imbalances through concerted action from leaders of the world economy. The Leaders took note of the current state of play of the Doha Development Agenda negotiations and reaffirmed their willingness to conclude a comprehensive and balanced trade agreement which would bring substantial gains to the world economy and in particular to developing countries.

III. EU-India bilateral relations

Developments in Europe and India

The Leaders discussed developments in the EU and in India. Regarding Europe, the EU focused on the Lisbon Treaty and the recent developments in EU's migration policy, in particular the proposed Pact on Migration and Asylum, the initiatives taken to facilitate the employment in the EU of skilled migrants. India shared its assessment of India's economy and the

opportunities it offers; the challenges faced in areas such as infrastructure, energy, agriculture and human resource development in its endeavour for inclusive growth.

Developments in EU-India cooperation

The EU and India agreed to further develop their political exchanges and cooperation.

The EU and India recognised the importance of the early conclusion of the broad based trade and investment agreement, to fulfil the expectations of businesses on both sides and to further strengthen the bilateral economic relationship. Towards this end, the EU and India endeavour to achieve a balanced and ambitious outcome. While welcoming the signature of a horizontal civil aviation agreement, they encouraged the conclusion of a maritime transport agreement that is mutually beneficial. They also noted that joint cooperation in the framework of the International Thermonuclear Experimental Reactor (ITER) Agreement remains a priority that will be further enhanced through the conclusion of a bilateral agreement between Euratom and India in the field of fusion energy research, for which negotiations are being finalised.

The EU and India announced their intention to promote dialogue and cooperation in education and culture. In the field of education, areas identified for this purpose include vocational training, technical education, recognition of qualifications, the modernisation of higher education with emphasis on quality, transparency and partnership, and the promotion of languages.

In the field of culture, particular focus will be placed on the implementation of the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, the promotion of intercultural dialogue and multilingualism, including through mutual TV broadcasts. Joint declarations will be signed between the Commission and India to implement the above objectives.

The EU and India welcomed efforts to increase people to people exchanges.

The EU and India approved the following:

- a revised Joint Action Plan extending the strategic partnership of 2005 to new areas;

- a joint work programme on energy, clean development and climate change;
- horizontal civil aviation agreement;
- the launch of a European Business and Technology Center in India, which shall support business-to-business and research co-operation between the EU and India.



159. Joint Action Plan (JAP) for global challenges issued at the end of India - European Union Consultations.

Marseille, September 29, 2008.

The EU-India Joint Action Plan (JAP) has now been working for three years. It has provided an agreed measure of progress, a mechanism for coordination and a spur to stronger cooperation.

The period since its adoption has been marked by worldwide growth of interdependence. Climate change, terrorism and instability remain as much of a threat as in 2005 and new challenges have arisen. The unprecedented pressure on energy and natural resources, including foodstuffs, poses new difficulties and calls for immediate action, as well as long-term structural measures.

In light of these challenges, and on the basis of the shared values expressed in the 2005 JAP, the EU and India will build on the achievements of the past three years and ensure further progress in the coming period.

I. REVIEW

1. Political dialogue and cooperation have been strengthened

Better political cooperation between the EU and India has been a notable achievement. Existing channels for dialogue have been consolidated since 2005, with a regular calendar of Summits, ministerial meetings, and expert level meetings on subjects such as human rights and consular issues. In addition, new channels have been established, such as the annual security dialogue. New formats for dialogue have also been created through Indian membership of ASEM and EU observer status at SAARC. The EU and

India have also pursued issues of common concern within the framework of the United Nations including peacekeeping & peacebuilding. In so far as cooperation between Europol and the CBI is concerned, it needs yet to be activated. The European and Indian Parliaments now have special delegations for promoting bilateral parliamentary relations.

2. Trade, investment and economic policy dialogue have expanded

In the last five years, trade has more than doubled, and bilateral investment has increased ten-fold. The parties launched negotiations for a bilateral trade and investment agreement in 2007. In specific policy dialogues on trade and investment, more progress has to be made.

New dialogues have been created on macroeconomic policy and on financial services, which underline the importance of financial and monetary stability, and of inclusive growth, in particular in the context of price rises associated with food, basic metals and energy.

3. Scientific and technical co-operation has developed

An EU-India Energy Panel has been established. The International Thermonuclear Experimental Reactor (ITER) Agreement, to which both India and the EU are parties, has come into force. Science and technology activities have intensified and exchanges have been elevated to ministerial level, with increased co-operation across the board, shared partnerships with co-investment in research and technology development, and the renewal of the EU-India Science and Technology Agreement.

Co-operation on information and communications technologies continues to be strengthened, as indicated by the connection of the European high speed research network GEANT2 with its Indian counterpart ERNET, allowing European and Indian researchers to develop joint projects. The area of transport will benefit from the signature of a horizontal aviation agreement.

Co-operation and exchanges on pharmaceuticals and biotechnology have provided a better understanding of the complex issues in the sector. The two sides have made progress towards validating Ayurveda products as para-medicines or food supplements. In the field of employment and social affairs, there have been substantial activities under the sector policy dialogue and associated work programme.

Clean development and climate change needs more concrete activities involving all stakeholders. The maritime agreement discussions are yet to come to fruition. In space technology, dialogue between the two sides needs to be further strengthened. In global navigation satellite systems, the EU-India agreement on Galileo has yet to be finalised.

4. Cultural and people-to-people links have deepened

Specific funding has been made available to increase the participation of Indian students in European graduate programmes. The Community Culture Programme has launched a special action for EU-India cultural co-operation for the period 2007-2009. Work continues on promoting civil society exchanges and people-to- people interaction in diverse fields. There is a need for more progress in the area of culture and in the shared ambition of establishing chairs of study in both partners' academic institutions. Further effort is needed to facilitate the movement of persons, based on a comprehensive approach to migration issues.

II. NEW ACTIVITIES

The EU and India identified the following new activities to complement the 2005 India-EU Joint Action Plan, with the objective of promoting international peace and security and working together towards achieving economic progress, prosperity and sustainable development:

1. PROMOTING PEACE AND COMPREHENSIVE SECURITY

- To strengthen their consultations in the United Nations Human Rights Council and sustain their dialogue on human rights with a view to promoting the universality of human rights.
- To organise seminars and exchange best practice on civil-military peace building issues, including on Africa.
- To reinforce co-operation in fighting proliferation and in export control.
- To intensify contacts in the fight against terrorism including through the operationalisation of co-operation between Europol and India.
- To co-operate on regional issues.
- To join efforts in the international fora in using expertise in global development policy to promote the achievement of the MDGs and aid effectiveness.

2. PROMOTING SUSTAINABLE DEVELOPMENT

- To implement a bilateral Work Programme on Energy, Clean Development and Climate Change to promote joint activities, research and policy development.
- To explore the up-scaling of financing for activities to address climate change and further explore the potential for research and technology co-operation and the options for technology transfer.
- To foster co-operation on solar energy with a view to jointly developing a flagship programme in solar energy.
- To make substantive and efficient progress for the early conclusion of an ambitious and balanced broad-based trade and investment agreement.
- To strengthen the exchange of best practices and co-operation in customs matters, covering areas such as supply chain security and trade facilitation, customs Intellectual Property Rights enforcement, environmental protection, tackling commercial fraud, modernisation of processes, of procedures and of working methods.
- To share experience, views, and non-confidential information on competition law policy and enforcement.
- To use the EU-India regulatory dialogue on financial services launched in 2006 to make progress on regulatory convergence.
- To establish a Working Group on engineering sector including automotive industry; a dialogue on sustainable industrial policy; and the strengthening of co-operation on the small and medium-sized enterprises (SME) sector.
- To develop business-to-business and research co-operation with the help of the future European Business & Technology Centre (EBTC).
- To extend the current dialogue on agriculture to address agricultural productivity, including new technologies, input use efficiency, and improved selection of seeds and crops.
- To enhance technical and regulatory co-operation in the field of civil aviation, spanning such areas as aviation safety, aviation security, environment, air traffic management, economic regulation and business issues.
- To further co-operate in the field of decent work.

- To increase exchanges in the fields of sustainable extension of social protection, social dialogue, equal opportunities and gender equality.
- To launch a joint study on decent work covering priority areas relating to global employment, social cohesion, and sustainable development.
- To conduct a dialogue on issues relevant to co-operation with third countries.

3. PROMOTING RESEARCH AND TECHNOLOGY

- To co-operate in civil nuclear research and development in a manner consistent with their international obligations.
- To enhance co-operation in the framework of the International Thermonuclear Experimental Reactor (ITER) Agreement and through the conclusion of a bilateral agreement between Euratom and India in the field of fusion energy research.
- To create links and to increase exchanges between both sides' statistical services to foster co-ordination in statistical methodology and research on social and economic data.
- To undertake collaborative research and capacity building in new fields of science and technology, which will be determined by the Steering Committee of the EC-India S&T agreement.
- To strengthen dialogue between the Indian Space Research Organisation (ISRO), the Department of Space (DOS), the European Space Agency (ESA), and the European Commission.
- To explore co-operation in the field of Pharmaceutical Education and Research.

4. PROMOTING PEOPLE-TO-PEOPLE AND CULTURAL EXCHANGES

- To strengthen dialogue between the two Parliaments.
- To continue the promotion of civil society exchanges and interaction through the reinforcement of the mandate of the EU-India Civil Society Roundtable in order to ensure greater involvement of economic and social partners, especially trade unions, farmers, consumers and business associations.
- To improve co-operation and foster greater linkages between European and Indian higher education institutions.
- To promote the development of European Union Study Centres in

India and Modern Indian Study Centres in the EU.

- To increase exchanges of students and academics, inter alia, by offering masters and doctoral-level scholarships and a wide range of opportunities for academic co-operation through the second phase of EU's Erasmus Mundus External Co-operation Window.
- To explore the possibility to train teachers in view of the setting up of a large number of national level educational institutions and central universities in the Eleventh Five-Year Plan in India.
- To disseminate tools and good practices regarding transparency, transferability and mutual recognition of qualifications.
- To promote modernization of higher education and vocational training in the EU and in India with an emphasis on quality, openness, transparency and partnerships between academic and business communities to enhance innovation and employment.
- The EU and India take note of the work carried out by the International Center for Promotion of Enterprises (ICPE) within the UN framework to promote cooperation in areas of entrepreneurship and SME development, corporate governance, trade and knowledge-based society through research and consultancy.
- To engage further in intercultural dialogue building up on cultural diversity and multilingualism.
- To enhance cultural co-operation, in particular within the context of the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.
- To promote the conservation and management of monuments and sites.
- To launch a dialogue in order to exchange information and expertise in the areas of education, training, culture and multilingualism.
- To use the EC indicative budget of • 470 million for India for the period 2007-2013 in support of the health and education programmes of the Government of India and for the implementation of the Action Plan's initiatives.



160. Joint Work Programme of European Union - India Cooperation on Energy, Clean Development and Climate Change.

Marseille, September 29, 2008.

The EU and India as key Strategic Partners hereby reiterate their joint commitment to urgently address climate change and deepen co-operation in fields relevant to energy, clean development and climate change. Both India and the EU also attach high priority to the promotion of energy security as a key to stable and sustainable development. Both Parties recognize the cross-cutting nature of climate change, its impacts and that urgent actions are necessary to address all aspects of climate change.

Urgent action is required by all countries to tackle climate change - the urgency of which was confirmed by the latest findings of the Intergovernmental Panel on Climate Change (IPCC) - in accordance with the principle of common but differentiated responsibilities and respective capabilities, as outlined in the United Nations Framework Convention on Climate Change (UNFCCC). The EU and India also recall that the fight against climate change is closely linked to the fight against poverty, inequality and exclusion. They recognize that the efforts undertaken to move towards a low carbon economy must go hand in hand with development and with improving the conditions of the poorest sections of the population. They also stress the need to exploit the synergies between the promotion of energy security, improved air quality and the reduction of greenhouse gas emissions, adaptation and mitigation measures to ensure consistency between meeting the ultimate objectives of the UNFCCC and energy policy, and between economic growth and development goals.

In the context of the ongoing negotiations for a post-2012 regime, the EU and India reiterate their determination to reach by 2009 an ambitious and comprehensive agreed outcome, in accordance with the principle of common but differentiated responsibilities and respective capabilities, to combat climate change within the framework of the UNFCCC. To that end, they underline the importance of attaining results in relation to all the components of the Bali Roadmap adopted in December 2007 (e.g. shared vision, mitigation, adaptation, technologies, financing). The Conference of the Parties to the Convention in Poznań in 2008 will constitute a critical step towards leading ultimately to the success of these negotiations.

The EU and India agree on the necessity to adopt a shared vision that includes a long-term objective to address the IPCC's scenarios. Accordingly, they note the desire of the G8 nations to share with all the parties of the UNFCCC the vision of reducing global emissions by at least 50% by 2050. They welcome the declaration of the Major Economies Meeting, where leaders of the world's major economies, both developed and developing, committed to combating climate change in accordance with their common but differentiated responsibilities and respective capabilities and to confronting the interlinked challenges of sustainable development, including energy and food security, and human health.

In this context, they note the EU commitment in March 2007 to reduce emissions by at least 20% from their 1990 levels by 2020, which would be increased to 30% in the context of a comprehensive and ambitious international agreement. They also note India's National Action Plan on Climate Change, aimed at further enhancing the ecological sustainability of India's development path and adapting to the effects of climate change.

The EU-India initiative on Clean Development and Climate Change, the EU-India Energy Panel and the EU-India Science and Technology Steering Committee are the relevant fora under which bilateral co-operation can be advanced on these important global issues. The EU and India have decided to adopt concrete activities and practical initiatives mentioned in the following rolling joint work programme on energy, clean development and climate change:

List of Activities

Co-operation on energy

- Work together to advance co-operation on achieving safe, secure, affordable and sustainable energy supplies under the auspices of the India-EU Energy Panel and its Working Groups.
- Intensify discussions, information sharing and co-operation on coal and the full range of clean coal technologies in the EU-India Coal and Clean Coal Technologies Working Groups.
- Promote energy efficiency and energy conservation through the International Partnership for Energy Efficiency Co-operation, complemented by bilateral activities as appropriate.
- Conclude negotiations on an agreement for co-operation in the field of Fusion Energy Research.

- Facilitate networking of institutions for research & development in the field of renewable energy.
- Identify joint priorities for future research co-operation under the EU's 7th Framework Programme and seek to launch specific co-operation activities in selected fields of research related to energy, environment and climate change including renewable energy sources, such as solar, wind, biomass, waste-to-energy and research in Clean Coal Technologies (CCT).

Co-operation on climate change

- Organise climate change workshops in areas such as Modelling Mitigation Options, deployment of climate-friendly technologies and on the future of the Clean Development Mechanism.
- Follow-up on a study on monitoring atmospheric and green house gas emissions realised in 2008.
- Establish a pool of expertise under the Action Plan Support Facility to support capacity building in India on climate change issues.

Private Sector Co-operation

- Use the European Business and Technology Centre as a platform for advancing Private Sector and Research Co-operation in the field of climate change including in the key areas of environment, energy and transport.
- Step up joint efforts to mobilise on mutually agreeable terms European Investment Bank funding to support investment projects in India that contribute to climate change mitigation and adaptation, and facilitate in particular transfers of technology for renewable energy and energy efficiency projects.



161. Press Release issued by the European Union on the signing of the India-European Union Civil Aviation agreement.

Marseille, September 29, 2008.

At today's EU-India Summit in Marseille, a Horizontal Aviation Agreement was signed which will restore legal certainty to the bilateral air services agreements between India and EU Member States and reinforce EU-India aviation relations¹.

"The agreement signed today is good news for Indian and EU airlines and passengers as it removes the legal uncertainty from the bilateral air services agreements. But equally important, it represents a very significant step forward in strengthening our relations with India and in opening up new areas of cooperation.

India is an important partner for Europe¹ and is one of the world's fastest growing aviation markets. The EU and India have much to gain from closer cooperation in this sector. This agreement is a further tangible result of the EU-India strategic partnership. I expect the cooperation in aviation to deepen much further in the coming years in a range of areas such as regulatory and technical cooperation", said Vice-President Antonio Tajani.

The horizontal agreement will restore legal certainty to the 26 bilateral air services agreements that India has with individual EU Member States by bringing these into conformity with Community law². It will thus create a sound legal basis for further developing EU-India air transport relations and cooperation in the future.



1 With nearly 5.7 million passenger travelling between the EU and India in 2007, India is ranked 11th in terms of passenger traffic between EU27 and non-EU countries. Over the past 3 years, EU-India passenger traffic has increased by 75%.

2 The agreement with India is the thirty-seventh "horizontal" aviation agreement negotiated by the European Commission. In total, 750 bilateral air services agreements between EU Member States and partner countries around the world have now been brought into conformity with EU law.

162. Joint Work Programme: European Union - India Co-operation on energy, clean development and climate change.

Marseille, September 29, 2008.

The EU and India as key Strategic Partners hereby reiterate their joint commitment to urgently address climate change and deepen co-operation in fields relevant to energy, clean development and climate change. Both India and the EU also attach high priority to the promotion of energy security as a key to stable and sustainable development. Both Parties recognize the cross-cutting nature of climate change, its impacts and that urgent actions are necessary to address all aspects of climate change

Urgent action is required by all countries to tackle climate change - the urgency of which was confirmed by the latest findings of the Intergovernmental Panel on Climate Change (IPCC) - in accordance with the principle of common but differentiated responsibilities and respective capabilities, as outlined in the United Nations Framework Convention on Climate Change (UNFCCC). The EU and India also recall that the fight against climate change is closely linked to the fight against poverty, inequality and exclusion. They recognize that the efforts undertaken to move towards a low carbon economy must go hand in hand with development and with improving the conditions of the poorest sections of the population. They also stress the need to exploit the synergies between the promotion of energy security, improved air quality and the reduction of greenhouse gas emissions, adaptation and mitigation measures to ensure consistency between meeting the ultimate objectives of the UNFCCC and energy policy, and between economic growth and development goals.

In the context of the ongoing negotiations for a post-2012 regime, the EU and India reiterate their determination to reach by 2009 an ambitious and comprehensive agreed outcome, in accordance with the principle of common but differentiated responsibilities and respective capabilities, to combat climate change within the framework of the UNFCCC. To that end, they underline the importance of attaining results in relation to all the components of the Bali Roadmap adopted in December 2007 (e.g. shared vision, mitigation, adaptation, technologies, financing). The Conference of the Parties to the Convention in Poznań in 2008 will constitute a critical step towards leading ultimately to the success of these negotiations.

The EU and India agree on the necessity to adopt a shared vision that includes a long-term objective to address the IPCC's scenarios. Accordingly, they note the desire of the G8 nations to share with all the parties of the UNFCCC the vision of reducing global emissions by at least 50% by 2050. They welcome the declaration of the Major Economies Meeting, where leaders of the world's major economies, both developed and developing, committed to combating climate change in accordance with their common but differentiated responsibilities and respective capabilities and to confronting the interlinked challenges of sustainable development, including energy and food security, and human health.

In this context, they note the EU commitment in March 2007 to reduce emissions by at least 20% from their 1990 levels by 2020, which would be increased to 30% in the context of a comprehensive and ambitious international agreement. They also note India's National Action Plan on Climate Change, aimed at further enhancing the ecological sustainability of India's development path and adapting to the effects of climate change.

The EU-India initiative on Clean Development and Climate Change, the EU-India Energy Panel and the EU-India Science and Technology Steering Committee are the relevant fora under which bilateral co-operation can be advanced on these important global issues. The EU and India have decided to adopt concrete activities and practical initiatives mentioned in the following rolling joint work programme on energy, clean development and climate change:

List of Activities

Co-operation on energy

- Work together to advance co-operation on achieving safe, secure, affordable and sustainable energy supplies under the auspices of the India-EU Energy Panel and its Working Groups.
- Intensify discussions, information sharing and co-operation on coal and the full range of clean coal technologies in the EU-India Coal and Clean Coal Technologies Working Groups.
- Promote energy efficiency and energy conservation through the International Partnership for Energy Efficiency Co-operation, complemented by bilateral activities as appropriate.
- Conclude negotiations on an agreement for co-operation in the field of Fusion Energy Research.

- Facilitate networking of institutions for research & development in the field of renewable energy.
- Identify joint priorities for future research co-operation under the EU's 7th Framework Programme and seek to launch specific co-operation activities in selected fields of research related to energy, environment and climate change including renewable energy sources, such as solar, wind, biomass, waste-to-energy and research in Clean Coal Technologies (CCT).

Co-operation on climate change

- Organise climate change workshops in areas such as Modelling Mitigation Options, deployment of climate-friendly technologies and on the future of the Clean Development Mechanism.
- Follow-up on a study on monitoring atmospheric and green house gas emissions realised in 2008.
- Establish a pool of expertise under the Action Plan Support Facility to support capacity building in India on climate change issues.

Private Sector Co-operation

- Use the European Business and Technology Centre as a platform for advancing Private Sector and Research Co-operation in the field of climate change including in the key areas of environment, energy and transport.
- Step up joint efforts to mobilise on mutually agreeable terms European Investment Bank funding to support investment projects in India that contribute to climate change mitigation and adaptation, and facilitate in particular transfers of technology for renewable energy and energy efficiency projects.



163. Speech of Prime Minister Dr. Manmohan Singh at India-EU Business Summit: "India - EU : New Synergies for Partnership".

Paris, September 30, 2008.

Ms. Parisot, President, MEDEF,

My Cabinet Colleague Mr. Kamal Nath,

Ms. Idrac

Mr. K.V. Kamath, President, CII,

Distinguished Ladies and Gentlemen,

It gives me great pleasure to join the representatives of Indian and EU industry for the Indo-EU Business Summit meeting. I am glad that this event coincides with the annual political Summit. It enables the governments to benefit from the advice and suggestions of captains of industry.

Ladies and gentlemen,

The global economy faces uncertain times. The crisis in the financial markets has cast its shadow on global liquidity. We have also seen sharp rises in petroleum and food prices. It is unfortunate that just as many developing countries were beginning to benefit from the positive potential of globalisation, the tide has turned and the economic prospects have deteriorated.

I emphasise the urgent need to restore confidence in the functioning of international financial markets and in the collective ability to coordinate macro economic policy in the major economies in a manner conducive to the restoration of global growth.

The Indian economy has grown at an average rate of 9% in the past four years. It is expected to slow down in 2008-09 reflecting the slow down in the global economy. Even so, it will grow between 7.5-8%. More importantly our medium term prospects remain strong based on sound fundamentals. We have weathered the current credit crisis facing the global banking and financial sectors. Our savings rate is touching 35%. Our direct tax collections for the first five months of the current financial year grew by 48 per cent compared to last year. India would, therefore, continue to provide a stable platform for businessmen and investors.

The Indian market is changing rapidly. The middle class is expanding. Rural consumers are shifting from commodities to branded products. There is growing urbanization and a surge in demand for consumer durables and luxury brands. The upside for growth therefore is enormous, with rising incomes continuing to support demand.

Our bilateral trade has been experiencing double digit annual growth for many years now. There is reason to believe that we could increase our annual bilateral trade volume to 100 billion Euros within the next five years.

The early conclusion of the Broad-based Trade and Investment Agreement would no doubt stimulate such growth and achievement of these targets even earlier.

Special Economic Zones are at the centre of our strategy for export growth. As many as 253 SEZs have been notified and SEZ exports have nearly trebled in the past two years. We have crafted a very attractive set of incentives for developers setting up SEZs and also for the units to be located within such Zones.

Ladies and Gentlemen,

I would like to draw your attention to seven areas where we see clear synergies for cooperation: investments in infrastructure including power generation, cooperation in services, skill development, solar energy, nuclear commerce, agricultural productivity and research and space. In many of these areas, it would be our expectation that technology transfers would be the key to promoting the synergies.

Our Government is placing special emphasis on infrastructure development - both urban and rural infrastructure. Huge investments are needed in the areas of energy, power, roads, railways, airports and ports. We hope that Foreign Direct Investment would contribute substantially. I urge you to look at the investor friendly policy regime we have created, including by encouraging public-private partnerships.

Services is not only the fastest growing sector of our economy but also the most visible face of India in the global economy. The potential however is enormous and we need to facilitate the collaboration between us in this area.

We seek easing of restrictions on movement of people, agreement on totalization of social security and improvement in living conditions of our professionals.

To retain the competitive advantage we have in manpower, we have embarked on a massive programme of expansion of capacity at all levels of education, including vocational education. We are aware of the expertise that EU Member States have developed in this area. Innovative ways to promote vocational training including through its integration into our secondary school programs is a priority for my Government. I see clear synergies between your strengths and our needs in skill development.

India today has a renewable power capacity of over 12,000 MW, constituting around 8% of the total installed capacity in the country. However, almost none of this comes from grid connected solar power. We have recently begun work on a 50 MW demonstration solar power program in public private partnership mode. We have also launched a National Solar Mission as part of our National Action Plan on Climate Change. I believe solar energy can emerge as a priority area of our cooperation.

Civil nuclear commerce is another area that has opened up for cooperation. Today we signed a bilateral agreement in this area with France and we expect to finalise agreements with other European partners too.

I have spoken of the need to have a second Green Revolution to respond to the global agricultural crisis. This cannot be realized without business innovation and enterprise. Development of new technologies, input use efficiency and improved seed and crop selection are areas where we could join hands.

India has a successful space program for launch of small and medium class satellites in both near earth and geo-stationary orbits. EU could make use of our launch vehicles for meeting launch requirements for small and medium class payloads.

Ladies and Gentlemen,

The democratic system in India may seem a little unwieldy at times. We recognize that there are infrastructure bottlenecks, system delays and problems in land acquisition.

We are addressing these issues in a transparent manner. But for every project that faces problems, there are hundreds that take off. So I urge you to have faith and to invest in the future of our relationship.

Lord Keynes once said that the difficulty lies, not in the new ideas, but in escaping from the old ones, which ramify....into every corner of our minds.

In conclusion, I wish to stress my conviction that India-EU economic and trade ties will not only be to our mutual benefit but will also be a stabilizing force for the global economy. I see a bright future for our partnership built on your innovation, dynamism and enterprise.

Thank you.



G-8 OUTREACH SUMMIT

164. Special Media Briefing by Foreign Secretary Shivshankar Menon on Prime Minister's visit to Japan to attend G-8 Summit.

New Delhi, July 4, 2007.

Official Spokesperson (Shri Navtej Sarna): Welcome to this briefing by the Foreign Secretary on Prime Minister's visit to the G-8 Summit in Japan. After Foreign Secretary has spoken we will do the questions in our usual fashion.

Foreign Secretary (Shri Shivshankar Menon): Good morning ladies and gentlemen. I thought I would run over the programme and brief you on what we expect from Prime Minister's visit to Japan for the G-8 Summit and the Summit of the Outreach-5 countries which will be taking place early next week.

Prime Minister will be leaving on Monday the 7th and will spend the 8th in Sapporo in Okaido in the north of Japan. On the 8th he will have several bilateral meetings. There will also be a Summit that afternoon of the five Outreach Countries of India, China, Brazil, Mexico and South Africa.

The next day is really the outreach day with the G-8 in Toyako, which is slightly away in Okaido in Japan which begins very early in the morning with a working meeting over breakfast between the O-5, who I just mentioned, and the G-8, where they will review the Heiligendamm process which was started at the last Summit. I will go into the substance of it later.

That will be followed by a meeting of the G-8 with the O-5 and three additional Outreach Countries - Republic of Korea, Australia and Indonesia. Primarily, it is the same group as the major economies meeting which has been discussing climate change and energy security for the last year. But

it will be the first meeting at leadership level of these countries and they will be considering climate change issues and energy security issues.

Thereafter, there will be a working lunch again with the same sixteen countries which is expected to cover broader issues of the world economy and so on. Through these two days, both on the 8th and on the 9th, Prime Minister will also be having a series of bilateral meetings with other leaders.

On the multilateral side, the Summit of the O-5 leaders is really the second such Summit. You would remember, last year in Berlin as well before the Outreach Meeting with the G-8 there was such a Summit. That is an occasion where, because we have shared attitudes towards most of the major international issues, they express themselves. We are working on an outcome document from that Summit which we hope to issue on the 8th itself. It will naturally cover all the issues that really bother us. One is, of course, development and the need for a much greater international effort at that. Energy is an issue which affects us all, us particularly, us meaning the members of the O-5. Food security, which is a big issue for us because of the tremendous increase in food prices, though India, per se, thanks to what we have done over the last few months, might not be as critical an issue as it might be for other countries but it is a global issue when we see global food prices rising at these levels. It is an issue that concerns all of us.

The subsequent working meeting on the 9th morning between the G-8 and the O-5 is really a sort of mid-term review of the Heiligendamm process which had been begun after the last year's summit in Germany. This was a process where for the first time there was a structured dialogue between the O-5 and the G-8 members. It has held several meetings on four subjects. One is innovation which is critical for us in terms of technology transfer, in terms of upgrading our economies; the other is energy efficiency which is important to us both in terms of environmental affects and also in terms of energy security, in both senses that is a very important issue for us; the third is development and the achievement of MDGs. These two are linked.

The MEM Summit, this is the first time there is a summit of this nature, is an attempt to encourage the UNFCCC process. You know, our approach to climate change has been that primarily we have an agreed framework within which the international community should address the climate change issues. That was agreed starting at Rio, subsequently in the Kyoto Protocol, and most recently in Bali where we agreed on an Action Plan on how we

would try and deal with climate change issues over the next few years and how we would negotiate an outcome to come out of the Copenhagen Summit in 2009.

So, there are major issues involved including the issues of a long-term goal of technology and how it should be transferred, financing, both mitigation and adaptation activities, and on mid-term plans and goals on how to push this process forward. The MEM meeting actually includes sixteen economies who among themselves represent a major part of the global economy and, therefore, have the capacity to push this discussion forward. But we see this as primarily an assistance to what we are trying to do under the UNFCCC parties' negotiations in the UN framework. We hope that as a result of this it will be possible for many of not only our ideas but common interests that we have with the others to be implemented on climate change.

Our own approach, as you know, since last year I think we have made it quite clear that we think primarily it is the developed countries who will need to limit their emissions, that they have already occupied the carbon space by what they have done historically; and that our primary responsibility is to develop and to create the means to adapt to and mitigate climate change. That needs to be done in a sustainable manner.

Within the last few weeks actually we have issued our own National Action Plan for dealing with climate change which gives you an idea of how our approach is. I do not know if you have all seen it. But I would really recommend that you read it. We have identified eight missions which we think are critical to our own future and how we will deal with climate change. We would like to see an international environment and an international framework which is supportive of that effort naturally, and we will work with others.

We have also made it clear, as Prime Minister said last year in Heiligendamm, that our per capita greenhouse gas emissions will not exceed those of the developed countries. This is in a sense a double challenge. It is a challenge to us naturally to find sustainable ways of development. It is also a challenge to the developed countries to bring down their emissions to levels which are sustainable, because they are not today, and to start implementing their prior commitments. We will see how the discussion goes and how it turns out. But we would like, at the end of the MEM meeting, to see real impetus to the UNFCCC discussions and

negotiations which naturally will take a little time to work themselves through because it will have to go through 2009 after the Copenhagen Summit.

Over the working lunch between the Outreach members and the G-8 the main issue will be the state of the world economy. There is clearly much more stress in the world economy today than there was when they met one year ago in Heiligendamm both in terms of financial structures and financial adjustments that are required and in terms of energy security and food prices. So, the expectation is that the leaders will exchange ideas on how they should deal with the situation; how they see the economy growing and what they think can be done collectively to address these issues which worry us all. Even if India, for instance, we are not a food importer and are largely sufficient, just the fact that we stay out of the market itself is a contribution I think to global food security. But it still means that we are affected by the prices as long as we run an open economy. We had to stop exports for instance because prices outside were so much higher and we did not want to import more inflation. We do import inflation in terms of very high-priced oil but the last thing we wanted was food prices also to be driven up by that effect. So, frankly it is an issue that concerns all countries. No matter which side of this contract you are on, you need to worry about it. We are hoping that there will be some results out of that discussion. Even if it is not codified, agreed, legally binding, but at least we will have a common sense of what we can do.

Overall, I think that is the real advantage of meetings like this that it gives the leaders a chance to talk directly to each other on issues that concern us all. It is in fact the very informality of the process which is the useful process. The sherpas prepare these meetings. We prepare the subjects, we talk about things but ultimately it is really what the leaders themselves choose to do and what they bring to the table and what they exchange with each other. So, there is only so much that I can tell you at this stage. I hope to tell you more about it after they meet. That is roughly on the multilateral meetings.

On the bilateral meetings, we are still in the process of firming them up. But the ones that we have already scheduled are with the Presidents of China, of Russia, of the USA, of Mexico, Republic of Korea, Indonesia, the Japanese Prime Minister, the Australian Prime Minister. There will be also a brief informal meeting of the BRIC leaders just after the lunch together. There will be meetings also with some of the others. The UN Secretary-General will be there for instance. Our PM will probably meet him. There might be other pull-asides. There are other meetings we are trying to

schedule but it is a very tight programme, you have heard already from what I said. So, some of it will have to be pull-asides and so on and I will tell you about them after they happen.

I am happy to answer questions.

Question: When is the meeting scheduled with the US President?

Foreign Secretary: On the 9th.

Question: On the nuclear deal front, are we going to ...(Inaudible)... Secondly, all these countries which are going to G-8 happen to be also members of the NSG. Are we going to be asking for their support? How do you see it in terms of NSG ...(Inaudible)...

Foreign Secretary: We have been in touch with all the countries. We have spoken to the NSG as well. At previous meetings of the NSG we have been in contact with them and that would continue. As soon as we have a decision on going to the IAEA Board of Governors, I will let you know.

Question: American Congressman Gary Ackerman said yesterday that though they would not have ...(Inaudible)... session and all that of the US Congress, after pushing so much if it does not go to the US Congress, how do you take that?

Foreign Secretary: Frankly, I have always avoided all your questions, you all know this, about what is the timeframe, which day will this happen, which day will that happen. I do not want to get into that. We want to go ahead with it. We will do our best to go ahead with it as soon as we can.

Question: What is the status of negotiations on IPI gas pipeline?

Foreign Secretary: We continue our discussions both with Iran and with Pakistan and it is mentioned each time. I think from our point of view the purpose of the discussions is to ensure that we have a project which is economically and commercially viable, where supplies are assured and where security of the project is also guaranteed. That is what we are trying to do in the process of discussing it both with Pakistan and with Iran bilaterally and also trilaterally. We have had both kinds of meetings because these are issues which we will all have to solve together.

Question: Will the Prime Minister of India talk to President George W. Bush on the possibilities of getting support from the NSG at the G-8 Summit?

Foreign Secretary: I think that is a discussion that we have had before. I think the US is committed under the July 18, 2005 Joint Statement to get us an exemption from the NSG and they have committed themselves to helping us to achieve that.

Question: *Sir, is the Prime Minister, during his visit to Japan, likely to meet the officials of the IAEA?*

Foreign Secretary: *There is unlikely to be any body from the IAEA in Japan during this summit. As far as I remember DG, IAEA did not come even the last year at Helligendamm.*

Question: I want you to confirm if all bilateral meetings will be organized in Toyako or in Sapporo.

Foreign Secretary: Some of the bilaterals are on the 8th in Sapporo.

Question: Which ones are they?

Foreign Secretary: I think with those who are staying in Sapporo, like with Mexico, with China, with Republic of Korea, the Indonesia. I think these are the ones that are likely to be on the 8th. The UN Secretary-General's probably is also on the 8th. We are actually still slotting all these moving pieces.

Question: Will the Prime Minister be meeting leaders of the NSG also?

Foreign Secretary: I think many of the leaders who are there are members of the Nuclear Supplier Group. I have not done the tally but I think most of them are members of the Nuclear Suppliers Group.

Thank you.

(Text in italics is translated from Hindi text)



165. Statement of Prime Minister Dr. Manmohan Singh on the eve of departure to Japan for G-8 and Outreach Countries Summit.

New Delhi, July 6, 2008.

I am leaving tomorrow for Japan to attend the Summit Meeting of the G-8 and Outreach Countries (Brazil, China, India, Mexico and South Africa) being hosted at Hokkaido Toyako on July 9 by the Japanese G-8 Presidency.

Prior to the meeting with the G-8 leaders, I will attend a meeting of the G-5 group of Outreach countries being hosted by the President of Mexico on July 8.

Over the years, India 's participation in the G-8/G-5 dialogue process has enabled us to articulate our concerns on a wide range of issues in a forthright manner, on an equal footing. Today, India 's views are heard with respect, and there is recognition of the fact that solutions to global issues require India 's involvement.

At the forthcoming Summit I will present India 's perspectives on a wide range of global issues, including the state of the world economy, development, trade, transfer of technology, energy security and food security. I will, in particular, highlight the impact of the sharp rise in fuel prices on the global economy and the need for joint action by both producing and consuming nations.

I will also participate in the meeting of the Leaders of Major Economies at which the issue of climate change will be discussed.

I will convey to the international community India 's belief that climate change, energy security and food security are interlinked, and require an integrated approach. The National Action Plan on Climate Change which was released recently underscores our commitment to address the challenge of climate change, and outlines concrete steps to meet this challenge. At the international level, we will work with others to find solutions within the UN Framework Convention on Climate Change and the Bali Road Map, based on the principle of common but differentiated responsibilities and respective capabilities. In our view there can be no solution without taking into account the developmental imperatives and

aspirations of developing economies. For us, the foremost priority is the removal of poverty, for which we need sustained rapid economic growth.

I will have bilateral meetings with our host - the Prime Minister of Japan, and some of the other leaders present, including those of Australia, Canada, China, Indonesia, Mexico, Republic of Korea, Russia, USA and the Secretary General of the United Nations. In addition, I look forward to participating in an informal meeting of the Brazil-Russia-India-China (BRIC) leaders on the sidelines of the G-8 Summit.

I thank Prime Minister Fukuda of Japan for inviting India to this important gathering of world leaders.



166. Political Declaration issued by the Five Outreach Countries attending the G-8 Summit.

Hokkado, July 8, 2008.

We the Leaders of Brazil, China, India, Mexico and South Africa, gathered in Sapporo, Japan, on 8 July 2008, have resolved to issue this Political Declaration:

1. Mankind is at a critical historical crossroad. The potential of globalization and innovation to raise living standards is unprecedented, but so are social and sustainable development challenges around the world.
2. The interrelationships of a global economic slowdown marked by financial uncertainty, the persistence of trade protectionist distortions, soaring food and oil prices, and the threats posed by climate change add complexity to the current scenario.
3. Our increasing interdependence demands an integrated and concerted response to these global challenges. We must ensure development and prosperity on a sustainable path, both within and across nations. That is the historical challenge of our generation. To achieve this fundamental goal, we must act in a coordinated manner to ensure equitable growth with care for the environment, taking appropriate account of cross-border interactions in fulfillment of our shared responsibility.

World Economy

4. The global economy continues to expand, but at a slower rate than in previous years. Most emerging and developing economies have proved resilient so far to adverse circumstances. Nevertheless, the international community as a whole faces important policy challenges to maintaining financial stability and mitigating global economic risks. Headline inflation is of particular concern.
5. We reaffirm our commitment to the establishment of a stable and orderly international financial system, more transparent and legitimate. The voice and representation of developing countries in the decision making of international financial institutions should be significantly improved, especially at the International Monetary Fund and the World Bank.
6. Given current global macroeconomic imbalances, it is essential to enhance policy coordination not only among advanced economies but also with emerging market economies, including by reinforcing existing multilateral mechanisms for coordination. The Financial G-20 is an appropriate forum for this endeavor.
7. The global financial architecture and its surveillance capacities must be also strengthened to contribute to the prevention and resolution of potential financial crises but, more importantly, to support sustainable development. In particular, it is necessary to provide international financial institutions with an adequate array of instruments to preserve global financial stability and smoothen the supply shocks derived from higher food and oil prices, especially in support of least developed and middle income countries.
8. The world economic outlook lends urgency to the establishment of a just, open, reasonable and non-discriminatory international trade system. It is essential to achieve an early conclusion to the Doha Round that fully supports development in accordance with its agreed mandate. Developed countries must dismantle barriers and distortions, especially agriculture subsidies and domestic support that affect the overall efforts of developing countries. This would provide a much needed impetus to global economic growth and would positively contribute to an enabling environment for development.

Food Security

9. The rise in global food prices poses a new challenge to the fight against poverty and hunger. To ensure food security is a shared responsibility that calls for swift and resolute action by all Governments and relevant actors.
10. The world produces enough food, but not enough people have access to it. We call upon the international community to devise better ways and means of producing and distributing food. Multi-billion agricultural trade-distorting support in developed countries have hampered the development of food production capacity in developing countries, critically reducing their possibilities of reaction to the present crisis. We therefore reaffirm the imperative of creating an enabling international environment for agro-produce related trade, establishing a just and reasonable international trade regime for agricultural products and concluding the Doha Round with meaningful commitments to agricultural subsidies reductions. Also, it is necessary to combat speculation and minimize the use of measures that could increase volatility of international food prices.
11. The food security crisis demands a rapid and substantial increase in the allocation of resources to support rural development and combat hunger and poverty. We urge developed countries, in particular, to increase their emergency aid at an early date. Innovative mechanisms of financing and enhanced flows of investment can also play an important role in addition to the required increase in flows of official aid.
12. Technological innovations and international cooperation can significantly increase agricultural productivity and contribute to combating the current food security crisis. Intellectual property rights in the agricultural domain should strike a balance between the greater good of humankind and incentives to innovation. In particular, we encourage collaborative action for better seeds and farm outputs that are sustainable and environmentally sound as well as a comprehensive approach in all fields including finance, trade, aid, environment, intellectual property rights and technology transfer, so as to create a conducive international environment for food security.
13. The current food security crisis has multiple and complex causes whose assessment requires objectiveness. It is essential to address

the challenges and opportunities posed by biofuels, in view of the world's food security, energy and sustainable development needs. If developed sustainably, biofuels can effectively contribute to generating opportunities and achieving food and energy security altogether. To this purpose, it is important that public policies for production of biofuels contribute to sustainable development and the well-being of the most vulnerable people and do not threaten food security.

Climate Change

14. We urge the international community to address the challenge of climate change through long term cooperative action in accordance with the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol, especially the principle of common but differentiated responsibilities and respective capabilities. We take our responsibilities seriously and welcome the Bali Action Plan and the Bali Roadmap and are committed to the completion of negotiations by 2009.
15. Negotiations for a shared vision on long-term cooperative action at the UNFCCC, including a long-term global goal for greenhouse gases (GHG) emissions reductions, must be based on an equitable burden sharing paradigm that ensures equal sustainable development potential for all citizens of the world and that takes into account historical responsibility and respective capabilities as a fair and just approach. It is essential that developed countries take the lead in achieving ambitious and absolute greenhouse gas emissions reductions in accordance with their quantified emission targets under the Kyoto Protocol after 2012, of at least 25 40 per cent range for emissions reductions below 1990 levels by 2020, and, by 2050, by between 80 and 95 per cent below those levels, with comparability of efforts among them.
16. We also urge the international community, particularly developed countries, to promote sustainable consumption patterns and lifestyles responsive to mitigation requirements.
17. For developing countries, adaptation is of cardinal importance, particularly given their vulnerability, limited capacity and inadequate means. We stress the need of scaling up resources for adaptation and strengthening of adaptive potential in developing countries in

order to reinforce capabilities to prevent and confront the increased frequency and scale of natural disasters and the other adverse effects of climate change.

18. We, on our part, are committed to undertaking nationally appropriate mitigation and adaptation actions which also support sustainable development. We would increase the depth and range of these actions supported and enabled by financing, technology and capacity-building with a view to achieving a deviation from business-as-usual. In this regard, in the negotiations under the Bali Road Map, we urge the international community to focus on the core climate change issues rather than inappropriate issues like competitiveness and trade protection measures which are being dealt with in other forums.
19. Affordable access to adaptation and mitigation technologies, achieved through a suite of funding mechanisms, investment structures and policy tools, is a key enabling condition for developing countries to tackle climate change. We call upon the international community to work towards a strengthened scheme for technology innovation, development, transfer and deployment, and a comprehensive review of the intellectual property rights regime for such technologies in order to strike an adequate balance between rewards for innovators and the global public good.
20. Enhanced financial support for developing countries must cover incremental and opportunity costs to meet the challenges of climate change. New and innovative financial mechanisms must mobilize additional resources beyond the flexibility mechanisms of the Kyoto Protocol and other instruments of the carbon market, without diverting national or multilateral and ODA resources from the imperatives of development and poverty alleviation.
21. Developed countries should commit clearly to significant additional financing to support both mitigation and adaptation in developing countries. We recognize the need for further financing options to complement, not substitute, the financial arrangements under the Kyoto Protocol. In this regard, we welcome for further exploration, inter alia, the proposal by China for setting a climate financing goal for all developed countries, such as 0.5% of GDP (in addition to ODA) for climate action in developing countries, as well as the Mexican initiative for a World Climate Change Fund

Energy Security

22. Energy security is essential to ensure the steady growth of the global economy. We call upon the international community to strengthen overall cooperation on energy development and utilization, with emphasis on renewable energy and energy efficiency and giving adequate consideration to solar, wind and hydro-electrical power, and bio-fuels such as ethanol and bio-diesel without adversely affecting food security.
23. More efforts should be made to develop clean energy technologies that are affordable, environment-friendly and suitable to the conditions of developing countries, ensuring that these technologies be adequately transferred to developing countries.
24. We must take an integrated approach to international energy cooperation and international development cooperation, ensuring access to energy by developing countries on an equitable and sustainable manner.

Millennium Development Goals and Monterrey Consensus

25. The global community of nations has recognized that achieving the internationally agreed development goals, including those contained in the United Nations Millennium Declaration, demands a new partnership between developed and developing countries.
26. This was stated in the Monterrey Consensus, whereby the international community agreed to work in a coordinated manner to support development by mobilizing domestic resources, attracting international resource flows, developing innovative financial mechanisms, harnessing the benefits of international trade, increasing international financial and technical cooperation, achieving sustainable debt financing and external debt relief, and enhancing the coherence and consistency of the international monetary, financial and trading systems.
27. As we reach with uneven success the mid-point in the process to achieve the Millennium Development Goals, particularly in the least developed countries in Africa and other regions, the international financial community should join efforts to preserve financial stability and resume the path of vigorous and sustainable economic growth as necessary conditions to attaining these goals.

We urge developed countries to renew their resolve to support these processes in the global interest, particularly regarding trade openness, the fulfillment of their commitments to allocate at least 0.7% of their GNP to ODA, and the reform to global governance.

28. The international community should ensure that, from their holistic perspective, the upcoming UN Millennium Development Goals High-level event and the Doha Follow-up International Conference on Financing for Development contribute to achieving all-round and balanced progress towards the Millennium Development Goals at the global level. A follow-up mechanism to continue to monitor the implementation of the Monterrey Consensus should be one of the results of the Doha Conference.

South-South cooperation

29. We reaffirm the role of South-South cooperation in the context of multilateralism, and the need to strengthen it as an important platform for developing countries to jointly respond to development challenges.
30. We reiterate that South-South cooperation enjoys important comparative advantages and complements rather than replaces North-South cooperation. In this context, we call upon Governments, international organizations and all relevant actors, to support South-South cooperation, by fully tapping the synergies of triangular cooperation.
31. While acknowledging progress in South-South cooperation in recent years, we are committed to continue broadening its reach and impact through innovative models of cooperation based on the principles of equality and mutual benefit.

The Role of the G5

32. In fulfilling our shared responsibility as major developing countries, we are determined to continue engaging in all efforts leading to achieve the improved global economic governance and other major global changes required to ensure that globalization and interdependence work for the benefit of all.
33. We thus commit ourselves to a strengthened multilateralism, keeping fully engaged to intensified international cooperation under the

leadership of the United Nations. We will continue to strive for a comprehensive reform of the United Nations that includes strengthening the General Assembly, revitalizing ECOSOC, reforming the Secretariat, strengthening the UN gender architecture and, in particular, achieving an early reform of the UN Security Council. We urge the international community to faithfully implement the outcomes of major World Summits, especially the Millennium Development Goals,

34. the Monterrey Consensus and the Johannesburg Plan of Implementation and to continue promoting shared initiatives to rise to the new global challenges and opportunities of our era.
35. As a key strategic objective, we will continue contributing to multilaterally promote an action-oriented global partnership for equitable and sustainable development, including by making positive contributions in such critical areas as global governance, financial stability, climate change as well as food and energy security.
36. With these purposes, based on the principles of equality, mutual respect and cooperation for the common good, we are ready to consolidate bilateral relations, improve our cooperation level and mechanisms, and continue the dialogue and collaboration with the G8 and the international community at large.



167. Intervention by Prime Minister Dr. Manmohan Singh at Major Economies Meeting on Climate Change at the G-8 Outreach meeting.

Hokkado (Japan), July 9, 2008.

At the outset please allow me to express my appreciation for your personal engagement with the very serious issue of climate change.

A text for our declaration has been agreed by our officials after protracted negotiations. This has been done in a spirit of compromise and willingness to accept each others views. Even if some of our views have not been incorporated as we would have wished, we should adopt the text as it is.

I welcome the fact that we are all engaged in serious negotiations for enhanced implementation of the UNFCCC through long term cooperative action.

It is very important that the provisions and principles of the Convention, especially common but differentiated responsibilities and respective capabilities, are respected in these negotiations and their outcomes in letter and spirit.

The first and overriding priority of all developing countries is poverty eradication.

More than 600 million people in India are still without access to modern energy sources and a quarter of our population lives on less than a dollar a day.

The imperative for accelerated growth is even more urgent when we consider the disproportionate impact of climate change on us as a developing country with little choice but to devote even more and huge resources to adaptation in critical areas of food security, public health and management of scarce water resources.

And, this comes at a time when we are faced with an ever increasing energy bill putting our energy security at extreme risk.

Sustained and accelerated economic growth is, therefore, critical for all developing countries and we cannot for the present even consider quantitative restrictions on our emissions.

Moreover, there should be no detracting of public and private development transfers and flows. Rather there must be new and additional resources made available to developing countries.

We have not seen demonstrable progress on even the low levels of agreed GHG reduction from developed countries and, indeed, the prognosis is that their emissions as a whole will continue to rise even in the years to come.

This must change and you (the G8) must all show the leadership that you have always promised by taking and then delivering truly significant GHG reductions.

Let me assure you that as a responsible nation that is particularly mindful of its international obligations, India is committed to a path of sustainable development. Though India's per-capita emissions are among the lowest in the world and we are certainly not free riders or major emitters, we have recently adopted a strong National Action Plan on Climate Change.

Our efforts, of course, would be greatly enhanced with global support, especially in terms of financial flows and technology access.

India is determined that even as we pursue our economic growth and development, our per-capita emissions will not go beyond those of the developed countries.

But, this convergence idea is also a challenge to the developed countries. The quicker you reduce your emissions, the greater the incentive for us to follow.

I am grateful to Chancellor Merkel, President Sarkozy and Prime Minister Gordon Brown, who have welcomed this approach.

If we are to honestly address the climate change challenge, it is important that we recognize the right to equal sustainable development and historical responsibility.

An equitable burden and carbon space sharing paradigm is also the key to realizing the ultimate objective of the Convention.

And, for real success, we have to eschew unsustainable consumption patterns and lifestyles worldwide.

I also believe that technology is a critical transformation agent for both mitigation and adaptation.

Collaborative R&D between developing and developed country institutions for affordable advanced clean technologies as well as their transfer, deployment and diffusion in developing countries needs to be expedited.

There is also a need for a fairer IPR regime for advanced clean technologies so that rewards for innovators are sufficiently remunerative and at the same time they are made available to developing countries at affordable cost. Indeed there is a strong case that critical technologies be treated as global public goods.

It is also important that standards and norms are reflective of the developmental context to which they apply.

Climate Change is a certainly huge challenge for all of us.

But it should not be used to add conditionalities to the already complex development challenges that we face in developing countries or maintaining economic status quo or attempting to introduce protectionism by another means.

We should look at it as a challenge and as an opportunity and work together for cooperative and collaborative action on an issue of great importance to the future of mankind¹.

Thank You.



1 Foreign Secretary on board the Prime Minister's Special flight on way back to New Delhi briefing the accompanying media about the discussions that took place around the table said: "They then moved to the Major Economies Meeting which was to decide on climate change. I presume you have seen the declaration that issued and seen what Prime Minister said. I think you have seen the main issues. The G8 communiqué, declaration yesterday, for the first time had a long-term goal, not very clear but saying 50 per cent reduction in greenhouse gas emissions by 2050 without saying what the base was, 50 per cent on what, or saying how one would get to 50 per cent by that time. In other words it was not clear at all how this would be divided, who would take what cuts. Our criteria have been quite clear right through. In fact, we have pushed for interim goals as well, for the primary responsibility of the developed countries that those who made the problems should really take the cuts, and that those who have already occupied the carbon space cannot keep occupying it. We have for our part said that we are willing to do our bit as well by making it quite clear that our per capita emissions will not exceed those of the average emissions of the developed countries. Prime Minister made the same offer again and made it clear that while we are willing to be responsible partners in this exercise there has to be common and differentiated responsibilities according to the capabilities, and that the primary responsibility is with the developed countries to address this problem. The polluter pays, I think, was the principle that we use."

168. Declaration of Leaders of Major Economies on Energy Security and Climate Change.

Hokkado (Japan), July 9, 2008.

We, the leaders of Australia, Brazil, Canada, China, the European Union, France, Germany, India, Indonesia, Italy, Japan, the Republic of Korea, Mexico, Russia, South Africa, the United Kingdom, and the United States met as the world's major economies in Toyako, Hokkaido, Japan, on 9 July, 2008, and declare as follows:

1. Climate change is one of the great global challenges of our time. Conscious of our leadership role in meeting such challenges, we, the leaders of the world's major economies, both developed and developing, commit to combat climate change in accordance with our common but differentiated responsibilities and respective capabilities and confront the interlinked challenges of sustainable development, including energy and food security, and human health. We have come together to contribute to efforts under the U.N. Framework Convention on Climate Change, the global forum for climate negotiations. Our contribution and cooperation are rooted in the objective, provisions, and principles of the Convention.
2. We welcome decisions taken by the international community in Bali, including to launch a comprehensive process to enable the full, effective, and sustained implementation of the Convention through long-term cooperative action, now, up to, and beyond 2012, in order to reach an agreed outcome in December 2009. Recognizing the scale and urgency of the challenge, we will continue working together to strengthen implementation of the Convention and to ensure that the agreed outcome maximizes the efforts of all nations and contributes to achieving the ultimate objective in Article 2 of the Convention, which should be achieved within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened, and to enable economic development to proceed in a sustainable manner.
3. The Major Economies Meetings constructively contribute to the Bali process in several ways:
 - First, our dialogue at political, policy, and technical levels has built confidence among our nations and deepened mutual

understanding of the many challenges confronting the world community as we consider next steps under the Convention and continue to mobilize political will to combat global climate change.

- Second, without prejudging outcomes or the views of other nations, we believe that the common understandings in this Declaration will help advance the work of the international community so it is possible to reach an agreed outcome by the end of 2009.
 - Third, recognizing the need for urgent action and the Bali Action Plan's directive for enhanced implementation of the Convention between now and 2012, we commit to taking the actions in paragraph 10 without delay.
4. We support a shared vision for long-term cooperative action, including a long-term global goal for emission reductions, that assures growth, prosperity, and other aspects of sustainable development, including major efforts towards sustainable consumption and production, all aimed at achieving a low carbon society. Taking account of the science, we recognize that deep cuts in global emissions will be necessary to achieve the Convention's ultimate objective, and that adaptation will play a correspondingly vital role. We believe that it would be desirable for the Parties to adopt in the negotiations under the Convention a long-term global goal for reducing global emissions, taking into account the principle of equity. We urge that serious consideration be given in particular to ambitious IPCC scenarios. Significant progress toward a long-term global goal will be made by increasing financing of the broad deployment of existing technologies and best practices that reduce greenhouse gas emissions and build climate resilience. However, our ability ultimately to achieve a long-term global goal will also depend on affordable, new, more advanced, and innovative technologies, infrastructure, and practices that transform the way we live, produce and use energy, and manage land.
 5. Taking into account assessments of science, technology, and economics, we recognize the essential importance of enhanced greenhouse gas mitigation that is ambitious, realistic, and achievable. We will do more ? we will continue to improve our policies and our

performance while meeting other priority objectives ? in keeping with the principle of common but differentiated responsibilities and respective capabilities. Achieving our long-term global goal requires respective mid-term goals, commitments and actions, to be reflected in the agreed outcome of the Bali Action Plan, taking into account differences in social and economic conditions, energy mix, demographics, and infrastructure among other factors, and the above IPCC scenarios. In this regard, the developed major economies will implement, consistent with international obligations, economy-wide mid-term goals and take corresponding actions in order to achieve absolute emission reductions and, where applicable, first stop the growth of emissions as soon as possible, reflecting comparable efforts among them. At the same time, the developing major economies will pursue, in the context of sustainable development, nationally appropriate mitigation actions, supported and enabled by technology, financing and capacity-building, with a view to achieving a deviation from business as usual emissions.

6. We recognize that actions to reduce emissions, including from deforestation and forest degradation, and to increase removals by sinks in the land use, land use change, and forestry sector, including cooperation on tackling forest fires, can make a contribution to stabilizing greenhouse gases in the atmosphere. These actions also reduce climate change impacts and can have significant co-benefits by maintaining multiple economic goods and ecological services. Our nations will continue to cooperate on capacity-building and demonstration activities; on innovative solutions, including financing, to reduce emissions and increase removals by sinks; and on methodological issues. We also stress the need to improve forest-related governance and cooperative actions at all levels.
7. We recognize that adaptation is vital to addressing the effects of inevitable climate change and that the adverse impacts of climate change are likely to affect developing countries disproportionately. We will work together in accordance with our Convention commitments to strengthen the ability of developing countries, particularly the most vulnerable ones, to adapt to climate change. This includes the development and dissemination of tools and methodologies to improve vulnerability and adaptation assessments, the integration of climate change adaptation into overall development strategies, increased implementation of adaptation strategies,

increased emphasis on adaptation technologies, strengthening resilience and reducing vulnerability, and consideration of means to stimulate investment and increased availability of financial and technical assistance.

8. We affirm the critical role of technology and the need for technological breakthroughs in meeting the interlinked global challenges of energy security and climate change. In the near term, broader deployment of many existing technologies will be vital for both mitigation and adaptation. In particular, energy conservation, energy efficiency, disaster reduction, and water and natural resource management technologies are important. We will promote the uptake and use of such technologies including renewables, cleaner and low-carbon technologies, and, for those of us interested, nuclear power. Technology cooperation with and transfer to developing countries are also vital in this effort, as is promoting capacity building. For the longer term, research, development, demonstration, deployment, and transfer of innovative technologies will be crucial, and we acknowledge the need to enhance our investment and collaboration in these areas. Mindful of the important role of a range of alternative energy technologies, we recognize, in particular, the need for research, development, and large-scale demonstration of and cooperation on carbon capture and storage. We also note the value of technology roadmaps as tools to promote continuous investment and cooperation in clean energy research, development, demonstration, and deployment.
9. We recognize that tackling climate change will require greater mobilization of financial resources, both domestically and internationally. There is an urgent need to scale up financial flows, particularly financial support to developing countries; to create positive incentives for actions; to finance the incremental costs of cleaner and low-carbon technologies; to make more efficient use of funds directed toward climate change; to realize the full potential of appropriate market mechanisms that can provide pricing signals and economic incentives to the private sector; to promote public sector investment; to create enabling environments that promote private investment that is commercially viable; to develop innovative approaches; and to lower costs by creating appropriate incentives for and reducing and eliminating obstacles to technology transfer relevant to both mitigation and adaptation.
10. To enable the full, effective, and sustained implementation of the Convention between now and 2012, we will:

Work together on mitigation-related technology cooperation strategies in specific economic sectors, promote the exchange of mitigation information and analysis on sectoral efficiency, the identification of national technology needs and voluntary, action-oriented international cooperation, and consider the role of cooperative sectoral approaches and sector-specific actions, consistent with the Convention;

Direct our trade officials responsible for WTO issues to advance with a sense of urgency their discussions on issues relevant to promoting our cooperation on climate change;

Accelerate enhanced action on technology development, transfer, financing, and capacity building to support mitigation and adaptation efforts;

- Support implementation of the Nairobi Work Programme on impacts, vulnerability, and adaptation to climate change;
 - Improve significantly energy efficiency, a low-cost way to reduce greenhouse gas emissions and enhance energy security;
 - Continue to promote actions under the Montreal Protocol on Substances That Deplete the Ozone Layer for the benefit of the global climate system; and
 - Intensify our efforts without delay within existing fora to improve effective greenhouse gas measurement.
11. Our nations will continue to work constructively together to promote the success of the Copenhagen climate change conference in 2009.



G-77

169. Statement of Permanent Representative at the UN Nirupam Sen at the Handing Over Ceremony of the Chairmanship of the Group of 77.

New York, January 11, 2008.

Mr. Chairman,

At the outset, let me join others in conveying greetings and warm wishes to Your Excellency Mr. Prime Minister and to Antigua and Barbuda on your election as the Chairman of the Group of 77 for the year 2008. We are confident that you will enjoy a very fruitful and productive tenure as our Chair. Allow me to underline India's full support to you and your team in all your efforts to promote and project the interests of developing countries. Such strength as India has is with you always.

I would also like to felicitate Ambassador Munir Akram and his team for ably articulating the views and concerns of this Group. Mr. Prime Minister, you have rightly emphasized unity. As the recent meetings in Bali have demonstrated yet again, a united G-77 is essential to ensure that the voice of developing countries is effectively heard. It is to our credit that despite our diverse concerns and sensitivities, the Group has been successful in projecting common positions, which takes into account the concerns of all countries, including Small and Island States. For us it is a matter of special satisfaction that a Small Island Developing State of the Caribbean has taken over the Chairmanship of this Group.

The priorities of the United Nations sometimes appear to be suboptimal because of the developed countries disproportionate control of both resources and decision making. The G-77 therefore has a vital historic role not only to resist but to transform, not just to hold the line but to be proactive. In our work in New York, we cannot hold firm if we give ear to rumours, a weapon of those who wish to erode our solidarity. Let us go by deeds, not hearsay. Sometimes pressure may be used and wherever there is the probability of pressure, we can stiffen resolve and reinforce strength through economic and technological assistance where possible and political solidarity where necessary. Very rarely even if difficulties are overwhelming and an issue dear to us is likely to be dead meat, let us at least not supply the carving knives.

The Secretary General and the representative of Suriname rightly referred to the Right to Development. Partly thanks to the G-77 this has become an established Right. At the beginning, the Right was dismissed as "a letter to Santa Claus". If this was so, then obviously Santa Claus was an honorary member of the G-77. The working group in Geneva came to the conclusion that the performance of WTO and the Bretton Woods Institutions should be examined from the point of view of this Right. We cannot be pro-active and transform unless we act boldly on economic matters. In the context of climate change, MDGs and economic development, we would have to give an impetus to the reform of the Bretton Woods Institutions (using the oversight role of ECOSOC and Resolution 61/16 as a beginning); influence the trade agenda and address the inequities of the IPR regime. Let us try to be firm and proactive in formulations and resolutions designed to achieve these objectives. This organization sometimes has skewed priorities. During the Budget negotiations, a representative of the Department of Economic and Social Affairs (DESA) had told the Fifth Committee that they did not need any more posts or resources. The Under Secretary General, DESA, has just told us authoritatively that they do. He called DESA the 'least developed' part of the Secretariat. In fact, he spoke almost like a member of G-77. The least we can do is to give him these resources so that DESA can graduate from being the least developed to being the most rapidly developing part of the Secretariat. There is core funding for peacekeeping and human rights but not for development. The successful struggle over the Budget therefore was not just for the Budget but to restore the values and character of this organization itself. We seldom recognize the quality and contribution of our delegates to this success. Let me therefore express my appreciation of Minister Imtiaz Hussain. He listened carefully to all opinions in the Group, contributed to unity and combined a knowledge and grasp of detail with unwavering firmness of articulation. This remains the formula for our success.

During 2008, proposals relating to important reform items, including strengthening of the UN Secretariat's development architecture, Department of Political Affairs, and those pertaining to human resources management, Procurement, ICT, ERP etc, would be presented by the Secretary-General to Member States. As in the past, we have to remain vigilant to ensure that the outcome of deliberations on these proposals is favorable to the developing countries. Needless to say, the unity of the Group of 77 would be of paramount importance in ensuring this objective.

We stand to make significant gains through unity and cohesion. We must not underestimate our position - the world economy has continued with

steady growth in the recent past due mainly to growth in the developing world. The real challenge is to broad-base and sustain this growth. Allow me to recall G-77's special role in promoting and fostering South-South cooperation. India has been active in sharing its developmental experiences and expertise, and we remain ready to expand such cooperation with our developing country partners in future as well. Sometimes there may be even heated discussions but it is a law of physics that amplitude is directly proportional to temperature: high temperature also means high amplitude. As you had said Mr. Prime Minister, G-77 is frequently able to propose effective solutions because diversity is our strength. It is precisely because it springs from this diversity of opinion that what we propose is rational and optimal. And it should be accepted. If the economic status quo that marked the closing years of the 20th century continues deep into the 21st century it would simply worsen security for all. As the poet says: "The One remains, the Many change and pass". We come and go but the Group remains. Therefore, above everything else is solidarity. When we go out of the door, we may sometimes be strangers among strangers but here inside in this Group we are always friends among friends.

We know your Ambassador Mr. Prime Minister from his work on sustainable development and his Chairmanship of the Fifth Committee. We have every confidence in his ability. Let me reiterate our best wishes to Antigua and Barbuda for the challenging journey ahead, as well as our whole-hearted support to it in pursuit of our common goals and objectives.

Thank You.



170. Statement by Minister of State Anand Sharma at the 32nd Annual Meeting of Ministers for Foreign Affairs of the Group of 77.

New York, September 26, 2008.

Mr. Chairman,

Allow me to congratulate and thank Antigua and Barbuda for its untiring effort in promoting the Group's interests at various UN fora this year. My greetings also extend to the Republic of Sudan on its election as the Chairman of the Group of 77 for the year 2009. We wish it all success in discharging this important role, and reiterate India's whole-hearted support.

I would also like to thank Cote d'Ivoire for its generosity and wonderful hospitality in hosting the Twelfth Inter-governmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries earlier this year.

Mr. Chairman,

The role of developing countries in the world has undergone much change since the founding of this Group. Sustained poverty eradication efforts have borne fruit in many countries, though significant challenges remain. Intra-South trade and investment flows have re-invigorated South-South cooperation. Our economies are now playing a key role in backstopping global economic growth. Yet, the shared concerns that brought us together continue to be relevant even today, particularly the challenges of poverty eradication and development.

The ongoing financial crises caused by developed country markets have also demolished the myth that the need for reform is limited to developing countries.

Unfortunately, the international economic and financial architecture, and its institutions, are not in line with the new global realities. This must change. A comprehensive review of the international economic and financial architecture, so as to ensure a greater voice and increased participation by developing countries in decision-making and norm setting processes, is urgently needed.

Mr. Chairman,

Our meeting is taking place at a crucial time. We are at the halfway stage to the MDG target date of 2015, and it appears that many parts of the world are not on track to achieve the MDGs. The global food and energy crises have exacerbated the problems, whose impact is particularly severe on the most vulnerable. The Monterrey Review Conference is to be held in end-November 2008, against the backdrop that commitments by developed countries continue to remain unfulfilled. Projections for global growth remain pessimistic.

The global partnership for development must be genuinely implemented. We have, on various occasions, highlighted the need for effective action by developed countries to reverse the declining trend in ODA, to promote investment and trade that is pro-development and facilitate transfer of and access to developing countries of advanced technologies on preferential and concessional terms. In this context, a fairer IPR regime is a must so that critical technologies, be it in public health or climate change, are treated as global public goods, and rewards for innovators are balanced with the common good of humankind.

The success of the Monterrey Review Conference should be judged against these benchmarks. The Development Cooperation Forum of the Economic and Social Council must also play a key role in overseeing the effective implementation of all facets of development cooperation, including the global partnership for development.

We are disappointed that we have had to take a pause in the WTO negotiations; on our part we remain engaged towards a successful conclusion that will have the development dimension at its core. The livelihood security of subsistence and marginal farmers in the developing world can hardly be compromised.

Mr. Chairman,

The need for unity and solidarity among developing countries remains crucial. It is a tribute to our collective efforts that we have been able to project our common interests with one voice, despite unsuccessful efforts to divide us on artificial lines. As the ongoing negotiations on climate change in the UNFCCC have demonstrated, even in areas where some of our members have somewhat varying concerns, the Group has been able to coalesce around common elements and ensure that the interests of

developing countries are adequately protected and promoted. As these crucial negotiations progress, we must ensure that the cohesiveness of the Group is maintained, and the Group takes a unified approach, based on the principle of "common but differentiated responsibilities", which recognizes the differences in the contribution of developed and developing countries to global environmental problems as well as the differences in their respective financial and technical capabilities to tackle such problems.

Another notable success of our group has been the ability to project the needs and concerns of special groups amongst us - the Least Developed Countries, the Landlocked Developing Countries, the Small Island Developing States, the African countries and others who are vulnerable and need our support. In this regard, we reaffirm India's support to the High-Level meeting on Africa's development needs held earlier this week, and the Mid-term review of the Almaty Programme of Action, to be held next week.

Before concluding, Mr. Chairman, I would like to reiterate India's commitment to South-South cooperation and the role of the G-77. India is already active in sharing its developmental experiences with numerous partner countries, as also its expertise in certain areas of capacity building and technology. India will further expand and intensify such cooperation with our developing country partners in the years ahead.

Thank you, Mr. Chairman.



IBSA

171. Press Statement issued on the Ministerial Meeting of the INDIA - BRAZIL - SOUTH AFRICA (IBSA) DIALOGUE FORUM.

New York, September 29, 2008.

The Ministers of Foreign Affairs of India, Mr. Pranab Mukherjee; Brazil, Mr. Celso Amorim; and South Africa, Dr. Nkosazana Dlamini Zuma; met in New York on 29 September 2008 on the occasion of the 63rd Session of the United Nations General Assembly. They exchanged views on a number of issues on the international agenda and discussed topics related to the India-Brazil-South Africa Dialogue Forum (IBSA).

The three Ministers reaffirmed their commitment to the further strengthening of IBSA and their joint resolve to enhance coordinated positions on global political and multilateral issues of importance, especially in terms of those issues which have a major impact on developing countries, such as the imperative to reform Global Governance institutions to be more representative and democratic.

They further discussed improved mechanisms to streamline and fast-track the disbursement of funds from the IBSA Trust Fund to identified beneficiaries from least developed countries in order to make progress with the implementation of projects. In this regard, the three IBSA partners approved the review report and expressed satisfaction that the IBSA Facility Fund for Poverty and Hunger Alleviation, which is a tangible example of South-South cooperation, has approved support projects, in addition to existing projects in Haiti (solid waste management) and Guinea-Bissau (agriculture development), in the following developing countries:

- **Guinea-Bissau:** agriculture development (phase II) and reliable energy supply in key locations
- **Burundi:** strengthening infrastructure and capacity to combat HIV/ Aids
- **Lao People's Democratic Republic:** irrigation and watershed management
- **Cape Verde:** refurbishment of health care infrastructure

- **Palestine:** building of a sports facility to promote constructive youth engagement

The Ministers took note with satisfaction that most of the Working Groups of IBSA have met or would be meeting in India in September - October, 2009, prior to the forthcoming Third IBSA Summit. They welcomed the new agreements/MOUs that are envisaged to be signed at the Summit.

They noted with satisfaction that preparations for the Third IBSA Summit were proceeding satisfactorily.

The Ministers noted that the Focal Points will meet in New Delhi on 10 October 2008, and if necessary, prior to that, to finalize arrangements for the Summit.

The Ministers also discussed UN Security Council Reform, and expressed satisfaction at the decision of the General Assembly to commence intergovernmental negotiations, based on proposals of Member States, in the informal plenary of the UN General Assembly, no later than 28 February 2009. They emphasized the need for urgent reform of the Security Council, that would include its expansion in both categories of membership, permanent and non-permanent, in order to render it more democratic, legitimate, representative and responsive. They reiterated their commitment to continue to jointly pursue a decision on the Security Council expansion on an urgent basis, with a view to achieving concrete results.

The preparations for the 3rd IBSA Summit were also part of the three Minister's agenda and they agreed to meet again on the eve of that occasion.



172. Inaugural Address By External Affairs Minister Pranab Mukherjee at the Academic Forum : "IBSA Partnership For Shared Prosperity & Inclusive Globalization".

New Delhi, October 13, 2008.

Dr. Arjun Sengupta, Member of Parliament and Chairman, RIS,

Excellencies,

Academicians from India, Brazil and South Africa,

Ladies and Gentlemen,

It gives me great pleasure to inaugurate the Third IBSA Summit Academic Forum organized by RIS. The meeting of minds of academics and members of think-tanks of the IBSA has to contribute a lot to the IBSA process by constantly providing ideas and visions. I believe that over time the Academic Forum of IBSA should evolve into a think-tank of the IBSA process.

2. IBSA represents an important milestone in the area of South-South Cooperation (SSC) bringing together three leading democracies in the developing world representing the three continents combining between them substantial developmental experiences.
3. Developing countries have talked of the philosophy of South-South Cooperation for development for a very long time. A number of initiatives were launched during the 1960s and 1970s. However, progress was modest because of lack of resources and institutional weaknesses in developing countries. With the emergence of countries like Brazil, India and South Africa in this millennium with considerable capabilities and collective development experiences that South-South cooperation has begun to be seen as a viable strategy. Recent trends suggest that developing countries are revitalizing South South Cooperation as a new engine of growth. Developing countries in different regions are also establishing their own schemes of regional economic integration, e.g. Mercosur, Comesa and SACU, AFTA, SAFTA and BIMSTEC. The Bangkok Agreement and the GSTP are being revitalized. The South-South trade is growing rapidly. With the emergence of new dynamic enterprises in these countries even South-South investments and technology transfers have begun to increase.

4. IBSA is among the latest developments with respect to South-South Cooperation set up to explore the possibilities for closer economic cooperation in a Trilateral Dialogue for mutual benefit and for international development.
5. India, Brazil and South Africa share common economic and political history and have stood together in different multilateral fora on more than one occasion for the cause of developing world. India's contribution to South Africa's struggle against apartheid has been widely acknowledged. India and Brazil, though separated by geographical distance, found close to each other on various issues of concern for the developing countries and worked together in the GATT/WTO negotiations for many years. Three of us were instrumental in setting up of the G-20 group of developing countries in the WTO at Cancun Ministerial Conference in 2003 that has since become an important coalition of developing countries to articulate collective interests of the South in a critical area of negotiations viz. agriculture.
6. Apart from shared political and economic history there are significant synergies between these countries that offer fertile ground for economic cooperation. Over the years these countries have built up substantial capability in different spheres. The capabilities of these countries in different spheres could be shared among them and fully utilized for the development of the South in general.
7. I believe that our trilateral cooperation has much potential for reinforcing the economic strengths of each other by synergizing their complementarities in areas of industry, services, trade and technology. We are moving towards a comprehensive economic cooperation arrangement bringing together members of South African Customs Union - India and members of MERCOSUR countries. Such an arrangement would create a large and expanding economic space and provide a framework to exploit our synergies in trade, technology and industrialization for our mutual advantage. In a number of sectors of industry and services, IBSA countries have developed considerable expertise which can be shared for mutual benefit. Studies conducted by think-tanks such as RIS point to fruitful opportunities for cooperation in many areas such as energy, agriculture and food processing, tourism, transport infrastructure, mining, ICT, among others. We can also benefit from each other's

development experiences such as in development and promotion of small and medium enterprises, or expanding universal education as in Brazil, empowerment of weaker sections in South Africa, or Indian experiences in e-governance, among others. IBSA partnership will help in exploitation of this potential.

8. The recent rise in oil and food prices the world over has also led to a major concern about development as it affects poor the most. In that context a discussion of the issues concerning food and energy security is most timely. We need to consider ways and means of our mutual cooperation contributing to enhanced food and energy security.
9. We should also exploit the strategic potential of IBSA partnership in building a more inclusive and equitable global economic order. This would include our cooperation along with other co-developing countries in shaping a more development-friendly world trading system that is responsive to our developmental aspirations. IBSA cooperation can also expedite the long-pending reform of the international financial architecture to serve our requirements. Need for such a reform has become all the more critical in view of the current financial crisis in the US leading to turmoil in the capital and financial markets the world over.
10. Such turmoil in the global markets further enhances the imperative of South-South cooperation. In these times, we can serve as growth poles for each other. India-Brazil and South Africa, being amongst the leading economies of the three continents are also conscious of their responsibility to other developing countries. Hence they have set up an IBSA Fund for Poverty Alleviation. This Fund has begun to support projects of cooperation in some of the poorest countries such as Guinea Bissau, Haiti, Burundi, Laos, etc. I believe that the IBSA cooperation has a potential to emerge as a new role model for the South-South Cooperation in the new millennium.
11. I am happy to learn that the IBSA Academic Forum will be discussing some of these issues in your deliberations.
12. I wish you all the best in your endeavours.



**173. Remarks of External Affairs Minister Pranab Mukherjee
at the Inaugural Session of 2nd IBSA Editors' Forum.**

New Delhi, October 13, 2008.

Secretary Shri Nalin Surie

President of the Centre for Policy Research, Dr. Bhanu Pratap Mehta,

Distinguished Editors from Brazil, South Africa and India

Ladies and Gentlemen,

It is my pleasure to formally inaugurate the 2nd IBSA Editors Forum this morning in New Delhi, on the eve of the 3rd IBSA Summit.

I warmly welcome the distinguished opinion makers from Brazil, South Africa and India. As fellow democracies, we all understand and commend, the critical role being played by the media in shaping public opinion. That is precisely why this forum is so important. While IBSA since its inception in 2003, has already gained a lot of traction, yet the potential is still to be attained and the marked information gap is still to be bridged, which can only be done with the media leading from the front.

I would at the outset like to commend the Centre for Policy Research, under Dr. Mehta's stewardship for crafting such an imaginative and pertinent agenda for the 2-day forum. We IBSA nations, collectively and individually, are grappling with issues like capacity building; New Architecture of Global Governance including UN reforms; Breaking Global Deadlocks on Trade, Climate Change and Energy matters; managing the unfolding global economic crisis - to name just a few.

I am pleased to note that IBSA nations have a similarity of approach on many global issues, including UNSC reforms, the future of multilateralism, South-South Cooperation and multilateral trade negotiations. This has led to fruitful cooperation at various forums such as the UN, IAEA, WTO, G-77, G-20 and G-8 plus 5 outreach nations. India greatly appreciates the strong proactive support of Brazil and South Africa to the proposal to enable full civil nuclear cooperation with India at the IAEA and the NSG meetings, which enabled India to get the historic waiver from the NSG.

IBSA countries have taken rapid strides in building on synergies and forging trilateral linkages, in a number of key areas including health, agriculture,

education, transport, energy, science & technology and IT. To cite just one example Brazil agreed to share with India and South Africa, on a preferential basis, its technologies and expertise in ethanol and other bio-fuels. India offered to share expertise in wind resource. South Africa too has world-class technologies in the synthetic fuels industry from which the other two countries can benefit. Our cooperation is a Win Win proposition benefiting our nations, as well as, fellow developing countries.

Economic and commercial relations among IBSA nations are flourishing. We have established a target of US \$15 billion in intra-IBSA trade by 2010. Investments in all three directions are on the upswing. IBSA is now recognized as a grouping with enormous potential for political, economic and people-to-people cooperation. Not only our people but also the international community looks at IBSA with admiration, which has demonstrated that geographical distance is no hindrance in forging cooperative ties when there is a will, similarity of outlook and commonality of aspirations.

Brazil, South Africa and India have together charted out an ambitious road map for the future and are taking purposeful strides towards attaining the targets, as well as, establishing new benchmarks. I am certain that this forum will yield fruitful ideas. Your recommendations will provide valuable inputs for the deliberations of the IBSA summit, which will be held on the 15th. I wish all success to the 2nd Editors Forum and hope you have a pleasant experience in India.

Thank you.



**174. Remarks by Secretary (West), Ministry of External Affairs
Nalin Surie at the Inaugural Session of 2nd IBSA Editors'
Conference.**

New Delhi, October 13, 2008.

I am delighted to be present at the Second IBSA Editors' Conference in New Delhi, which is taking place within a span of just over a year. The idea for this forum came up when we were in the midst of the IBSA trilateral Ministers Meeting in Delhi in July last year. We all agreed that for IBSA to meaningfully evolve, it must belong to the people of the three countries and to our civil societies. And, hence, the criticality of the media of the 3 countries and in particular of opinion makers in the media to meet and help propagate the Forum in our countries.

IBSA is a unique forum. Shared values, beliefs, interests, concerns and challenges have brought and bonded us together. It is still in its infancy but it is growing well. It has gained a clear international salience. The 16 WGs have drawn up concrete plans of cooperation. Information and cultural differences are being overcome.

This Editors Conference, on the theme - "Multipolarity and the New World Order" will afford you a useful platform to reflect on important issues on our agenda. We look forward to your suggestions and recommendations on these.

I do not wish to stand much longer between you and the Hon'ble EAM. We look forward to hearing his inaugural address. He has, over the last 2 years devoted great time and energy in helping IBSA grow steadily.

Thank you.



175. Media Briefing by Secretary (West) Ministry of External Affairs Nalin Surie on 3rd IBSA Summit.**New Delhi, October 14, 2008.**

I last briefed you on the IBSA Forum on 9 October last year prior to PM's departure to Nigeria and South Africa. In South Africa, PM had attended the Second IBSA Forum Summit. I will, therefore, not repeat to you what IBSA is all about.

The Third Summit will be hosted by Prime Minister Manmohan Singh in Delhi tomorrow and will be attended by President Lula of Brazil and President Motlanthe of South Africa. In the run up to the Summit, the Focal Points (my counterparts and I) have been preparing the documentation and since early September the Working Groups have been meeting. Fourteen of the sixteen have met just prior to the Summit. The other two on Culture and Agriculture had met earlier in South Africa in May this year. The Working Groups that met are on Climate Change & Environment, Defence, Education, Energy, Health, Human Settlement Development, Information Society, Trade & Investment, Transport, S&T, Social Issues, Tourism, Public Administration and Revenue Administration. The scope of the Working Groups reflects the very wide-ranging areas of cooperation that we are covering under IBSA.

Prior to this Summit, we have also had meetings yesterday and today of the IBSA Academic, Business Summit, Editors and Women's Forums. Many of you may have covered these meetings. The Forums represent outreach activity which is considered vital for the steady development of IBSA.

The Forums will report directly to the Summit tomorrow. The Working Groups' Reports will reach the Summit through the Focal Points whose Report in turn will be reviewed by the Ministers tonight and then placed before the Summit.

Associated with the Summit, we have also organised IBSA Food and Cultural Festivals. We expect that an IBSA Film Festival will be part of the next IFFI.

The Summit tomorrow will be divided in two segments. The morning Plenary will be an open one and the afternoon Plenary will be closed. The Heads of State / Government will address a Joint Press Conference tomorrow

afternoon. A Delhi Summit Declaration will issue. We also expect to sign up to seven MOUs/Agreements/Action Plans.

The Summit will also provide the leaders an opportunity to exchange views on issues of international and regional interest and concern to them.

Tomorrow night, Presidents Lula and Motlanthe will call on our President who will thereafter host them to a cultural show, followed by a banquet.

Prime Minister will hold bilateral consultations with both Presidents Lula and Motlanthe after the Summit meeting.

The Delhi Summit will complete the first cycle of IBSA's annual Summits. The second cycle will begin with the Fourth Summit in Brazil next year.

The IBSA Dialogue Forum is developing well and gaining salience. It is our intention to further strengthen this unique Forum of three very large developing country democracies from three different continents.



176. Opening Remarks by Prime Minister Dr. Manmohan Singh at the Third IBSA Summit.

New Delhi, October 15, 2008.

Your Excellency President Lula of Brazil

Your Excellency President Motlanthe of South Africa

Distinguished delegates and participants in the IBSA Forums

Ladies and Gentlemen,

I wish to welcome Presidents Lula and Motlanthe and their delegations to India for this Third Summit meeting of the IBSA Dialogue Forum.

We are honoured that President Motlanthe's first visit overseas after assuming office is to India for the IBSA Summit. I would like to take this opportunity to place on record, on behalf of all of us, our deep appreciation for the contribution made by President Thabo Mbeki in supporting and taking IBSA forward.

Ladies and Gentlemen,

IBSA is a unique forum. It brings together three democracies, with dynamic developing economies located in three different continents.

Our countries are bound together by shared values and commitment to pluralism, human rights and the rule of law.

The IBSA Forum provides a platform for us to learn from each other's experiences and to synergise our complementarities in a mutually beneficial manner. Our three countries also have a key role to play in ensuring equitable global growth and in contributing to international stability.

As a result of our first Summit in Brazil and second Summit in South Africa, we have intensified our trilateral cooperation. We are grateful to Brazil and South Africa for their untiring efforts towards this end. Today, IBSA has emerged as a role model for effective South-South cooperation. I compliment our Foreign Ministers and officials who have guided the process and kept faith in the idea of IBSA.

This is our third Summit. It marks the end of the first cycle of our Summit meetings. This is an ideal opportunity to take stock of how far we have travelled, where we stand and what the road ahead should be.

I am pleased that the Working Groups are now making efforts to identify concrete projects and activities for trilateral cooperation. Our focus must constantly remain on implementation so that the benefits of our cooperation can be brought to the doorsteps of our people.

The Dialogues held during the last two days by the Business, Academic, Editors and Women's Forums have been enriching and have contributed to making IBSA a truly people's movement. We look forward to receiving the reports of the Forums' deliberations.

A good beginning has been made in evolving a Social Development Strategy for IBSA. India has also circulated a Concept Paper on the future of agricultural cooperation within IBSA.

Improving connectivity among ourselves remains a challenge and must remain a strategic objective.

IBSA has an important role to play internationally. We are meeting against the backdrop of the international financial crisis.

Our voice on how to manage this crisis in a way that does not jeopardize our development priorities needs to be heard in international councils.

We need more than ever before a renewed effort to reform the institutions of international governance, whether it is the United Nations or the G-8. We need to work purposefully towards the conclusion of the Doha Round of trade talks in a manner that promotes development and inclusive growth. The increase in energy and food prices and the challenge of terrorism threaten our developmental efforts.

IBSA is uniquely placed to cooperate in these important areas. I am confident that our Summit today will lead to productive outcomes on all these important issues.

India is committed to ensuring that IBSA realises its great potential.

Thank you.



177. Remarks of Prime Minister Dr. Manmohan Singh after the presentation of IBSA Reports.

New Delhi, October 15, 2008.

I have listened with great attention to the reports presented on the outcome of the IBSA Academic Forum, Business Summit, Editors Forum and Women's Forum. Together with the proposed Parliamentary Forum, these Forums are critical for mainstreaming and broad basing IBSA's cooperation activities.

It is only with the broadest possible participation of different segments of society, decision makers and intelligentsia that we will be able to attain the full potential of IBSA for cooperation.

The range of issues covered in the discussions of these Forums is indeed impressive. Discussions have covered reform of global economic governance and the UN, food and energy security, WTO, transportation and connectivity, role of bio-fuels, visa facilitation, climate change, gender equality and poverty eradication.

These are all vital issues that affect our three countries. Our collective experiences and joint activities would be of benefit not only to us but also to other developing countries.

We have set for ourselves a target for trilateral IBSA trade of US\$ 15 billion by 2010. As per current trends, it appears that we would be able to achieve this. If President Lula and President Motlanthe agree, I propose that we set a target of US\$ 25 billion by 2015. This would be a challenge not only for our three governments but also for trade and industry to work with greater enthusiasm and vigour.

A study prepared for the IBSA Business Summit concludes that the three IBSA countries have a lot to contribute to each other's economies to augment the process of international economic integration. However, the current levels of intra-IBSA economic linkages are far from optimal though growing rapidly.

I suggest that all the three governments reflect on some of the proposals that have been mooted at the Summit for greater trade integration and multi-sectoral linkages. These include a Comprehensive Economic Cooperation Agreement and a Protocol on Trade and Business Facilitation that includes the major business associations of the three countries.

We should also study some of the proposals made for enhancing connectivity and logistical linkages by encouraging private sector participation in IBSA routes. These include promotion of long term arrangements between shippers and carriers using incentives, development of a dedicated IBSA trans-shipment facility in South Africa to connect India and Brazil and strategic partnerships between the large domestic logistics operators of the three countries.

The Academic Forum is a valuable part of the IBSA process. Lively exchanges among our academics and scholars are essential to develop the intellectual basis for common understandings. I know that the Forum has had very substantive discussions on the current economic crisis over the past few days. The Forum must now think of how to develop mechanisms for structured interaction with the governments so that their findings can be factored into policy making.

The subject of women's empowerment is not often given the importance it deserves. As we saw from the presentation that was made, there are a number of issues, many of them cross cutting in nature, on which the Women's Forum has had substantive discussions. I commend the work of the Forum.

Each of our countries has a vibrant media. They will play the most important role in educating our people about IBSA and in general about each other. I do hope that the ideas presented today will be carried forward.

I am happy that we are discussing the establishment of an IBSA Parliamentary Forum. This will add a vital new dimension to our process of cooperation. The strengthening of the IBSA ethos in our Parliaments would help further strengthen our collective effort to bring our countries and people closer together.

Before I conclude, I would like to congratulate the participants in the different Forums and thank them for their contribution and efforts. I would urge them to widely disseminate the outcome of their endeavours in their countries so that we can further engender the IBSA spirit.



178. Joint Press Conference by IBSA Leaders at the end of 3rd Summit of IBSA Dialogue Forum.

New Delhi, October 15, 2008.

Official Spokesperson (Shri Vishnu Prakash): Good evening and welcome to the Joint Press Conference. Hon'ble Prime Minister of India, His Excellency the President of Brazil, His Excellency the President of South Africa, in that order, would be making opening statements. Thereafter they will take one question from each side. Thank you.

Prime Minister of India (Dr. Manmohan Singh): Your Excellency President Lula; Your Excellency President Motlanthe; Excellencies; ladies and gentlemen of the media:

We have just concluded the Third Summit of the IBSA Dialogue Forum. We have had very friendly and constructive discussions. I thank President Lula of Brazil and President Motlanthe of South Africa for their guidance and for their contribution in making the Summit a success.

This Summit completes the first cycle of IBSA annual summits. Our unique forum has covered considerable distance since we established it. Our cooperative programmes are beginning to take effect. The process of coordinating on international issues of importance and of assisting other countries in the South has also taken root.

We exchanged views in depth on some of the crises that confront the international community today, viz. the international financial crisis and the rise in energy and food prices. We agreed on some ideas to tackle them and to collaborate closely as the international community grapples to find satisfactory solutions. To this end, we have decided to instruct our Finance Ministers and Governors of Central Banks to convene a meeting, as soon as possible, in order to establish a coordination mechanism. We already have Working Groups on Energy and on Agriculture and these bodies would carry forward our discussions.

India has circulated a paper on possibilities in cooperation in agriculture within IBSA and there are suggestions there on how to deal with food security. We discussed the role of clean energy in dealing with our energy needs. I thanked the Presidents of Brazil and South Africa for their support in opening up civil nuclear cooperation for India.

Trade and investment linkages among our three countries are growing. The current crisis affecting the international economy has made it that much more important for us to explore one another's markets for mutually beneficial opportunities.

It is our expectation that the target of US\$ 15 billion by 2010 would be achieved. We have accordingly agreed to set a target for trilateral trade of US\$ 25 billion by 2015. For this purpose, we have agreed to instruct our appropriate financial authorities to explore new mechanisms to facilitate and increase trade among us and our trade negotiators should address the negotiation of the India-MERCOSUR-SACU trade arrangement in a time bound manner. Inadequate connectivity, in particular air connectivity, continues to impede greater trade and investment linkages. The Business Summit has discussed some proposals and we will examine them expeditiously.

We are currently in the phase of consolidation of the IBSA Forum and of propagating its benefits within our three countries. In this context we agreed on the importance of greater association and participation of civil society in our activities.

We are, therefore, pleased that the academic, business, editors and women's forums met just prior to our Summit and made useful suggestions for further strengthening collaboration among our three countries. We look forward to expanding the coverage of the forums to include our Parliamentarians in the near future.

I am fully satisfied with the outcome of our Summit. We look forward to the fourth summit to be held in Brazil in early October, 2009.

I thank you.

President of Brazil (Mr. Luiz Inacio Lula da Silva): *My dear friend and Prime Minister Singh; my dear friend President of South Africa President Motlanthe; dear friends from the press; Ministers:*

I believe that at the end of this Summit meeting it gives me the certainty that we were following the right path when we decided to create IBSA. It is very important for the press to perceive that IBSA has no executive secretariat; it has no headquarters. What drives IBSA is motivation and

the understanding that three very strong countries from the South are together adding up their forces, are becoming even stronger; and together we can do much more.

I believe that it is extremely important, the participation of civil society representatives at IBSA. I believe the participation of the segments - business community, women, intellectuals, Ministers, judges from the judiciary power, editors - is extremely important because they give us the substance and they embody what we plan to do from here onwards.

Certainly we are discovering everyday the need that we have to work more and more. The number of agreements and memorandums of understanding that our Ministers have signed here today was really very important. But at the same time it demonstrates that we are still far away from achieving a fulfillment of all the potentiality that exists for South Africa, Brazil and India. That is why I would like to thank Prime Minister Singh for conducting the work today, for the warmth and hospitality that we received here in India.

I hope that next year I will host the meeting in Brazil and receive you all and have the same performance to reach the same number of agreements that have been signed here, and to treat you with the same warmth that I received here.

So my dear friend, thank you very much. I can reassure you that our meeting was extraordinary.

President of South Africa (Mr. Kgalema Petrus Motlanthe): His Excellency Prime Minister Singh, His Excellency President Lula of Brazil, hon'ble Ministers, members of the media:

We have emerged from a very successful IBSA Summit. We had fruitful deliberations covering a whole range of subjects, but most important of all we emerged with concrete plans contained in the memorandums of understanding and cooperation and action plans. We discussed and analysed the current financial crisis raging through Europe and the United States of America, and agreed that we need to direct our Ministers of Finance, Governors of Central Banks, Ministers of Trade and Industry, to come together and develop an adequate response to this crisis.

We have also explored possibilities of consolidating and strengthening trade among the IBSA countries with a view of expanding on participation of our people in order to ensure that we meet the Millennium Development Goals as set by the United Nations. The natural affinity between our countries and our people is a strength that we believe, properly tapped and harnessed, could elevate IBSA into a very important player in matters of wealth and development.

I take this opportunity to thank His Excellency Prime Minister Singh for his hospitality and the able manner in which he guided the deliberations today. I also take this opportunity to thank President Lula for his incisive analysis of the current situation. I believe that going forward in a concerted effort we could place IBSA on a very high pedestal and ensure that it serves as an engine for the economic development of our three countries and our three continents.

With these words I would like to pay my respects and thanks to President Lula because among the three of us he is a co-Founder together with those who came before us, in my case former President Mbeki, for their vision of establishing IBSA because I believe it has got a very important role to play in today's world affairs.

Thank you.

Question (Mr. Manish Chand, Indian Media): Two quick questions. The first is addressed to the South African President. Sir, your country is very rich in uranium. Now that the NSG has granted waiver to India, will your country consider selling uranium to India? My second question is addressed to Prime Minister Manmohan Singh. Sir, a very grim situation is developing in Sri Lanka. Apparently thirty MPs have threatened to resign over the situation in Jaffna peninsula. Have you spoken to the Sri Lankan President on this issue?

President of South Africa: As you would no doubt know, we supported India's efforts in their negotiations with the United States of America regarding nuclear power, and we have absolutely no difficulties or objections to selling uranium to India. That we will do without any difficulties.

Prime Minister of India: To the question that was addressed to me with regard to the situation in Sri Lanka, let me say that the situation in Sri Lanka remains a cause of serious concern to the Government of India. We

are concerned about the escalation of hostilities, the losses suffered by the civilian population and also the increasing number of internally displaced persons. Also we have been concerned about the harassment and killing of Indian fishermen while fishing in the neighbouring areas. In all these matters we have made representations to the Government of Sri Lanka. Only a week ago, the National Security Advisor called the Sri Lankan High Commissioner to make necessary representations to Sri Lanka. We have always believed that the situation in Sri Lanka does not call for a military victory. It calls for a negotiated political settlement which respects the unity and integrity of Sri Lanka and at the same time respects and grants the essential human rights of the minorities, particularly the Tamil minorities.

Question (Mr. Paulo, Brazilian Media): President Lula has talked a few times about the need of a new architecture for the world both to tackle this crisis and the new architecture that should arise after this crisis is finished. President Lula, what role should the major developing countries such as ours play on this new architecture? And concretely what should we do to get to such role; what should we do to tackle this crisis; and what should our countries do concretely to fulfill this role? Secondly, President Lula, I would just like to extend the question of my Indian colleague to you also. Is Brazil intending to sell uranium to India?

President of Brazil: *I just have to remember the first part of your question and that is what do the Brazilians do; what is our share? First on the economic crisis, the first task that should be undertaken by the emerging countries, we have done it already. Our economies are stabilized. We all have reserves in hard currency. We all have surplus. We have a positive balance in our trade balance. And we have full control over our financial system. So this first part of the issue, we have done well.*

Now the second part is not to allow that this crisis should come and affect our countries. What should we do? In my opinion, against the crisis we should be more bold. We should have much more determination. And at the same time we should establish, we should have much more understanding to increase the trade flow amongst the emerging countries to enhance our domestic markets and continue with the stabilization of our economies in our countries. Here in the IBSA meeting we have decided that it is necessary to call for immediate meeting of the Finance Ministers of Brazil, South Africa and India, that we should also call the Governors

of the Central Banks of the three countries, the Trade and Industry Ministers of the three countries, plus the Foreign Affairs Ministers. So we can assume a joint position of the three IBSA member countries. And I will even say that this call is urgent. The second issue that we have to undertake is to talk with our friends either in the US or in the European Union that they should undertake the action that they should do immediately so that the effects of the crisis should not reach the less-developed countries that did not participate in this financial casino. They did not attend the casino and at the same time they were concerned and implemented surveillance and supervision in their financial systems. So, what are we watching?

The first time I mentioned about the subprime crisis was in September, 2007. We are already in October of 2008 now. And it was only in the last two weeks when the main leaders of Europe and of the US finally understood that there was a crisis going on in their countries. This is something unimaginable that it took more than a year for them to assume the responsibility that there was a crisis when they could have acted ten months ago, or five months ago, and thus could have avoided the situation to reach the results that it has reached now.

Can the crisis reach the emerging countries? If there is a deep recession in the European Union and in the US, yes, it may affect the emerging countries because they are buyers and we are sellers. That is why we need to diversify our trade relations. Brazil and India for example do not even exploit ten per cent of the trade potential that they have; and Brazil and South Africa are far away from exploring their potential fully. So, now what we have to do is to take care of our domestic economies, strengthen our domestic market. We will not stop investments in major infrastructure work and expect that the money that has been hidden will show up to guarantee liquidity at the international financial system.

Last but not least, I hope that now the IMF should tell the US that it is necessary for them to undertake regulatory measures for the functioning of the financial system, and that the Central Banks gathered in Basil should determine that it is forbidden that an investment bank should have no cap for leverage. So, if the rich countries now undertake what we did yesterday, I think the economy will go back on the track again.

Question (Mr. Dumisane, South African Media): My question can be responded to either by the Prime Minister or President Motlanthe. It seems that the WTO negotiations are still not moving forward as expected. What can the IBSA countries, as the ones leading the G-20 nations, do to move the talks to their conclusion?

Prime Minister of India: It is certainly a fact that the WTO negotiations have not moved as was anticipated. The July meetings of Ministers reached an impasse. There are issues which are of concern to developing countries particularly in the area of agriculture, the livelihood strategies of small and marginal farmers. There are also concerns about NAMA issues. There are other issues, services, intellectual property rights. But we all believe that every effort should be made to resume the dialogue. At this meeting the three of us have agreed that we should make every effort to send the right message to the world at large that we are keen to have the dialogue process resume so that an agreement can be reached as soon as possible.

(Text in italics is official interpreter's translation from Portuguese)



179. Delhi Summit Declaration of the 3rd Summit of the India-Brazil-South Africa (IBSA) Dialogue Forum.**New Delhi, October 15, 2008.**

The Prime Minister of India, H.E. Dr Manmohan Singh, the President of Brazil, H.E. Mr. Luiz Inácio Lula da Silva, and the President of South Africa, H.E. Mr. Kgalema Petrus Motlanthe (thereafter referred as "the leaders") met in New Delhi, India, on 15 October 2008, for the 3rd Summit of the India-Brazil-South Africa (IBSA) Dialogue Forum.

2. The leaders of Brazil and South Africa expressed appreciation to H.E Dr Manmohan Singh, the Government and people of the Republic of India for the warm reception and for hosting this Summit.
3. The leaders expressed their deep satisfaction with the progress on the consolidation of the IBSA Dialogue Forum in the five years since its inception in 2003 and their gratitude to the sterling contribution of former President TM Mbeki of the Republic of South Africa in the formation and consolidation of IBSA and South-South cooperation in general. They reaffirmed their commitment to further strengthening the trilateral cooperation and reaffirmed that the Forum is an important mechanism for closer coordination on global issues, for promoting the interests of developing countries, enhancing cooperation in sectoral areas and improving their economic ties.
4. The leaders of Brazil and South Africa noted with regret the recent bomb blasts in India that resulted in the loss of innocent lives, damage to property and offered condolences to the government and the people of India. They joined the international community in condemning these acts of brutality and committed to strengthen mechanisms aimed at ending terrorism.
5. The leaders expressed satisfaction with the developing participation of civil society in its activities. They acknowledged with appreciation the involvement and participation by academicians, business leaders, editors and women in their respective forums. They welcomed the holding of IBSA Cultural Festival and the first Food Festival in New Delhi.

GLOBAL ISSUES

GLOBAL GOVERNANCE

6. The leaders reiterated the need to make the structures of global governance more democratic, representative and legitimate by increasing the participation of developing countries in the decision-making bodies of multilateral institutions.

Millennium Development Goals (MDGs)

7. The United Nations (UN) High level Event on MDGs held on 25 September 2008 has helped focus the world's attention on the urgent need to accelerate work towards achieving the MDGs. The leaders recognized that invigorated global efforts are required for developing countries to achieve the MDGs.
8. The leaders reiterated their support to the efforts towards the achievement of the MDGs and expressed their concern at the fact that the assistance for development is currently insufficient. In this context they called upon the developed countries to fulfill their commitments in the global partnership on increased financial flows to developing countries, including increasing Official Development Assistance (ODA) to 0.7% of their GNI, and on transfer of technology and capacity building.
9. The leaders recognized the importance of and instructed their officials to explore new models of cooperation for development and the substantive role of innovative finance mechanisms, complementary to the ODA, in order to support the efforts made to the fulfillment of the MDGs, to the fight against hunger and poverty and to sustainable development.
10. The leaders reaffirmed their determination to work together and coordinate their positions at the "Financing for Development" Monterrey Review conference that will take place in Doha, Qatar, in November 2008.

South-South Cooperation

11. The leaders underscored the importance and relevance of South-South Cooperation in an uncertain international environment contributed to by factors such as rising food and energy costs, climate change and financial uncertainty, which made it all the more

imperative to strengthen the collective voice of the South, in order to assist in its development efforts.

12. The leaders noted with satisfaction that the dynamism of the South is driving growth today with a substantial part of global GDP growth and trade being on account of countries of the South and intra-South trade. They pledged to promote these mutually beneficial trends through enhanced linkages such as trade, investment and technology transfer including trade agreements of bilateral or multilateral nature such as the Global System of Trade Preferences (GSTP).
13. They reiterated that South-South Cooperation cannot replace commitments by developed countries but is only a complement to North-South Cooperation. In this context, they welcomed the convening of the High-level Conference on South-South Cooperation to be held in 2009.

Sustainable Development

14. The leaders reaffirmed their commitment to sustainable development and the eradication of poverty and hunger. They noted with appreciation that Brazil intends to host a meeting in 2012 to mark twenty years of Rio and in this context called upon the international community to support this initiative and to vigorously enhance the implementation of the principles and goals in the Rio Declaration, Agenda 21 and the Johannesburg Plan of Implementation in an effort to work towards a sustainable agenda.

UN Reforms

15. The leaders reaffirmed their continued support for the reform of the United Nations to make it more democratic and responsive to the priorities of its Member States, particularly those of developing countries that constitute the vast majority of its membership. They expressed their full support for a genuine reform of the Security Council, with expansion in both permanent and non-permanent categories of membership, with greater representation for developing countries in both, to ensure that its composition reflects contemporary realities. They also emphasized that inter-governmental negotiations on the issue of Security Council reform should commence expeditiously and welcomed, in this regard, the General Assembly's Decision of 15 September 2008, which determined that negotiations shall begin no later than 28 February 2009, in an informal Plenary of

the General Assembly. They agreed to further strengthen cooperation amongst their countries and with other member states interested in a genuine reform of the Security Council.

Climate Change

16. The leaders underscored the importance for urgent action on climate change. The on-going negotiations needed to move at an invigorated pace for long-term cooperative action in accordance with the provisions and principles of the United Nations Framework Convention on Climate Change (UNFCCC), especially the principle of common but differentiated responsibilities and respective capabilities, and the critical priority of sustainable development for developing countries. They highlighted the imperative of priority action with vastly scaled up resource allocation for adaptation in developing countries given their vulnerabilities and low capacities to cope.
17. An equitable burden sharing paradigm for equal sustainable development potential for all citizens of the world that takes into account historical responsibilities must guide the negotiations on a shared vision on long-term cooperative action, including a long-term global goal for greenhouse gases (GHG) emissions reductions.
18. Given their overwhelming contribution to the concentration of GHGs in the atmosphere and continuing high levels of GHG emissions, developed countries must take quantified time bound targets and deliver truly ambitious and absolute greenhouse gas emissions reductions under the Kyoto Protocol after 2012 with comparability of efforts among them. Moreover, developed countries have to put in place policies and measures that promote sustainable consumption patterns and lifestyles. Developed countries should also make clear commitments under the UNFCCC for significant financing to support both mitigation and adaptation in developing countries. New and innovative financial mechanisms must mobilize additional resources beyond the flexibility mechanisms of the Kyoto Protocol and other instruments of the carbon market, without diverting national or multilateral and ODA resources from the imperatives of development and poverty alleviation.
19. The leaders stressed that as developing countries pursue sustainable development, they are committed to taking nationally appropriate

actions to address climate change. Their capacities for such actions need to be greatly enhanced through financing, technology and capacity building support.

20. Technology and transfer of advance clean technologies to developing countries has the potential to be a critical transformation agent in addressing climate change. The leaders called upon the international community to actively promote technology innovation and development and its transfer and deployment in developing countries. The intellectual property rights regime must also move in a direction that balances rewards for innovators and the global public good.

Bio-diversity

21. The leaders stressed the importance of a timely and successful conclusion of the ongoing negotiations of a legally binding international regime on access to genetic resources and sharing of the benefits derived from their use and from associated traditional knowledge (Access Benefit Sharing - ABS). In this regard, the leaders reaffirmed the urgent need for an adequate legal framework at the international level to prevent biopiracy, ensure that national rules and regulations on ABS are fully respected across borders and recognize the value of biological resources and of traditional knowledge as an additional tool to promote sustainable development. They recognized the positive role of the IBSA Forum in enhancing the coordination within the Group of Like Minded Megadiverse Countries, of which the three countries are members, in the context of ABS negotiations.

Human Rights

22. Noting that 2008 marked the 60th anniversary of the adoption of the Universal Declaration of Human Rights, the leaders reiterated their commitment to the promotion and protection of human rights. They expressed satisfaction at the progress in the development of the institutional framework of the Human Rights Council (HRC) including the Universal Periodic Review Mechanism and emphasized that the work of the HRC should be free from politicization, double standards and selectivity and should promote international cooperation.
23. The leaders underscored the importance of promoting cooperation on Human Rights with a view to exchanging information on national

policies and initiatives, which could translate into dialogue and mutual benefit in the field of Human Rights promotion and protection.

Intellectual Property

24. The leaders agreed on the need for establishing trilateral cooperation in the field of intellectual property rights with the aim of promoting a balanced international intellectual property regime and to make a meaningful contribution to the economic and social progress of developing countries, ensuring access to knowledge, health care and culture. Moreover, they agreed that the countries should hold consultations on a regular basis on the evolution of the international agenda.

Gender

25. The leaders called on the international community to reaffirm its commitment to gender parity and to identify concrete and action-oriented steps to advance the implementation of the Beijing Platform for Action, and the outcomes of the 23rd Special Session of the UN General Assembly of 2005.

Disarmament and Non-Proliferation

26. The leaders reiterated their commitment to the goal of the complete elimination of nuclear weapons and expressed concern over the lack of progress in the realisation of this goal. They emphasised that nuclear disarmament and nuclear non-proliferation are mutually reinforcing processes requiring continuous, irreversible progress on both fronts, and reaffirmed, in this regard, that the objective of non-proliferation would be best served by the systematic and progressive elimination of nuclear weapons in a comprehensive, universal, non-discriminatory and verifiable manner. They further emphasised the necessity to start negotiations on a phased programme for the complete elimination of nuclear weapons with a specified framework of time to eliminate nuclear weapons, to prohibit their development, production, acquisition, testing, stockpiling, transfer, use or threat of use, and to provide for their destruction. The leaders discussed the threat posed by non-state actors or terrorists acquiring nuclear weapons or their related materials and technologies. They reaffirmed their commitment to contribute to multilateral efforts to counter such threats and promote co-operation in this regard.

Peaceful Uses of Nuclear Energy

27. The leaders underlined the importance of ensuring the supply of safe, sustainable and non-polluting sources of energy to meet the rising global demand for energy, particularly in developing countries. The leaders further agreed that international civilian nuclear co-operation, under appropriate IAEA safeguards, amongst countries committed to nuclear disarmament and non-proliferation objectives, and could be enhanced through acceptable forward-looking approaches, consistent with their respective national and international obligations. In this context, they welcomed the consensus decision of the IAEA Board of Governors to approve the India Specific Safeguards Agreement and the decision by the Nuclear Suppliers Group to adjust its guidelines to enable full civil nuclear cooperation between India and the international community. They also reiterated the importance of ensuring that any multilateral decisions related to the nuclear fuel cycle do not undermine the inalienable right of States to pursue nuclear energy for peaceful purposes in conformity with their international legal obligations.

Terrorism

28. The leaders reaffirmed that terrorism presents a grave threat to international peace and security. They strongly condemned terrorism in all its forms and manifestations. They stressed that there can be no justification, whatsoever, for terrorist acts. They emphasized the need for a comprehensive and cooperative approach to eradicate terrorism. In this regard, they called for an early conclusion of negotiations leading to expeditious adoption of the Comprehensive Convention on International Terrorism (CCIT).

Doha Development Round & International Trade

29. The leaders acknowledged that while substantial progress was made during the informal ministerial meeting of the World Trade Organisation (WTO) in July this year, the final modalities in agriculture and NAMA could not be achieved. They agreed that there must be a concerted effort by all member countries to take the process forward towards a successful conclusion of the Round. They emphasized the importance of concluding the Round to achieve its development objectives, which had assumed even greater significance in the wake of the global financial and food crises.

30. The leaders welcomed the resumption of the multilateral process in the WTO and expressed the hope that this would lead to the early finalization of modalities in agriculture and NAMA. They also expressed the hope that multilateral discussions would resume in other areas of the negotiations as well, particularly issues of concern to developing countries.
31. The leaders reiterated the importance of the development objectives of the Doha Round and observed that many of the issues, which either remained unresolved or could not be addressed at all during the July informal ministerial engagement, were issues critical to developing countries. They called upon developed country members to demonstrate greater flexibility to address the development concerns, so that members could collectively achieve a positive and development oriented outcome in the Doha Round.
32. With reference to paragraph 8 of the Somerset West Ministerial Communiqué, South Africa, 11 May 2008, the leaders reaffirmed the importance of granting support to the goal of/the envisaged MERCOSUR-SACU-India Trilateral Trade Arrangement (TTA) at the highest political level. In this regard, they welcomed the proposal of a MERCOSUR-SACU-India trilateral ministerial meeting in order to promote high level discussions on the topic. Furthermore, they greeted with satisfaction the significant progress made on the regional preferential agreements between MERCOSUR-SACU, MERCOSUR-India and SACU-India towards a trilateral MERCOSUR-SACU-India TTA.

International Financial Crisis

33. The leaders took note of the very serious financial crisis that has spread from the United States to the European Union and has begun to impact developing countries. This unprecedented turbulence in financial markets and the resulting instability threatens global prosperity. The explosion of new financial instruments, unaccompanied by credible and systemic regulation, has resulted amongst others in a major crisis of confidence for which those responsible should be held accountable and liable. Developing countries are not immune from this and many would be very seriously affected. The leaders, therefore, stressed the need for a new international initiative to bring about structural reforms in the world's financial system. The new initiative must take into account the fact

that ethics must also apply to the economy; that the crisis would not be overcome with palliative measures and that the solutions adopted must be global and ensure the full participation of developing countries. The reform must be undertaken so as to incorporate stronger systems of multinational consultations and surveillance as an integral part. This new system must be designed to be as inclusive as possible and must be transparent.

Energy

34. The leaders recognized that energy resources are a vital input upon which the socio-economic development of nation states rests. The recent price volatility of crude oil has posed a challenge to the economic growth and stability of emerging and developing economies. Increasingly, energy markets have become susceptible to political considerations, driving energy security concerns into strategic and foreign policy agendas. They agreed to collaborate in diverse policy and technology areas to strengthen energy security in the three countries. They also look forward to working towards the diversification of energy baskets for a larger share of renewable, alternate and clean energy. Towards these common aims, IBSA will deepen regular exchanges, to further knowledge and know-how in the areas of biofuels, nuclear, hydro, wind and solar energy. They recognized that fossil fuels continue to be a primary source of energy supply and any reduction of emissions would be considered within the framework of the UNFCCC and Kyoto Protocol. They also encouraged the sharing of best practices in energy conservation and efficiency.
35. Renewables have come to the centre-stage in the recent times from the perspective of sustainable development, energy security and climate change. While the developing countries are pursuing this mostly to address the needs of sustainable development and energy security, the developed countries have a responsibility in the deployment of renewables for their mandated GHG reduction under their commitments within the Kyoto Protocol. The leaders recognized the need of a concerted effort for jointly developing renewable energy technologies with the developed countries for the overall benefit of the mankind. Taking into account the principle of common but differentiated responsibilities, they also called upon the developed countries to consider innovative modalities in the field of intellectual

property so as to facilitate the access to such technologies by developing countries.

Food Security

36. Food and nutritional security is critical for developing countries. The rise in global food prices has added a new and huge challenge to the fight against poverty and hunger, which can lead to the roll-back of hard-won development gains in several developing countries. It is imperative that the international community act resolutely and with urgency to vastly improve ways and means of producing and distributing food. This includes stepped up international collaboration to increase agricultural productivity and sharing the intellectual property of the research with developing countries in a manner that takes care of the greater good of humankind. There is also need for increased emergency aid and significant reduction in the very large trade-distorting support in developed countries. While welcoming the declaration of the High level Conference on World Food Security convened by FAO in Rome in June 2008, the leaders urged countries to deliver on the commitments made to provide funding to address issues of food security.

REGIONAL ISSUES

NEPAD

37. The leaders reiterated their firm support to the New Partnership for Africa's Development (NEPAD) as the key African Union (AU) socio-economic programme for Africa. Recognizing the central role of infrastructural development in growth and development of Africa, they re-affirmed their continued support of the programme and agreed that further cooperation should continue to focus on NEPAD's identified priorities in this regard in such sectors as ICT, energy, water and sanitation and transport.

Sudan

38. The leaders noted that the 14 July 2008 formal application for a Warrant of Arrest under Article 58 of the Rome Statute of the International Criminal Court against the President of the Republic of the Sudan is a cause for concern for Africa. In this regard, IBSA countries as members of the global South community expressed their support for the African Union's Peace and Security Council position, which amongst others, expressed the AU's conviction that in view of the delicate nature of the processes underway in the Sudan, the prosecution could

undermine the ongoing efforts aimed at facilitating the early resolution of the conflict in Darfur and the promotion of long-lasting peace and development in the Sudan as a whole.

39. The leaders expressed concern on the situation in the Sudan and urged all parties involved to work and commit to a speedy resolution of the serious humanitarian situation in Darfur, the implementation of the Comprehensive Peace Agreement, and stopping attacks on UN personnel, in accordance with the commitment made by the government of the Sudan and the resolutions of the UN and the AU.

Zimbabwe

40. The leaders congratulated the people of Zimbabwe for their agreement reached on 11 September 2008 in Harare on a government of national unity. They also paid tribute to former President TM Mbeki for his tireless mediation efforts on behalf of the Southern African Development Community and the AU. They also urged the parties to the agreement to fully implement it.

Afghanistan

41. The leaders reaffirmed their long-term commitment to a democratic, pluralistic and stable Afghanistan. They expressed concern at the continuing deterioration of the military and political situation in Afghanistan due to a determined and coordinated resurgence of the Taliban and Al Qaeda, the growth in cross-border terrorism, its links with international terrorism, and the consequential danger these developments pose to the gains made in the recent past. They condemned the terrorist attack on the Indian Embassy in Kabul on 7 July 2008 and also the continued attacks on aid workers, civilians, Afghan and international forces by the Taliban and other insurgent groups. They reiterated, in this context, that a coherent and a united international commitment, both in its developmental and security/military aspects, remained of paramount importance and agreed to continue to cooperate and coordinate their efforts to impart greater strength to this process. They underlined the centrality of the regional aspect in the reconstruction and development process in Afghanistan.

Iraq

42. The leaders took note of the developments in the security environment in Iraq in 2008 and emphasized the need for the return of peace and stability in Iraq, which are essential for its development

and prosperity. A peaceful, united and stable Iraq requires a democratic and inclusive polity. The UN together with the international community has an important role to play in this regard. They reiterated support to Iraq for its efforts at reconstruction and development and its process of nation building and national reconciliation.

Lebanon

43. The leaders welcomed the establishment of a Government of National Unity in Lebanon and the approval of the new electoral law. They also expressed confidence that the consolidation of the national dialogue will contribute to the further strengthening of the democratic institutions in Lebanon in accordance with UNSC Resolutions 1559 and 1701.

The Middle East Peace Process

44. The leaders underlined that the conflict between Israel and Palestine remains essentially political in nature and cannot be resolved by force. In this regard, they condemned the use of violence, particularly against innocent civilians and urged further easing of restrictions at checkpoints and road-blocks on humanitarian grounds. They reiterated their support for a negotiated solution resulting in a sovereign, independent, viable and united State of Palestine living, within secured and recognized boundaries at peace with Israel, in accordance with UN Resolutions 242, 338, 1397 and 1515. In this context, the leaders recalled the decision to donate US\$ 1 million per year, from the IBSA Fund, over three years. In this regard, they welcomed the project for the construction of a sports complex in Ramallah.

IBSA Facility Fund for Alleviation of Poverty and Hunger

45. The leaders recommitted themselves to assist developing countries in the fight against poverty and hunger. They reiterated that the Fund constitutes a pioneer and unique initiative to enhance South-South Cooperation for the benefit of the neediest of nations of the South. The leaders reviewed the modalities of the disbursement of IBSA Trust Fund as well as the criteria for Project proposals and concurred with the new programme guidelines. In this context, the leaders welcomed with satisfaction the projects in Burundi, Cape Verde, Guinea-Bissau, Haiti, Laos and Palestine.

IBSA Sectoral Cooperation

46. The leaders reviewed the activities under sectoral cooperation and

while acknowledging the meetings of the Working Groups and concurring with their reports, expressed satisfaction on the progress made. The leaders welcomed the signing of (i) Tripartite Agreement on Tourism, (ii) MoU on Trade Facilitation for Standards, Technical Regulations and Conformity Assessment, (iii) MoU on Environment, (iv) MoU on Human Settlements Development, (v) Five Year Action Plan for Maritime Transport, (vi) Five Year Action Plan for Civil Aviation, and (vii) MoU on Women's Development and Gender Equality Programmes, to enhance cooperation in these sectors. They urged time-bound and concrete deliverables, in all the sectors.

47. The leaders noted with satisfaction progress made by the various Working Groups since the last IBSA Summit. They welcomed that Working Groups on Agriculture, Climate Change and Environment, Culture, Defence, Education, Energy, Health, Human Settlement Development, Information Society, Public Administration, Revenue Administration, Science & Technology, Social Issues, Tourism, Trade & Investment and Transport had met and finalized their reports regarding trilateral cooperation, with many of them agreeing on Action Plans. The leaders noted with satisfaction the IBSA diplomatic academies have also met in New Delhi in September 2008. The leaders also took note of and instructed that work that had begun on the drawing-up of Social Development Strategy for IBSA and the future of agricultural cooperation in IBSA should be pursued in a meaningful manner so that these could be finalized in time for the 4th IBSA Summit.
48. The leaders expressed satisfaction that IBSA Ministers of Health as well as Science & Technology had met since the 2nd IBSA Summit.

Fourth IBSA Summit

49. The leaders of India and South Africa welcomed the offer of Brazil to host the 4th IBSA Summit in Brazil on 8 October, 2009.

Diwali

50. In the month of October, India marks the celebration of various festivities and auspicious days, including Diwali (the celebration of light). The leaders of Brazil and South Africa wished the Government and the people of India well during these celebrations.



180. Outcome of the Working Group Meetings – post 2nd IBSA Summit of 2007.

New Delhi, October 15, 2008.

Agriculture

- The five sub-groups identified the thrust areas of cooperation action points and time lines which include prioritizing projects, information exchange, project design, workshops, seminars, technical meetings,
- Two Workshops on Mega Food Parks, Delhi and Avian Influenza, Pune would now be held in later part of the year.
- India is hosting training on cotton production and value addition on 17-29 November 2008 in Nagpur, expecting at least 5 participants each.
- The Concept Paper on IBSA Agriculture Strategy was circulated by India. This would further be discussed and presented to the 4th IBSA Summit.

Culture

- India, Brazil and South Africa agreed to organize the audio-visual conference focusing on films, a seminar on Conservation of Architectural Heritage, Indigenous Knowledge System Conference
- As agreed at this WGM, India is hosting the first IBSA Food Festival from 11-17 October 2008.
- South Africa to organize a Workshop on Indigenous Knowledge Systems in areas of traditional medicine and pharmaceuticals.

Climate Change and Environment

- An MoU has been finalized for signing during the 3rd IBSA Summit in New Delhi on 15 October 2008.
- Discussions were held on Climate Change, Biodiversity and Forestry and the three countries agreed to enhance implementation of UNFCCC and Bali Action Plan;
- The three countries agreed to share their detailed comments on working together on the issue of forestry at a later date.

Defence

- Areas of collaboration to further the strategic cooperation were discussed. Presentations made by the 3 countries highlight defence capabilities.
- The need to promote joint training and exercises was recognized. The first joint IBSAMAR Naval Exercise was held in South Africa in May 2008.
- While cooperation in defence production was underscored, it was felt that this could initially be at the level of seminars and symposiums to understand strengths.
- India took lead in providing Technology and functional training in Defence Institute for Advance Technology, Pune, Brazil and SA to be invited for Seminars/Conference conducted under the aegis of Indian Ocean Naval Symposium Course on UN Peace Keeping for IBSA countries etc.
- Brazil took lead in tri-service scoping mission, Search and Rescue (SAR) support during IBSA Sailing Regatta-2009, courses in Brazilian Military Schools, experience sharing in Special Forces.
- South Africa took lead in hosting IBSAMAR II – 2010, Hosting of IBSA Sailing Regatta, Jan 2009, IBSA Trilateral Map Exercise-2011 (UN Peace Keeping Scenario), Military Adventure Sports Event.
- A draft MoU and Terms of Reference would be drawn up for enhanced cooperation in the area.

Education

- IBSA Studies Programmes to be established on two thematic areas : (i) Social Transformation and Social Cohesion and (ii) Global Governance and International Trade and Investment;
- Opportunities and resources to be made available to facilitate student exchanges;
- Each country to provide funding and student exchange programmes (as undertaken at the 2nd IBSA Summit) out of finances of US \$ 50000 set aside by each country.
- An Academic Seminar was held in Brazil in August 2008 where nine projects for further action, including 4 in Biotechnology, 4 in engineering and one in Information Technology were identified.

Energy

- It was agreed to start implementing concrete projects; Under renewable energy, the focus of cooperation was on biofuels, wind and remote electrification primarily through application of solar technologies.
- In Implementation of the MoU, India offered the use of their expertise w.r.t. mapping of wind resources, supply of wind equipment on commercial basis, a training programme in wind energy covering policy, technical aspects for experts from Brazil and South Africa, to host a trilateral seminar on "Trade and Investment Opportunities in Wind Energy in IBSA countries" and the use of their institutions;
- Agreed to exchange information on rural electrification programme.
- South Africa to initiate the process of formulating an MoU in the solar sector.
- India would host a Workshop in Energy Efficiency.
- The Need for active engagement of all stakeholders, viz. expert and research institutions and industry for a meaningful cooperation was underscored;
- Agreed to cooperate in engine technology, capacity building, research and development and
- Brazil, India and South Africa to host a seminar each on flexi-fuels engines modification for cars and two-wheeler standards in March 2009; first and second generation technologies; and technical standards and specifications for biofuels.

Health

- It was agreed to collaborate regarding strategies on health surveillance systems and emerging and re-emerging diseases, traditional Indian systems of medicine (especially Ayurveda and Yoga), public health laboratories and collaboration in drug registration and regulation processes.
- Cooperation in Health sector to help develop and expand national systems for delivering quality health care to citizens.
- Exchange of experience from Brazil in reducing counterfeiting of medicines and identifying good practices for cooperation.
- The IBSA Health Ministers met in New Delhi on 29 July 2008.

Human Settlement Development

- An MoU has been finalized for signing at the 3rd IBSA Summit in New Delhi on 15 October 2008.
- Policy and programme perspectives of the three countries were shared.

Information Society

- Adoption of an Action Plan 2008-09;
- Aims to exchange experiences and practices on e-readiness measurement among IBSA countries;
- The existing IBSA website would be made more user-friendly by providing ID and Password to each designated IBSA Focal Point for uploading by respective Working Groups
- India hosted a Technical Workshop on e-Governance on 13 October 2008 to promote cooperation in e-Governance standards and data management
- IBSA Digital Inclusion Award to be launched based on country specific criteria on common guidelines, to be provided by Brazil. Funds to be requested from IBSA.

Administration

- Review of implementation of PoA 2007-08 and progress made
- Technical Task Forces identified in six areas viz. Governance, Human Resource Development, Citizen Oriented Service Delivery, Anti-corruption and Ethics, Accountability and Transparency, Integrated Monitoring and Evaluation.
- Each country leading in two areas would meet to discuss and finalize the Concept Papers.
- In-depth study of setting and improving service standards through exchange of each others standards in specific areas;
- Proposal to set up a standard charter on Public Administration on the basis of areas outlined in the MoU – Brazil to lead;
- India has identified a Task Force represented by a focal point for each of the areas identified in the MoU;
- India to host and take leadership in setting up of IBSA Virtual Centre of Excellence

Revenue Administration

- Progress has been made in various areas of cooperation in Customs and Tax Administration, including development of a shared approach towards Large Business Centre operations, Taxpayer Relationship management, audit and investigations and dispute resolution.
- Steps have been initiated towards establishing an 'Exchange of Information' mechanism to help the three countries in sharing knowledge on customs valuation data, abusive tax avoidance schemes, arrangements and transactions, to strengthen the existing cooperation in terms of Double Taxation Avoidance Agreements (DTAAs) and Customs Mutual Assistance Agreements (CMAAs). This will help curb tax evasion occurring through the use of tax havens, complex corporate structures and other tax avoidance schemes.
- The three administrations resolved to effectively meet the challenge of the growing threat to their respective tax bases through misuse of their tax treaties. Emphasis was laid on cooperation for capacity building, modernization and for having common approach in multilateral fora for mutual benefit.

Science and Technology

- The IBSA S&T Ministers also met after the Working Group Meeting on 14 October 2008.
- An MoU on S&T was discussed with possible modes and areas of collaboration and sharing expenses/funding of collaborative activities.
- It was agreed to support the Nanotechnology project in the areas of development of sensors and nano-devices; nanostructures organic/inorganic hybrid solar cells; water purification, human capacity development etc. and that Nano schools would be organized to train about 200 scientists/future leaders from IBSA countries.
- Workshop on HIV/AIDS organized on 10 October 2008. It was agreed that projects in priority areas would be developed.
- Brazil would host two Workshops on Malaria and Bio Technology in 2009 and an Antarctic Symposium in 2009 to establish framework cooperation on Antarctic issues.
- A call for proposals will be launched soon.
- It was recommended to include three new areas, viz. Indigenous

knowledge systems, Alternative and renewable energy, information and communication technology.

- Ph.D students to be attached to the approved projects for a period of six months. Idea of IBSA fellowships have been mooted and will be further worked out.
- An IBSA Science Council would be set up to provide high level guidance and overview of collaboration activities.
- The S&T Ministers reaffirmed their commitment to support R&D projects and to create a seed fund of US \$ 1 million annually in each country for making adequate provision to implement scientific projects.

Social Issues

- A Workshop on IBSA Social Development Strategy was organized by Indian Council of Social Science Research (ICSSR) on 3-4 October 2008 to discuss and prepare a Paper on 'IBSA Social Development Strategy'. This would further be discussed and presented at the next Summit.
- Detailed Activity Plan has been drawn up.
- Exchange programmes/seminars proposed to be held.
- South Africa and Brazil to identify counterparts of ICSSR to take up issues with the objective to share experience and make joint research studies to support the research agenda. The Working Group will ensure that the identified institutions enter into partnership agreement.
- NABARD to host a Seminar in December 08/January 09 on poverty eradication strategies in the rural non-farm sectors, tribal development and disadvantaged communities.
- Brazil to host an Int. Seminar on Social Development in April/May 2009.

Tourism

- An MoU has been finalized for signing at the 3rd IBSA Summit;
- Exchanged views on economic, social and political importance of tourism sector in respective countries and the need to strengthen tourism cooperation under IBSA;
- To establish a mechanism to encourage exchange of information related to tourism resources, tourist arrivals to understand the

dynamics of the sector in each other's country and to provide an opportunity to share experience;

Trade and Investment

- An MoU on Standards, Technical Regulations and Conformity Assessment to give concrete shape to the working mechanism and work agenda to be finalized for signing at the 3rd IBSA Summit;
- An MoU on IPR Issues circulated by India earlier was revised with Brazilian comments and provided to South Africa for their comments.
- Matter relating to inclusion of Tri-Nations Summit on Small Business in the IBSA process as a people-to people forum was discussed and to hold the Tri-Nations Summit to coincide with future IBSA Summits starting 2009 in Brazil.
- Re-affirmed earlier decision to constitute a subgroup on SMMEs with government representatives
- The WG agreed on the importance of undertaking confidence-building measures among the other members of SACU and MERCOSUR for a successful outcome of the Trilateral Trade Arrangement (TTA) Initiative.

Transport Maritime Shipping

- Five Year Action Plans on Maritime Shipping and Civil Aviation have been finalized to be signed during the 3rd IBSA Summit.

Civil Aviation

- The Technical Groups under Civil Aviation would be identified by all three countries.



NAM

181. Speech of External Affairs Minister Pranab Mukherjee at the NAM Ministerial Council.

Tehran, July 30, 2008.

Your Excellency Mr. Chairman

Excellencies

Ladies and Gentlemen,

At the outset may I thank the Government and people of Islamic Republic of Iran for the warm and generous welcome extended to us and the excellent arrangements made for our meeting. I would like to complement H. E. President Mahmoud Ahmadinejad for his inspiring Inaugural Address. Please accept my felicitations, Mr. Chairman, on assuming the Chair of this Conference. There is no doubt of its success under your wise and able guidance.

2. I also bring the best wishes of the Government and people of India to this meeting being hosted by Iran, a country with which India shares civilizational affinities and traditionally warm and friendly relations. I would also like to record our deep appreciation for Cuba's chairmanship and effective leadership of our Movement during a period of challenge and promise for all of us.
3. AS a founding member of the Non-Aligned Movement, India remains strongly committed to Its purposes and principles and will continue its active and constructive engagement within it. India will always work to strengthen solidarity and cooperation among the Member States of NAM.

Mr. Chairman,

The theme of this Conference, "Solidarity for Peace, Justice and Friendship", reflects the basic purpose of the Non-Aligned Movement. Solidarity is central to our quest for a fair and equitable world. The theme also reminds us of the five fundamental principles - "Panchsheel" - enunciated by India's first Prime Minister and a principal architect of our Movement, Jawaharlal Nehru. These principles constitute the eternal cornerstone of NAM and it would be

timely to recall them. They are: respect for territorial integrity and sovereignty; mutual non aggression; mutual non-interference in domestic affairs; equality and mutual benefit; and peaceful co-existence. It is only through the application of these principles of "Panchsheel" that fair and just solutions to the issues that divide the world today and challenge global peace can be found.

5. Prime Minister Indira Gandhi, while chairing the 7th NAM Summit in New Delhi in March 1983, had described the Non-Aligned Movement as the "largest peace movement in the world". By avoiding involvement in the power struggles and block rivalries of the Cold War, the Movement sought to create political space for States to consider issues on their own merits, not from the narrow prism of pre-defined positions of power blocs. Consequently, NAM was able to play an active and crucial role on significant global issues and causes, such as decolonization, apartheid, Palestine and a non-discriminatory approach to disarmament and development. We can be justly proud of our Movement's work for seeking to usher in a more peaceful and just world order and in promoting friendship among nations.
6. Today, when the world is undergoing rapid transformation, the role of the Non-Aligned Movement is as vital as it was in the decades that followed its founding in 1961. With 118 members, the Movement represents more than half the world's people and almost two-thirds of the UN membership. It provides an independent point of view on international issues, and functions as a platform from which its members collectively address key issue of common concern.

Excellencies,

7. In order to build an international order characterized by greater peace, harmony, justice, equality and mutual respect our Movement needs to overcome the social and economic difficulties arising out of the simultaneous impact of crisis in food fuel and finances, as well as threats to our political and security systems. These and other challenges facing the international community make it more imperative than ever before that our Movement collectively projects the central and universal values that bind us and focuses on issues that unite us. We must focus on matters that concern the lives of our people, particularly the poorest among them. In this context our energies should be devoted to sustainable development, the

eradication of poverty, hunger and disease; environment protection; energy security; social justice; fighting pandemics such as HIV / AIDS; disaster management; and the long overdue reform of International Institutions including the United Nations and the Bretton Woods Institutions. In the framework of these and other major contemporary priorities for our Movement, the need for substantive South-South cooperation and solidarity, as also for enhanced and constructive North-South engagement, can hardly be overemphasized.

8. Nuclear disarmament and non-proliferation in all its aspects has been a long-standing priority for our Movement. India's commitment to universal, non-discriminatory and verifiable nuclear disarmament is consistent and firm. We share the belief of our friends in NAM that all states should commit to early negotiations on the complete and verifiable elimination of all nuclear weapons. We also firmly believe that all states have the right to develop peaceful uses of nuclear technology in accordance with their obligations. In this context, the advantages of nuclear power as a clean and affordable source of energy are well known.
9. Excellencies, the evil of terrorism is one particular challenge that faces us all. Terrorism is one of the most serious threats to global peace; it negates the fundamental principles of justice. An act of terrorism anywhere is a threat to peace and stability everywhere. There can be no justification whatsoever for any act of terrorism. Three Weeks ago, terrorists attacked the Indian Embassy in Kabul, killing five Embassy personnel, including two diplomats as well as over 60 Afghan civilians. including young girls on their way to school. Over the last three days, terrorists have targeted innocent men, women and children in the Indian cities of Bangalore and Ahmedabad, killing over 50 and wounding more than 200. In Ahmedabad, their targets included hospitals as well, where the injured were being treated. The terrorists intention, quite clearly, is to rupture India's resilient social fabric. But India's resolve and capacities are strong and can withstand all that these terrorists can do the terrorists may claim to act on behalf of religion, but in truth they have no religion, because the essence of religions is peace and universal brotherhood, and not violence and the violation of human rights.

10. Excellencies, Dear Colleagues, we shall be remiss in our commitment to the theme of this Conference if we do not send a strong message that our Movement stands resolutely for international cooperation in bringing the perpetrators, organizers, financiers and sponsors of all acts of terrorism to justice. In this context, I would particularly underline the need for concerted efforts by all of us to work towards early finalization and adoption of a Comprehensive Convention on International Terrorism, a draft for which was presented by India at the United Nations as far back as 1996.

Excellencies,

11. We have always been successful when we have shown unity, commitment and perseverance. The history of our Movement is a testimony to that. With unity and commitment there is no doubt that we will achieve our goals and objectives.
12. Prime Minister Jawaharlal Nehru had eloquently observed that when we march step-in-step with history, success will be ours. I quote: "... the past is over and it is the future that beckons to us now. That future is not. one of ease or resting, but of incessant striving so that we might fulfill the pledges we have so often taken and the one we shall take today." Unquote.
13. Let me conclude by reaffirming that India will remain steadfast in its earnest endeavours to further strengthen friendship, solidarity and cooperation within our Movement.

Thank You, Mr. Chairman.



182. Statement by External Affairs Minister Pranab Mukherjee at the Ministerial Meeting of the NAM Committee on Palestine.

Tehran, July 30, 2008.

Mr. Chairman,

I would like to express my gratitude to you for convening this meeting, and also my congratulations on your effective Chairmanship of this important Committee. I recall India's special connection with this body ever since its establishment at the VII NAM Summit in New Delhi twenty five years ago.

Mr. Chairman,

West Asia and the Gulf region are of obvious importance to India, given our long civilizational links. Over the course of this year, particularly over the recent days, we have been concerned with the situation in West Asia. We continue to urge an end to the cycle of violence, the ongoing blockade of Gaza, the expansion of settlements and the construction of the separation wall. Just now, H.E the Foreign Minister of Palestine has very clearly depicted a picture of the situation since the Annapolis Conference last year. He reminded us of the commitments made there, and also of the commitments of Israel and Palestine under the Road Map. From the briefing by the Foreign Minister, it seems that we are not getting anywhere on this issue, which we believe is political in nature and cannot be resolved by force.

India's commitment to the Palestinian cause, as well as its solidarity with the Palestinian people, are well-known and I need not reiterate it. In keeping with India's support to the Middle East Peace Process in all its tracks, we have consistently supported the Palestinian people in realizing their legitimate aspirations for a sovereign, independent and viable State of Palestine, existing side-by-side in peace with the State of Israel. India remains convinced that a just and comprehensive solution can be achieved, based on the principle of 'land for peace' and in accordance with the series of UN Security Council resolutions, some of which you also referred to, such as 242, 338, 1397 and 1515. The Arab Peace Initiative and the Quartet Road Map offer ways forward.

Mr. Chairman,

India has always rendered assistance to the Palestinian people, including in capacity building and national reconstruction. India announced humanitarian assistance equivalent to US \$ 2.3 million, following economic sanctions imposed by Israel and the West in 2006. At the Paris Donors' Conference for Palestine in December 2007, India pledged US\$ 5 million for development projects and committed to provide training to 400 Palestinian officials under our ITEC Programme. Our project assistance proposals include construction of the Mahatma Gandhi Library and Student Activity Centre at the Palestine Technical College in Gaza. At the recent Ministerial conference on capacity-building for Palestine, held in Jakarta earlier this month, we announced an increase in the allocation of technical training opportunities for Palestine. But from what has been presented by H.E the Foreign Minister of Palestine just now, it appears that additional Budgetary Support will be required by Palestine, and we will all need to consider what we can do.

Mr. Chairman,

We thank you for your active promotion of the Palestinian cause. India pledges to continue to work with other members of this Committee in our noble endeavour to collectively support the Palestinian cause.

We endorse the draft statement circulated by our Palestinian friends. We look forward to it being issued at our Ministerial Conference today.

With this brief intervention, once again I thank you, Mr. Chairman.



S.C.O.

183. Statement by the Leader of the Indian Delegation and Minister of Petroleum and Natural Gas Murli Deora at the Heads of State Council Meeting of the Shanghai Cooperation Organisation.

Dushanbe, August 28, 2008.

Your Excellency Mr Emomali Rahmon, Distinguished Heads of State and Government of the member and observer states of the Shanghai Cooperation Organisation, Distinguished Leaders of the observer countries and special invitees, Mr Secretary General of the SCO, Excellencies, Ladies and Gentlemen,

May I take this opportunity to convey our appreciation and gratitude to the Government of Tajikistan for immaculate arrangements for the Summit and generous hospitality extended to us.

Excellencies and Distinguishes Guests,

India has been associated with the SCO as an Observer since 2005. We have stated clearly our interest in engaging with the SCO activities more actively and constructively at its past meetings. We understand that there has been progress towards evolving ways and means of involving Observers more closely and providing them a more clearly defined and substantive role in the Organization. We would welcome early steps by the SCO in that direction and hope that this involvement would become substantive in form and content.

Recently, our Prime Minister, Dr Manmohan Singh, had stated: 'the success and prosperity of each one of us provides opportunities to the others to promote their own success and prosperity. This mutuality of interests is the central driving force of regional cooperation everywhere'. This approach is the guiding spirit behind India's interest in participating in and contributing to the Shanghai Cooperation Organization processes.

India has witnessed rapid economic growth over the last several years, and is well-poised to attain even higher rates of growth in the future. This has given us greater capacity to engage and strengthen our commitment for working together with the countries of the SCO. We believe that India's developmental experiences would be relevant for SCO states and we would

also gain from ongoing processes in these states. Exchange of knowledge and human skills will strengthen our mutual capacities. These exchanges must go beyond government-to-government interactions and embrace our academicians, artists, writers and civil society.

Excellencies,

My travel to Dushanbe took less time than that required to reach some the Indian cities. We are geographically so close to this region and our historical and cultural linkages go back to the days of the ancient silk route or even earlier. We share many legends and folk traditions. The ethos of tolerance and inclusiveness prevailing in our multi-ethnic and pluralistic societies is the consequence of such confluences. Our geographical, historical and civilizational closeness reaffirm the potential for harnessing them for present-day connectivities and linkages. We welcome the proposed meeting of Transport Ministers of SCO members and observer countries, and possibly other Ministerial meetings and hope that these meetings would deliberate on pursuing mutually beneficial possibilities among us.

The international community faces numerous challenges - across many fronts - food security, energy security, pandemics, economic development, terrorism, narcotics, environment and so on. The SCO has mechanisms in place to address some of them and there are deliberations to work towards tackling these collectively. It is in our mutual interest to work together in addressing these challenges jointly.

Terrorism is a major challenge confronting the global community which requires effective, collective measures. The SCO's Regional Anti-Terrorist Structure based in Tashkent has an important role to play to check the growth of extremist and terrorist influences in the region. As a country which has been time and again targeted by these radical forces, India believes that its association with RATS would be mutually beneficial. India's strong commitment to and extensive participation in the re-construction of Afghanistan through wide-ranging projects, programmes and initiatives is aimed at the long term peace and prosperity of the whole region. We feel that the SCO Contact Group on Afghanistan also seeks the same long term objectives. An inclusive approach of the Contact Group could be mutually beneficial.

Energy and food security are subjects of much debate around the world. As the Minister responsible for Energy matters in the Government of India, I am confronted with a difficult energy scenario closely associated with

global trends which impinges on our developmental targets. The SCO could take a lead in evolving a constructive partnership among the energy producing and energy consuming nations. The SCO Energy Club offers immense possibilities and solutions and India, as a developing economy, would be willing to engage with SCO countries.

India's cultural links with the region are well known. Our arts and cinema enjoy widespread popularity here and some of our movies have also been shot in this beautiful landscape. We feel that cultural exchanges in all forms provide an excellent platform for showcasing rich and diverse cultural and contemporary traditions of each one of us and bring us closer. We welcome the initiative of an SCO Film Festival in Yekaterinburg in 2009. The organization of such events provides an opportunity to the peoples of our countries to recognize and appreciate each other's cultures and societies.

Excellencies and Distinguished Guests

I have put forward a few ideas where India, as an Observer country, could constructively engage and contribute to the SCO. Lord Buddha, whose followers have left eternal trails in all parts of this region, had said, 'an idea that is developed and put into action is more important than an idea that exists only as an idea'. I think the time has come when ideas should translate into action, to create mechanisms and means for more active engagement in the SCO. We would welcome a partnership that is anchored in the fundamental principles of mutual recognition, respect and benefit.

In conclusion, I thank the Government of Tajikistan & President Rahmon once again for hosting this important meeting in the beautiful city of Dushanbe and for the warmth and hospitality extended to us. I also congratulate Your Excellency President Rahmon for ably conducting today's meeting¹.



1 While in Dushanbe Minister Murli Deora took the opportunity to call on Tajik President Emomali Rahmon. The latter while thanking India for the assistance extended to Tajikistan hoped that the economic cooperation between the two countries would expand particularly in the field of tourism and involvement of Indian private sector in various fields of Tajik economy. He also repeated his invitation to Prime Minister to visit Tajikistan.. Shri Murli Deora, along with the Tajik First Deputy Minister of Energy and Industry Mr. Mukhidinov Pulot Mukhidinovich attended the launch of modernization of Varzob-I hydro power station which was being carried out with the cooperation of Indian companies like

SAARC

184. Press Release of the Ministry of Commerce on the Commerce Minister Kamal Nath's call for a review of the Negative List to expand trade among SAARC countries and announcement at the Third SAFTA Ministerial Council meeting reduction of India's unilateral Negative List for Least Developed Countries of SAARC from 744 to 500.

New Delhi, March 3, 2008.

Shri Kamal Nath, Union Minister of Commerce and Industry, has called for a review of negative lists to expand trade in goods and enlarging the scope for further trade cooperation among SAARC countries. India has unilaterally decided to reduce its negative list with reference to the Least developed Countries (LDCs) of SAARC from seven hundred and forty four to around five hundred and the necessary notification to this effect would be revised within a few months. This was stated by Shri Kamal Nath while addressing the Third SAFTA Ministerial Council meeting here today. He said: "in keeping with our commitments, we have already notified the advancement of the trade liberalisation programme in respect to LDCs by one year and with effect from 1st January 2008, the import duty on all items other than those in the negative list has been reduced to zero". The Meeting was attended by Dr. Sheel Kant Sharma, Secretary General of SAARC; Shri G.K. Pillai, Commerce Secretary; and representatives from the SAARC region.

Bharat Heavy Electrical Limited and National Hydro Power Corporation.. The MOU for the modernization of Varzob-I was signed in August 2007 with Government of India providing a grant of Su \$ 17 million.

The Petroleum Minister also met the Chinese Foreign Minister in Dushanbe. Media reports suggested that Mr. Deora took up with Mr. Jiechi the issue of the need for "energy security" for the two fast growing economies of the world and suggested that instead of rivaling each other at various international auctions, the two nations along with Vietnam and possibly some other countries could join hands to make bids for acquisition of bids abroad, including those in African nations that have emerged major oil and gas holding countries. "The Chinese Foreign Minister was quite responsive to the idea of Asian nations joining hands to bid for oil and gas assets abroad but nothing concrete had emerged during the meeting. It is a good beginning and hopefully things will work out positively in future. This development needs a quick follow-up and close monitoring," a senior official said. Mr. Deora had a meeting with the Russian President, Dmitri Medvedev, on the sidelines of the summit and sought his support for OVL's acquisition of Imperial Energy.

Speaking on the occasion, Shri Kamal Nath emphasised that the SAARC region is broadly characterised by more or less similar developmental levels of member countries and the biggest challenge before us is the pursuit of economic development with inclusive growth. He said that SAFTA is the first major step towards economic cooperation and integration within the region. "We all appreciate that the agreement is only the initial step and requires a continuous effort by all of us to improve and smoothen its implementation", he added.

While drawing the attention of the participants, Shri Kamal Nath said that the regional study on Trade in Services has been completed, which would give government an opportunity for an effective services agreement amongst SAARC countries. As regards for upgradation of global supply chain, he said that it would be natural for us to adopt technical standards in accordance with global benchmarks. "In India, we are trying to see that this transformation is least painful both for the producers within the country and those connected with our supply chain outside the country'.

"Various SAARC mechanisms have focussed on developing specific short, medium and long term cooperation projects to deliver direct benefits to the people. Operationalisation of the SAARC Development Fund and full implementation of SAFTA would pave the way for this development. The South Asian University and the SAARC Food Bank can also bring benefits to South Asia", the Minister said.

Recognizing the importance of Trade in Services in the region, the Meeting directed Research and Information System for Developing Countries (RIS) to draft a SAARC Framework Agreement on Trade in Services (SAFAS) under SAFTA Agreement. The Multilateral Meeting directed the establishment by 30th June 2008 of an Expert Group to negotiate the Framework Agreement on Trade in Services. The 13th and 14th SAARC Summits had directed the 'finalization of an Agreement in the services sector at the earliest'. Member Countries also commended RIS for preparing the 'Regional Study on Potential of Trade in Services under SAFTA'.

The Meeting appreciated the good work being done by the SAFTA sub-group on Non-Tariff Measures and recommended that the future meetings of the sub-group may take place on the sidelines of SAFTA Committee of Experts (SCOE) for better co-ordination. It was also decided to revise its Terms of Reference to avoid duplication with other SAARC mechanisms.

The Meeting finalized the Draft Protocol for implementation of SAFTA

Agreement by the Islamic Republic of Afghanistan thereby paving the way for formal entry of Afghanistan in SAFTA. The Meeting recommended that Afghanistan would be treated at par with Maldives as far as Mechanism for Compensation of Revenue Loss (MCRL) under SAFTA is concerned.

The Meeting welcomed the offer of Maldives to host the Fourth Meeting of SAFTA Committee of Experts and the SAFTA Ministerial Council.



185. Statement of Finance Minister P. Chidambaram at the informal meeting of SAARC Finance Ministers.

Madrid, May 4, 2008.

I would like to welcome your Excellencies to the Informal Meeting of the SAARC Finance Ministers.

SAARC meetings are important and we must maintain the momentum of activities for the greater good of our people. Against the back drop of increasing international efforts aimed at strengthening regional and global cooperation and integration, our efforts aimed at regional cooperation and integration among the SAARC countries assumes particular significance.

As the countries in SAARC are working to build a web of linkages with countries within and outside South Asia, there is growing need to build economic, social and infrastructural connectivity within SAARC. The 14th SAARC Summit clearly brought out that improved regional connectivity in South Asia would also be a strong catalyst in promoting trade and economic cooperation in the region. It is a matter of satisfaction that SAARC has begun to attract greater interest within Asia. Afghanistan has been admitted as the Eighth member of the SAARC and as of now seven observers from outside the region viz. China, Japan, Korea, US, EU, Iran and Mauritius have been attending the recent Summits. SAAARC has definitely benefited from these external linkages and we hope this will further our economic integration with the international community.

The extent and quality of a country's infrastructure plays a vital role in economic growth, with direct and indirect effect in reducing poverty. Almost every country in Asia is faced with the daunting task of providing good infrastructure to its citizens. The GDP growth rates in many countries including India are adversely impacted on account of inadequate

infrastructure. There is a growing clamor from some quarters that public sector engagement with financing of infrastructure must be drastically reduced. Even in the Long Term Strategic Framework (LTSF), ADB has projected that by 2020, 50% of its total lending is likely to be through the private sector operations. I would urge that we advise ADB to proceed with caution. I am convinced that ADB must continue to engage effectively with the public sector to address the massive task of eradicating poverty in the region while also increasing its private sector operations. It should not be a case of substitution of one by the other. The continuing importance of the public sector can be seen by the investment requirements in India in the next five years.

It is our estimate that out of the 500 billion dollar investment requirement in core infrastructure in India in the five years, only 150 billion dollars would be contributed by the private sector. This would perhaps be the most ambitious public private partnership programme in the world. However, the contribution of the public sector would be a significant 350 billion dollars. Clearly, the role and responsibility of the public sector has not diminished.

On environmentally sustainable growth, we support the global focus on climate change and urban environment. India is committed to following an environmentally sustainable energy policy with a spirit of mutual accountability and the principle of "common but differentiated responsibilities". In this context, India urges ADB to secure larger amounts of financing resources at more concessional terms for energy efficiency and clean energy Projects.

It is a matter of concern for us that the ADB is facing headroom issues concerning resource mobilization on account of inadequate equity base. For nearly two years now, India has been stressing the need for augmenting the capital resources of ADB. We have now come to a situation where any delay will be at the cost of ADB's commitments and its credibility. There is an urgent need to start the discussions on augmenting the capital resources of ADB. We will need to finalize the GCI proposals before the next meeting of the Board of Governors. It is in the interest of the SAARC countries that a concerted effort is made by all of us to press this point.

Economic and financial connectivity is the unassailable logic of a globalized world if the benefits of globalization are to be maximized and enjoyed among different regions and groups. It is in this context, we discussed crucial issues like development of Capital Markets in South Asia; early operationalization of SAARC Development Fund (SDF) and finalization of Agreement on Protection and Promotion of Investments when we met in New Delhi in September last

year. I am happy to note that substantial developments have taken place since then. Both the draft Agreement and the operational guidelines on SDF have been finalized. India and Pakistan have prepared the Concept Papers on the three areas of women empowerment, teachers training and maternal and child health as committed by them. India has taken necessary internal approvals for releasing of its voluntary contribution of US \$ 100 million and assessed contribution of US \$ 38 million and is ready to release the funds. There has also been a forward movement in the text of the Agreement on Protection and Promotion of Investments. The SAARC Colloquium on Capital Markets held last month was also very successful.

I would like to point out here that the discussions on financial and infrastructure connectivity must be built on the bedrock of developments in other areas within SAARC. I am happy to learn that various SAARC mechanisms have started focusing on developing specific short, medium and long term projects to impart specificity to our cooperation efforts so as to deliver direct benefits to the people. The land and the interim-CEO for the South Asian University have been identified. The pilot project connecting one/two hospitals in each of the SAARC countries with 3-4 Super Specialty hospitals in India has also started between Bhutan and India. India is also proposing projects on the solar rural electrification for 300 houses in a country; project on water harvesting in Sri Lanka and Bhutan; setting up seed testing laboratories; tele-education project and sharing of India protocol of optimally utilizing rhyzobium bacteria for increased nitrogen fixation for high yielding pulse. The draft Agreements on Mutual Legal Assistance in Criminal Matter, Motor Vehicles and Trade in Services under SAFTA are being considered and negotiated.

Lastly, I would underline that there can be no economic progress in the region without peace and security. A major theme at the 13th Summit was cooperation in counter - terrorism. I would urge that we collectively pledge to meet this challenge single mindedly for the benefit of the entire region. The first meeting of SAARC Home Ministers, which was held in Dhaka on May 11, 2006, called upon member states to provide enabling legislation for the Convention on Suppression of Terrorism. An effective implementation of this Convention and the Additional Protocol will help us collectively tackle the problem of terrorism.



**186. Address by External Affairs Minister Pranab Mukherjee
at the Dedication Ceremony on Land for South Asian
University.**

New Delhi, May 26, 2008.

Good Evening

Excellencies:

Ladies and Gentlemen:

It is my proud privilege to be amongst you this evening at this dedication ceremony. This moment, which has the potential of deeply influencing the collective future of South Asia, represents also the collective will of South Asia's leaders to pursue projects aimed at promoting harmony among the future generations of this region. The path-breaking project for a South Asian University will help realize the dream of thousands of young men and women who will gather here, not only for high quality education, but also in a spirit of fraternity and friendship. Their endeavours, we hope, will ultimately contribute to building a better, more peaceful and developed South Asia.

The 21st century is clearly the age of the "knowledge economy". As such, education is the pivot not only for creating wealth, but also for addressing developmental challenges. High quality education, particularly, is emerging as a key building block for the overall health of an economy. While South Asia is home to some of the world's finest institutions of learning, a lot needs to be done to ensure that high-quality educational infrastructure is not only accessible but also affordable to deserving students.

It is in this context that India committed at the 13th Dhaka Summit to host the South Asian University. Today, we have taken the first step in that direction. It is my hope that this University will develop as a center of excellence for higher learning and will meet some of the requirements of quality education in our region.

This evening's event is significant also on account of the fact that it is among the first manifestations of concrete SAARC achievement on the ground. And we have come to this stage relatively quickly, given that the SAARC member states signed the inter-governmental agreement on establishing the South Asian University at the 14th SAARC Summit in New Delhi only in April 2007. The main campus of this University will be set up

in India. SAARC member states have also formally appointed Professor G.K. Chaddha, Member, Economic Advisory Council and former Vice Chancellor, JNU as the CEO of the Project Office that will be responsible for acquiring land for the University, oversee its construction, and draw up its Charter, Byelaws, Business Plan, Governance Structure and Course Curricula, etc. Under the able guidance of Prof. Chaddha, we hope to witness the University's first academic session in 2010. India deems it an honour to host this flagship project which is being executed by the Ministry of External Affairs in consultation with the University Grants Commission and the Department of Education of the HRD Ministry. With the main campus in New Delhi hosting nearly 5,000 students and an international faculty, the South Asian University is expected to also have linked campuses in other member states and we look forward to these coming up in the very near future.

Ladies and Gentlemen,

It is perhaps not an accident that the future South Asian University will be located at a spot where it will have as a not-too-distant neighbour another great institution of learning that bears the name of India's first Prime Minister and one of the architects of Asian solidarity. More than 60 years ago, Pandit Jawaharlal Nehru set the standard for a university's objectives. He said: "A university stands for humanism, for tolerance, for reason, for progress, for the adventure of ideas and for the search for truth. It stands for the onward march of the human race towards even higher objectives". If the future South Asian University were to realize Pandit Nehru's words, I have no doubt that it will prove to be a shining success in the field of education as well as contribute to national progress and regional solidarity.

In conclusion, Ladies and Gentlemen, at the risk of repetition, I would like to say that it is time for SAARC to translate into reality the vision of its founding fathers and to realize our shared goals of peace, prosperity and cooperation. I would like to reaffirm India's commitment to these goals. The South Asia University will be one of the principal vehicles for this purpose. It is my hope that the students graduating out of the South Asian University would be assets to South Asia, taking the region to a higher level of development and self-reliance. I wish the University all success.

Thank You



187. Media Briefing by Official Spokesperson on Prime Minister's visit to Colombo to attend 15th SAARC Summit.

New Delhi, July 31, 2008.

Official Spokesperson (Shri Navtej Sarna): Good afternoon everybody.

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The hon'ble Prime Minister will leave tomorrow morning for Colombo to attend the 15th SAARC Summit. The departure will be tomorrow morning. Tomorrow in the afternoon there will be bilateral aspects. There will be a meeting with the President of Sri Lanka Mr. Mahinda Rajapakse and perhaps another meeting in the evening with groups of persons of Indian origin and representatives of other political parties, etc. The finer details of the programme, we will be able to give you tomorrow.

The day after is the SAARC Summit. There will be the opening ceremony and the traditional ceremonies which are associated with it, the lighting of lamp, release of the SAARC Summit commemorative stamp, photo opportunity of all the Heads of State/ Government present, and the Inaugural Session which will be started off by the Prime Minister of India being the current Chairman taking Chair and then moving to the election of the Chairperson, and statements by all attending Heads of State/Government.

The same evening there will be a banquet by President Rajapakse in honour of the Heads of State and Government of SAARC member countries and their spouses. The next day is a visit to the Parliament House followed by a retreat for the SAARC Heads of State. The retreat is followed by the Concluding Session in the afternoon of the 3rd August, which will be followed by departure. That, broadly speaking, is the programme structure.

As far as bilaterals are concerned, as soon as they are confirmed and they come up we will keep you informed. The Heads of State and Government will be looking for mutually convenient timings.

To give you some background and some details of the SAARC Summit and the developments of the year leading up to the Summit, as I said, India will hand over the Chairmanship to Sri Lanka. The Summit, in fact, is being preceded by the Council of Ministers on today and tomorrow, and the Standing Committee Meeting which has already been held on the 29th and 30th, as well as the Programming Committee Meeting.

As is the practice, the Inaugural and Closing Sessions of the Summit are likely to be attended by six Observers namely China, RoK, Japan, Iran, USA and the European Union. Decisions on expanding the Observer List as well as modalities of cooperation with Observers will naturally be taken during the Summit.

As far as India is concerned, we would be handing over the Chairpersonship with a certain sense of satisfaction as India has worked very hard since taking over the Chairmanship to move the SAARC from a declaratory process to an implementation stage. As part of this, for instance, the negotiations on the SAARC Development Fund have been finalized and an interim cell has been set up in the SAARC Secretariat in Kathmandu. Projects have been launched to help the more needy sections of the population of South Asia.

India has already transferred its first tranche of 19.235 million US dollars towards the SDF out of its assessed contribution of 99 million US dollars. We propose to transfer the entire amount of voluntary contribution to SDF within this financial year also. The first project of the SDF was the project for empowering women through vocational skills and setting up trade facilitation centres. This is being implemented through the well-known NGO SEWA.

Also, the process for setting up the South Asian University in New Delhi has been accelerated. As you know, in May, 100 acres of land which has been identified for the university was dedicated to the people of South Asia by Shri Pranab Mukherjee, External Affairs Minister in the presence of Lt. Governor, Delhi; Chairman, UGC and other dignitaries. A Project Office for the university has been set up in New Delhi under Prof. G.K. Chaddha, Member, Prime Minister's Economic Advisory Council, as the CEO along with five experts and consultants to assist him.

Several projects of socioeconomic importance in the field of health, education, infrastructure, food, environment are also under way, for instance, the pilot telemedicine project which connects one or two hospitals in each of the SAARC countries with three or four super-specialty hospitals in India started first between Bhutan and India and now between Sri Lanka and India. And India has also proposed projects on tele-education, solar electrification for 300 houses in a country, project on rainwater harvesting, and projects in the agriculture field which are of somewhat more technical nature.

We had, as you recall, proposed the theme "of connectivity" for the 14th SAARC Summit. Sri Lanka would be taking the process forward by continuing action on this theme and ensuring that the benefits directly accrue to the people through the theme "Growth Through Partnership". You have already seen demonstration of connectivity in various other projects which had been attempted like the SAARC Car Rally, the SAARC Bands Festival, the SAARC Cultural Festival, SAARC Textile Exhibition, SAARC Fashion Show and so on.

Also in physical terms India has upgraded our railway linkages up to the border points of Raxaul-Birganj, Jogbani-Biratnagar, as identified by the SAARC Transport Ministers' meeting held last year. We also proposed to accelerate the upgradation of the road at Akhaura-Agartala border points shortly.

We have also circulated a draft Regional Motor Vehicles and Railway Agreement to the SAARC countries and this has received favourable initial comment from various countries. Naturally, while development aspects will add momentum to SAARC and bring benefit to those, the SAARC Governments also have a collective responsibility to show that growth and development within the region takes place in a crime-free atmosphere whereby people are secure, something which has been underlined by the recent Kabul bomb blasts, and is shown how South Asia is vulnerable to the scourge of terrorism which needs collective action. To this end, discussions on a draft Convention on Mutual Legal Assistance in Criminal Matters has been initiated to implement actions against such crimes in the neighbourhood within the ambit of regional cooperation.

It is possible that some documents will be signed but I think we would wait for discussions to begin before starting to outline these. I think many of you would be travelling to Colombo. We will brief you there tomorrow and the day after. That is a fair amount of detail.

Question: The investigations show that the blasts which took place have a link in Karachi.

Official Spokesperson: Which blasts are you speaking of?

Question: I am talking of Gujarat blasts.

Official Spokesperson: I do not have any comment on that at the moment. The investigations are being carried on. If MEA has to say something, we will let you know.

Question: EAM is meeting Pakistan FM. What is India ...

Official Spokesperson: I have seen that only on your channel so far. I do not have any confirmation yet of the meeting.¹ Let me wait to see what happens, if it happens; what discussions take place, if they take place, we will tell you. My briefing is to tell you what is going to happen, not what has happened.

Question: Regarding the way the Tamil Nadu fishermen have been targeted by the ... The Chief Minister of Tamil Nadu and other major political party leaders met Prime Minister today and requested that the issue be taken up during the SAARC meeting with the Sri Lankan President. Has any agenda been prepared for the meeting?

Official Spokesperson: As I said, there is a separate bilateral meeting on the first day itself between Prime Minister Dr. Manmohan Singh and President Rajapakse. Naturally, I cannot say what all agenda items will come up between the Prime Minister and the President. I am sure that they will have an excellent opportunity to review all bilateral issues. On this particular issue, yes, this has been an issue which has come up earlier. There have been some incidents in the past and, in fact, at India's behest an enquiry was set up and in discussions I think about two weeks ago it was reiterated that the results of the enquiry should be shared with us. And in

1 The meeting between External Affairs Minister and Pakistani Foreign Minister did take place on July 31 in Colombo to prepare the groundwork for a formal meeting between their Prime Ministers Manmohan Singh and Yousuf Raza Gilani on August 2 on the sidelines of the SAARC Summit. After an hour parleys Mr. Mukherjee and Mr. Makhdoom Shsh Mahmood Quereshi told journalists that their talks were "frank, candid and open" and covered all issues of concern to both two sides, including the recent ceasefire violation across the Line of Control (LoC) and the bomb blast outside the Indian Embassy in Kabul. Mr. Mukherjee said the discussion was held in a "cordial atmosphere" and they would report to their Prime Ministers the outcome of their talks. "We shared our perceptions on the composite dialogue and some of the recent events." Media reports suggested that India expressed to Pakistan New Delhi's concern over the recent incidents across the LoC besides raising the issue of elements within Pakistan attempting to create trouble in India. Mr. Quereshi told journalists "Lot of steam has been let out of the pressure cooker after today's meeting....The dish being cooked in the pressure cooker is obviously for better, and hopefully we will be able to share the prosperity and peace in the region." On the ceasefire, he said Islamabad viewed it as the "most important confidence-building measure" and desired to strengthen it. He, however, conceded that there could be elements within Pakistan trying to spoil relations with India. Pakistan would continue to respect the ceasefire. Both sides had gained enormously from the nearly five-year long ceasefire. "By and large, the ceasefire has held. Yes, recently there have been minor incidents but such irritants cannot be ruled out. We have a solid mechanism in place to sort out any misunderstandings," said Mr. Quereshi.

general terms we have been reiterating to the Sri Lankan Government that in any such incident involving Indian fishermen, the fishermen should be treated in a humane manner.

Question: *Sir, Will there be discussion on terrorism? What is proposed to be discussed with Pakistan?*

Official Spokesperson: At SAARC there will be discussion on terrorism. Whether there will be meetings on bilateral issues, I cannot say anything now.

Question: What is the latest development regarding railway connectivity between Akhaura and Agartala?

Official Spokesperson: I said that we are working on that and we hope to make progress on this shortly. We want to accelerate the upgradation of that road.

Question: In the last meeting, ... SAARC Convention, the concept of Food Bank was proposed. Any progress on that?

Official Spokesperson: Yes, that is a very important aspect and I am sure there will be a discussion on the Food Bank. Let us see what the leaders decide to accelerate progress on that. As I said, the areas in which we have made tangible progress are the SDF, which has a part of agricultural projects, and the South Asia University. The Food Bank was set up last year. Let us see what happens this year in terms of further implementation.

Question: The signing of safe CEPA between India and Sri Lanka, is it going to happen?

Official Spokesperson: We do not know at the moment. Let us see what happens during the visit. The position is that the agreement is under negotiation.

Question: Will the Observer's be represented by the Foreign Ministers or at any other level?

Official Spokesperson: I do not have details of who is coming from each country. As you know, in India at least three Foreign Ministers came and other people were represented at different levels.

Question: Which countries have shown interest in the expansion of SAARC?

Official Spokesperson: Australia and Myanmar.

Question: During the Prime Minister's visit, is has any special security coverage likely to be given to him?

Official Spokesperson: I do not brief on security issues. I am sure whatever is necessary is being done.

Question: You said that you will inform us later on the bilaterals. I just want to know if the Pakistani side has sought a bilateral meeting with India.

Official Spokesperson: I do not have information on what exactly is the state of play on each of the bilaterals. I think I will only get information once we fixed them

Question: There has been a lot of tension on the border². Has the Indian Government taken it up with Pakistan?

Official Spokesperson: I think there have been already reports of DGMO meetings, etc. So, if MEA has to say something, we will tell you.

* * * *

Thank you.

(Text in italics is a translation of Hindi original)



2 Media reports quoting army spokesman in Srinagar said in the first major breach of the ceasefire between India and Pakistan since 2003, a group of Pakistani soldiers sneaked into the Indian side of the Line of Control (LoC) on July 28 and fired on Indian positions, killing one jawan. The attack was repulsed with casualties on Pakistani side. Inspector-General of Police (North Kashmir) B. Srinivas said in Srinagar that the Pakistani troops made an attempt to breach the LoC at Eagle 5 Post in Nowgam, Handwara. They were challenged, and in the gunfight that followed the Indian jawan was killed. "Heavy casualties were also inflicted on the Pakistani side," he added. This was the third Indian fatality in intermittent skirmishes which erupted along the LoC since January. Border Security Force Head Constable Bhanwar Lal was killed in the Rajouri sector earlier in July, while the 8 Gurkha Rifles' Jawashwar Lami Chhame was killed when jihadists shelled an Indian forward post in Poonch in May.

188. Statement of Prime Minister Dr. Manmohan Singh before leaving for Colombo to participate in the SAARC Summit.

New Delhi, July 31, 2008.

I will be visiting Sri Lanka tomorrow to attend the 15th SAARC Summit being hosted by Sri Lanka.

In the 23 years since SAARC was established, the South Asian region has traversed a long distance. Today, there is a realization amongst SAARC countries that it is only by cooperating within SAARC that we will be able to strengthen ourselves individually and as a region and address the many common challenges that face us.

At the 14th SAARC Summit in New Delhi, we had agreed to move SAARC from a phase of declaration to a phase of implementation and action. As part of this approach, several initiatives have been taken, notably the establishment of the SAARC Development Fund, the SAARC Food Bank, the proposal to establish a South Asian University, SAFTA and greater people-to-people contacts. I am confident that the forthcoming Summit will consolidate these gains and provide an impetus to the implementation of the many decisions that are in place.

During my visit, I also look forward to holding discussions with His Excellency President Mahinda Rajapakse on our relations with Sri Lanka as well as holding bilateral meetings with the other leaders of the SAARC countries.



189. Colombo Declaration Issued by South Asia Free Media on Freedom and Safety of Media in Conflict Situations.

Colombo, August 1, 2008.

We, the participants at SAARC Journalists Summit-IV on 'Freedom of media in conflict situations' in Colombo, Sri Lanka, on July 30-31, and August 1, 2008, have agreed to adopt the following Colombo Declaration on Freedom and Safety of Journalists:

Deeply concerned by attacks on the freedom of media and media persons including murder, deliberate attacks, abductions, hostage-taking, harassment, intimidation, illegal arrest and detention and incitement to violence against them due to their professional activities in the conflict zones and beyond in the South Asian region;

Believing that media freedom is inseparable from the fundamental human and civil rights guaranteed by the constitution and enforceable through independent judiciary in a democratic system where both the state and society respect freedoms, show tolerance to dissent and practice pluralism;

Recalling Article 19 of the Universal Declaration of Human Rights that guarantees freedom of expression as a fundamental right, and confirming that freedom of expression is essential to the realization of other rights set forth in international human rights instruments, and endorsing Resolution 29 entitled "Condemnation of violence against journalists", adopted by the General Conference of UNESCO on 12 November 1997 that calls on Member States to uphold their obligations to prevent, investigate and punish crimes against journalists,

Endorsing the adoption by the Security Council of the United Nations of Resolution 1738 on 23 December 2006 calling on all parties to an armed conflict to fulfill their obligations towards journalists under international law, including the need to prevent impunity for crimes against them and further requesting the Secretary-General to include as a sub-item in his next reports the issue of the safety and security of media professionals;

Concerned about the increasing tide of intolerance by state and non-state violent elements against free expression among the member countries of SAARC;

Welcoming the extension of the last SAARC Summit's theme of Connectivity to "Partnership for the people of SAARC" for the 15th SAARC Summit as a

leap forward if translated into concrete measures to relax visa regimes and multiple restrictions on free flow of information and goods and unhindered movement of people across our borders;

Call on Member States of SAARC:

To take both short and long term comprehensive measures to eradicate extremism and violent practices by both state and non-state actors against civilians and journalists in particular;

To investigate all acts of violence and intimidation against media professionals in their territory and bring such persons/outfits who have allegedly committed such crimes to justice while compensating for the losses incurred by the victims;

To promote awareness and train their armed forces, intelligence and law enforcement agencies to respect and promote the safety of journalists in situations of risk, and to ensure that journalists are able to work in full security and independence in their territory;

To recommend to multilateral and bilateral institutions of international cooperation and financial assistance that they require from recipient countries as a specific condition of eligibility respect for freedom of expression and effective protection of the exercise of press freedom, also to recommend to these institutions that a state's failure to comply with its obligation to investigate and punish killers of journalists could be cause for revision, suspension or revocation of such cooperation;

To sign and ratify the Additional Protocols I and II to the Geneva Conventions, the Rome Statute of the International Criminal Court and other relevant international instruments of international humanitarian law and international human rights law, and to take the appropriate legislative, judicial and administrative measures to ensure application of the aforementioned instruments nationally, in so far as they provide protection for civilians, in particular those working in journalism;

To comply with the commitments of UNESCO Resolution 29 to promote legislation with the intention of investigating and prosecuting the killers of journalists and to combat impunity;

To adopt SAFMA's Protocol on Freedom of Information and implement SAFMA's Protocol on Free flow of information and movement of journalists across our borders.

Call on SAARC and Professional Associations:

To struggle at all levels in stemming and eradicating the tide of intolerance and violence against one section of the people or the other, journalists in particular;

To take resolute action against all expressions of intolerance towards freedom of expression and for the safety of journalists in situations of risk and to ensure respect for their professional independence;

To sensitize news organizations, editors and managers about the dangers surrounding their staff when covering hazardous stories, particularly the dangers present to local journalists;

To urge news associations to develop and sustain safety provisions that work regardless of whether their staff are covering domestic stories such as crime and corruption, disasters and demonstrations or health issues or international armed conflict;

To promote actions that secure the safety of journalists, including, but not limited to, safety training for journalists, safety codes, healthcare and life insurance, and equal access to social protection for free-lance employees and full-time staff;

To coordinate widespread publicity campaigns on unpunished crimes against journalists and other acts of violence to bring about news coverage of all violations of press freedom;

To encourage journalism schools and mass communication departments to include in their curricula studies on the impact that crimes against journalists - and subsequent impunity - have on democratic societies. In addition to promote the inclusion in the curricula of subjects or specific courses on press freedom and to coordinate activities, including safety training, among press freedom associations, news media and journalism schools;

To further encourage collaboration amongst journalists, media owners, educators, press freedom groups and appropriate development agencies, at national and global level, to ensure the inclusion of media development activities in social and economic development programmes;

To act in favour of measures to better ensure application of the rules and principles of a humanitarian nature safeguarding journalists, media

professionals and associated personnel in situations of armed conflict, and to promote the security of the persons concerned;

To work against the emergence of new threats to journalists and media staff, including hostage-taking and kidnapping;

To require that data be submitted to the SAARC Conference in a report on crimes against journalists and the number of cases that continue with impunity;

To sensitize governments regarding the importance of freedom of expression and threat that impunity for crimes against media professionals represents to this freedom;

To recall to member states their legal and moral obligations to comply with UN Resolution 29 and prevent crimes against journalists.

To take concrete remedial measures and remove all hindrances to connectivity, people's partnerships, people to people contact and free movement of information, goods and people across all our borders.



190. Media Briefing by Foreign Secretary Shivshankar Menon during the 15th SAARC Summit.

Colombo, August 1, 2008.

Official Spokesperson: Welcome to the Media Centre. We have with us the Foreign Secretary who will brief you on various issues of interest and there will be time for a few questions.

Foreign Secretary: What I would like to do is to first read to you the statement by the Prime Minister on the IAEA Board of Governors approving India Specific Safeguards Agreement by consensus earlier today. And then I thought I would brief you what happened today in the SAARC Summit and then I would be happy to answer your questions.

"I am delighted to hear that the IAEA Board of Governors has decided today by consensus to approve the India Specific Safeguards Agreement. This is an important day for India, and for our civil nuclear initiative for the resumption of India's co-operation with our friends abroad.

The civil nuclear initiative is good for India and good for the world. As we move forward towards our goal of sustainable development and energy security, the peaceful uses of atomic energy will play an increasingly important role.

I am grateful to the members of the IAEA Board of Governors, to our partners and friends abroad, and in particular, to the USA, for making this important step in the IAEA possible.

The DG of the IAEA, Dr. El Baradei, has played a significant role and we look forward to working with him and his Agency in implementing this agreement.

I am deeply appreciative of the historic significance of this milestone in our cooperation with the IAEA and the international community in peaceful uses of atomic energy."

On the SAARC meetings, as you know, the Council of Ministers met yesterday and completed its work and was preceded by the meeting of the Foreign Secretaries in the SAARC Standing Committee. Our primary function in the Standing Committee and in the Council of Ministers is to

prepare for the Summit which will open tomorrow morning and conclude day after a retreat by the Heads of State or Government day after tomorrow. So, what we did in the Standing Committee and subsequently in the Council of Ministers will now go up to the Summit meeting to the Heads for their consideration. We have worked on the Declaration which is traditional in such cases. We have also dealt with certain topics which were rather urgent significance to the member States of SAARC. One was food security, which is a subject which affects us all in SAARC not only because of the rising prices of food which affects many of us but also because we do feel that the region has the potential in terms of resource endowment to do much better by way of feeding itself and also feeding the rest of the world. The other issue which we were to consider was the guidelines for the cooperation with and participation by Observers of SAARC. As you know over the last few years there has been a great deal of international interest in being associated with SAARC. There are two additional States who have applied for Observer status whose applications are being considered at this Summit. So, Myanmar and Australia, once their applications are approved, there will be 9 observers actually in SAARC. So, we have been asked by the last Council of Ministers, in the Standing Committee to prepare guidelines how we will cooperate with the Observers. So that part of the work we have been doing. In the meantime, SAARC processes have resulted also in significant agreements which will be finalized and signed during the Summit.

One is the Charter and the bye-laws of the SAARC Development Fund which you would remember we operationalised before we had actually finished doing the Charter. The other that we have been discussing is the Convention on Mutual Legal Assistance in Criminal Matters. We are also considering setting up a SAARC Regional Standards Organization so that we harmonize our standards through the region. This would be a concrete contribution to making it easier to produce goods which can then go through and sold in the entire region. And, Afghanistan is acceding to SAFTA at this Summit. So, the other member states of SAFTA accept Afghanistan and then Afghanistan accedes to SAFTA. So, there are likely to be four Agreements.

During the year, during the Economic Ministers meetings, it is also agreed to now start discussing how to extend SAFTA to services. SAFTA so far covers trade in goods. But, there is a fair amount of trade in services and this is going to get more and more important as we move into the tertiary sector as our economies get more sophisticated. So, you would notice that

we are now looking at the relatively concrete steps which would help us to increase regional economic integration and to build up ties - economic and other ties - between us. So, we are looking forward to this Summit carrying forward our attempt to bring SAARC from the declaratory phase to a state of actual implementation and action. These are some of the issues that we have been considering in the formal meetings. I don't want to get ahead of myself. You know the Summit will consider this - the Heads will see which bits they are comfortable with and which bits they will approve. So, we will probably brief you again either at the end of tomorrow or possibly day after about the actual outcomes of the Summit. But I thought I will give you a preview of the sorts of issues that we are looking at.

In terms of the bilateral meetings that the External Affairs Minister has been having, he met yesterday with the Foreign Ministers of Pakistan, Bangladesh, Nepal and today he met with the Foreign Minister of the Maldives and also called on Nepalese Prime Minister Koirala this morning. With the Foreign Minister of Pakistan, I don't think I need to go over the issues, you know they had a frank and candid discussion and covered all the issues in our relationship but they will both be reporting to the Prime Ministers about their discussions. This is an ongoing conversation, as you know because these are issues which we need to address jointly and we will brief in detail about this after the Prime Minister's meeting on the 2nd (August) tomorrow.

With the Foreign Affairs Advisor of the Caretaker Government in Bangladesh, EAM and the Foreign Affairs Advisor reviewed bilateral relationship, expressed satisfaction at the various steps that have been taken over the last years to improve relationship. On the economic side, we have taken some very significant measures to open up trade, duty free access and they also reviewed our cooperation in international fora where we have worked together well. The Bangladesh Foreign Affairs Advisor also briefed EAM about the internal situation in Bangladesh and the regime's stance to move towards elections later this year. They will announce the schedule, I think they will hold the elections in December.

In the evening yesterday, in the meeting with the Nepalese Finance Minister who is representing Nepal at the Council of Ministers, EAM and Mr. Mahat both discussed the nature of our relationship which, as you know, is very close, we have an open border, we have free trade between the two countries. Mr. Mahat described the political transition that Nepal is going

through after the elections and this was the subject which was also discussed between EAM and Prime Minister Koirala earlier today, in the morning when he called on Prime Minister Koirala. Later in the evening yesterday, EAM also met with the Sri Lankan Foreign Minister Mr. Bogollagama where again they covered the bilateral relationship, the need to strengthen economic ties to build on the FTA that we brought into effect in 2000. EAM mentioned the issue of fishermen which has been a difficult issue in the recent past and both sides agreed that they would try and find steps, concrete steps, that we could take to deal with this humanitarian problem. They both also discussed the SAARC and how we expect it to be to make major progress in moving SAARC forward.

In his meeting with the Foreign Minister of Maldives, the Foreign Minister of Maldives briefed the EAM on domestic developments in the Maldives where there is a transition to a new Constitution and Presidential elections later this year. EAM also invited his counterpart to visit India very soon in the near future. We have an absolutely trouble-free relationship between India and Maldives and both sides expressed satisfaction at that.

Today afternoon, Prime Minister after his arrival here, called on President Rajapakse in his office this afternoon where PM expressed his conviction that in South Asia our destinies are inter-linked and that our prosperity is also inter-linked. The prosperity of one would need the prosperity of others to buttress it. We would all benefit from a rising tide. They discussed various issues in our bilateral relationship, about deepening economic cooperation as well. PM also mentioned the fishermen issue which will be dealt with in practical ways so that we can minimize the hardship and the difficulties that are faced by the fishermen. Both sides expressed satisfaction at the state of the relationship and said that they would be working to try to carry this forward. I think that is all I have for you at this moment but I would be happy to answer any questions which you might have.

Question: Now that India has crossed this important milestone in the IAEA, how difficult is the next step at the NSG.....

Foreign Secretary: Well, I can only say that we will give it our best effort just as we did at each stage of this process. I think we are convinced that what we are doing is, as Prime Minister has said good for India, good for the world. Therefore, we will do our best to see that we move through the next steps in the future.

Question: What constitutes clean exemption at NSG.....unconditional exemption?

Foreign Secretary: I think we have made it clear that what we would expect in order to move forward is a clean, unconditional exemption. I don't want to get into, you know, what would constitute clean, whether this clean means any other word which you might find. But, we have been consistent in saying this right through. Quite frankly, for us, the exemption is important because this would enable us to resume full civil nuclear cooperation with the rest of the world, with members of the NSG and we are looking forward to that prospect.

Question:the issue of terrorism is being talked about for the past one week...did it come up in your discussions....(inaudible)...

Foreign Secretary: Well, there was a discussion on terrorism both in the Standing Committee and in the Council of Ministers and many of us, India included Sri Lanka and other members also stressed the importance of fighting terrorism and taking concrete steps to deal with terrorism and also came up in our bilateral meetings, not surprisingly and this is certainly one of the issues which for us is a very important part of the Summit because we want to carry the SAARC's Economic and Social agenda forward and to continue the kinds of rates of growth and progress that we have seen in South Asia in recent years which have been quite high, which are part really of the Asian resurgence, if we want to continue that, it is essential that we managed to do this in an atmosphere free of violence where there is peace and tranquility and the greatest threat to many of our societies today is really from terrorism. So, it is natural that it did come up, how it will be reflected at the end of the Summit, I think it is little too early to say, we are still working on it. I would expect some reference to it in the Declaration and certainly in our bilateral conversations as well.

You mentioned the Convention on terrorism which we have tabled in the United Nations. We naturally spoke to the other members and ask their support and many of them did and we are looking forward to carrying that effort forward in the United Nations during this General Assembly.

Question: ... (inaudible)...

Foreign Secretary: We still do not have the international convention in the UN yet. That has not yet been agreed upon. We are still working on it. We have proposed it a long time ago. Certainly, there is a SAARC

Convention on terrorism which was signed several years ago and in addition there is an Additional Protocol to that Convention on stopping financing of terrorism from 2004. But the specific issues that you mentioned, we will deal with it under the existing law, we have a standing request for the extradition of Prabhakaran. With Pakistan, we have made it clear what sort of action by Pakistan we are looking for. We have a joint anti-terrorism mechanism where we raise these issues and where we discuss and try to do what we can. So, it is a combination of steps actually that we need to take. We will work with the existing law and we will try to improve the law whether it is a international convention in the UN, we will try and see whether we could do anything additional within SAARC or even in terms of legislation and we will see how we can address this specific problem that you have mentioned.

Question: Germany has called a meeting of the NSG in Vienna. Can you confirm that and after that what are the next steps?

Foreign Secretary: I can't confirm because we are not NSG members. So nobody sends us the notice. But the fact is yes we hear from the NSG members that a plenary meeting of the NSG has been called on 21st/22nd of August. We are not in the room, by the way, we are not members of the NSG, so, that is why I don't want to confirm it formally. But, the fact is, yes, we believe a meeting has been called and that they will consider the exemption for India. We will work with the NSG members. We have been in touch with them now for some time, as you know and we will work with them to try and get a clean, unconditional exemption. Thereafter, once the NSG clears we look forward to entering into the specific detailed agreements that we will need to do with individual partner countries whether they are inter-governmental agreements like the 123 with the US which needs US domestic processes to be complete which includes Congress or whether there are inter-governmental agreements with other States who are willing to work with us in this area. And then, after that, the next step is really the actual contracts for material, equipment, reactors whatever. So, there is a fair amount of detailing still to be done in this process before you actually come to the stage of placing a commercial order and shipping it. What we are doing here is creating the international enabling environment within which such transfers can take place. One big step has been taken today in having a Safeguards Agreement which is an umbrella agreement into which we can bring various arrangements that we will enter into with our partners. The NSG would be the next big step.

Question: Is the meeting in Vienna?

Foreign Secretary: I am not sure. I will check and let you know.

Question: The Pakistan Foreign Minister said that they will give a detailed statement after the meeting of the Prime Ministers of the two countries...

Foreign Secretary: I am sure they will speak in detail so will we..... in our normal tradition of transparency, openness, frankness, friendliness.

Question: During Prime Minister's meeting yesterday with Mr. Rajapakse, was there any discussion on the Comprehensive Economic Partnership Agreement and if so, what did Mr. Rajapakse say? And the PM was also supposed to meet Tamil leaders....

Foreign Secretary: He is doing so right now actually. He is meeting with several political parties and representatives at this moment. But I do not want to brief you on some event that is going on at the same time as this briefing. We will have to naturally work our way through whatever worries and so on there are about the CEPA. You know, this is part of a process I think of bringing an agreement through, if you look at the FTA for instance, it took us once we had done the negotiations but it also took us a year or two to actually digest what it meant for ourselves. So, I think we are really at that stage of needing to look through it, talk about it, see how it works in practice and then when we are both comfortable because any such agreement can only work if both sides are equally comfortable. But, at the leadership level it is clear both sides wanted to do it, saw it as useful, saw it as beneficial, and look forward to doing it.

Question: What is the kind of evidence do we have on the Kabul blast?

Foreign Secretary: We are still at the stage of investigation and at this stage, I have nothing further to tell you than what I told you on 21st of July in New Delhi about what we have. It is a jigsaw puzzle, we have some of the pieces, the pieces that we have I told you where it leads. When we have more to share with you, we will.

Question: As of today, what would you describe as the state of the Indo-Pak dialogue...(inaudible)...after the meeting of the two Foreign Ministers.

Foreign Secretary: If you ask me to describe the state of the dialogue, it is in a place where it has been for the last four years because we face a situation where things have happened in the recently which were

unfortunate and which quite frankly have affected the dialogue. So, that is why we are talking to Pakistan, that is why we are carrying on this conversation, I said to you this is an ongoing process. I am afraid I have to run. Thank you, Thank you very much.



**191. Statement of Secretary General of the SAARC Secretariat
at the inaugural session of the SAARC Summit.**

Colombo, August 2, 2008.

Hon. Chairman;

Hon. Heads of State or Government;

**Distinguished Representatives from Observer States and
Organization;**

Excellencies;

Ladies and Gentlemen;

1. It is, indeed, a great privilege and honour for me to address the Inaugural Session of the Fifteenth SAARC Summit in this beautiful city of Colombo. I would like to begin with profound thanks to the Government of Sri Lanka for the warm reception and gracious hospitality extended to us and for the excellent arrangements made for the Summit. Our hearty greetings go to the Government and people of Sri Lanka on the Sixtieth Anniversary of Independence.
2. I warmly felicitate His Excellency President Mahinda Rajapaksa on his election as Chairperson. I am confident that his vast knowledge and rich experience would be invaluable in directing the work of SAARC. We are confident that under His Excellency's Chairmanship, the achievements of previous Summits would be greatly expanded.
3. Grateful tributes are due to the outgoing Chairperson His Excellency Prime Minister Manmohan Singh for steering the Association since April last year with keen personal interest and unwavering support. During his leadership, SAARC has made significant headways in diverse areas of its work to move from declaratory to

implementational phase.

4. I would also like to extend a warm welcome to Hon'ble Ministers and the high representatives of Observers at the Summit.

Excellencies;

5. The Fifteenth Summit is taking place at a time when our region copes with a fast evolving global context. Internationally, increase in food, fuel, fertilizer and commodity prices is constraining the growth rate of SAARC economies. The exorbitant rise in price of oil may also impact on globalizing trends in general eroding the benefits derived by South Asia. The countries of South Asia are also vulnerable to climate change issues. We are confident that the Fifteenth Summit would provide direction on the nature of our response to the existing and emerging challenges facing the Region.

Excellencies

6. I am happy to Report that since the Fourteenth Summit, SAARC has made remarkable progress in a number of important areas. I would briefly present them for Summit's consideration.
7. In regard to SAARC role in addressing the overarching goal of Poverty Alleviation, the SAARC Ministers of Poverty Alleviation agreed to provide specific leads during the Malé Meeting in May this year. These included speedier national implementation of SAARC Development Goals; their mainstreaming into national policy approaches; strengthened regional policy responses on poverty alleviation efforts; increased ODA assistance; better access to the markets and debt relief.
8. In line with the directive of the Fourteenth Summit to expedite project based cooperation, SAARC mechanisms are focusing on identifying regional and sub-regional projects. The SAARC Development Fund (SDF), as a key instrument in this regard, has now finalized its Charter and bye-laws. I am happy to announce that the meeting of the SDF Board last month already approved one project on women's empowerment, a project which aims at covering 7 SAARC States. There are a couple of other projects too pertaining to women and child health and education being pursued by SDF interim cell at the SAARC Secretariat.

9. Transport Ministers of SAARC Member States had identified several sub-regional, regional and pilot projects for improving intra-regional connectivity. The Inter-governmental Group on Transport has been mandated to develop transport and transit agreements. SAARC Regional Multimodal Transport Study (SRMTS) now includes Afghanistan also. The agenda of next Transport Ministers' Meeting may address implementing regional/sub-regional connectivity projects at an early date and early conclusion of transport and transit Agreements.
10. SAARC has continued to work on policy goals to promote and strengthen regional trade and economic cooperation. Trade under SAFTA has already commenced. The relevant mechanisms are focusing on reducing the size of Sensitive Lists and strengthening trade facilitation measures. Important steps for Harmonizing of Standards are also taken including by the agreement on SARSO. An Expert Group is expected to commence the negotiations on Draft Framework Agreement on Trade in Services in the next couple of months. The Inter-governmental Group on Financial Issues is also contemplating discussions on identifying specific steps by the Member States towards deeper economic integration.
11. The vision of His Excellency Dr. Manmohan Singh to establish the South Asian University, the Agreement on which was signed during the Fourteenth Summit, has rapidly moved towards implementation. Specific steps, including appointment of the Interim CEO of the project, identification of land for the University in Delhi etc. have been taken. This would give concrete shape to a regional educational institution to impart quality education to students from the SAARC Member States beginning in 2010. Along with good progress in the implementation of SAARC Tele-medicine Project and Model Villages project, this would contribute to some of the key objectives of the SAARC Social Charter.

Excellencies

12. On Climate Change, the SAARC Environment Ministers at their meeting last month in Dhaka adopted the Dhaka Declaration and a comprehensive SAARC Action Plan on Climate Change (2009-2011) with prioritized list of measures.
13. In the field of energy, the Regional Study on Energy Trade is due for completion in December 2008. The Expert Group on Energy Efficiency has finalized a road map, which, inter alia, includes reviews

of the national policies and legislation relating to energy efficiency and conservation; and developing and harmonizing standards, testing procedures and appliances. The SAARC Regional Centre on Energy is also keeping up good work on promoting studies and exploring and devising steps for regional cooperation.

14. The SAARC Interior Ministers at their Second Meeting in August 2007 took a number of important decisions to address the menace posed by terrorism, drugs and human trafficking. They underlined proactive steps and operational cooperation amongst Member States. The signing of the instrument on mutual legal assistance at this Summit would also reinforce SAARC legal corpus for combating terrorism.
15. SAARC approach to the issue of Food Security is a comprehensive one aiming to develop a mix of short term and long term responses and regional/sub-regional projects. As we operationalize the SAARC Food Bank to provide immediate relief in food crises, the Colombo Declaration on Food Security emphasizes urgency of action on multiple fronts.
16. Pursuant to the directives of the Twelfth Summit, a SAARC Regional Strategy on HIV and AIDS has been developed. In this context, two eminent personalities from the region, Ms. Shabani Azmi from India and Mr. Sanath Teran Jayasuriya of Sri Lanka, have agreed to be SAARC Goodwill Ambassadors.

Excellencies;

17. The Association should, now more than ever, focus on pursuing tangible project-based cooperation in economic, social and infrastructure areas. The SAARC Development Fund has enormous potential in this regard as it offers diverse avenues which need to be harnessed with care and speed and constant focus on peoples of South Asia. The measures taken and the steps announced at this Summit can demonstrate SAARC's ability to muster its own regional self-help to deal with the challenges. This would be a compelling factor for raising SAARC's profile internationally and adding value to SAARC's outreach.

We, the heads of State or Government, participating in the Fifteenth SAARC Summit held in Colombo on 2-3 August 2008, affirm our

resolve to ensure region-wide food security and make South Asia, once again, the granary of the world.

In view of the emerging global situation of reduced food availability and worldwide rise in food prices, we direct that an Extra-ordinary Meeting of the Agriculture Ministers of the SAARC Member States be convened in New Delhi, India in November 2008, to evolve and implement people-centred short to medium term regional strategy and collaborative projects that would, among others, lead to:

- Increase in food production;
- Investment in agriculture and agro-based industries;
- Agriculture research and prevention of soil health degradation;
- Development and sharing of agricultural technologies;
- Sharing of best practices in procurement and distribution; and
- Management of the climatic and disease-related risks in agriculture.
- We direct that the SAARC Food Bank be urgently operationalised. We also emphasize early drawing up of the SAARC Agriculture Perspective 2020.

We further direct that SAARC region should forge greater cooperation with the international community to ensure the food availability and nutrition security in South Asia.

18. This is my first SAARC Summit and I am grateful for the trust reposed and the kindness shown to me personally. It would be my endeavour to maintain and upgrade the current momentum in SAARC activities and their orientation towards action on the ground and to ensure that the Secretariat implements directives of the Summit and other SAARC bodies.

Thank you.



192. Statement by Prime Minister Dr. Manmohan Singh at the Inaugural Session of the 15th SAARC Summit.

Colombo, August 2, 2008.

Your Excellency President Mahinda Rajapaksa,
Excellencies, Heads of State and Governments,
Secretary General of SAARC,
Ladies and Gentlemen,

I wish to begin by congratulating His Excellency President Mahinda Rajapaksa for his election as Chairperson of SAARC. I also convey my deep appreciation to the Government and people of Sri Lanka for the excellent arrangements made for the 15th Summit, and for the warm and generous hospitality that has been extended to all of us.

I also wish to extend a very warm welcome to our newest Observer, Mauritius, a country with whom South Asia shares enduring historical and cultural ties.

South Asia has travelled a long distance in the twenty three years since SAARC was established. The winds of democracy and political change have swept across our region. Our people's aspirations, particularly of our youth, for a better life and for greater empowerment, are rising. With globalisation, our economies are ever more inter-connected with our neighbours and with the world.

It is however a fact that South Asia has not moved as fast as we all would have wished. We have only to see the rapid integration within ASEAN and its emergence as an important economic bloc in Asia to understand the opportunities that beckon.

The success and prosperity of each one of us provides opportunities to the others to promote their own success and prosperity. This mutuality of interests is the central driving force of regional cooperation everywhere.

Our aim should be to create virtuous cycles of growth in our region. A prosperous South Asia will also be a peaceful and stable South Asia. Realising this vision requires a change in our mindsets, and a new paradigm of thinking. We can and must do more to give meaning to the theme of this year's Summit: "Growth through Partnership".

Terrorism continues to rear its ugly head in our region. It remains the single biggest threat to our stability. We cannot afford to lose the battle against the ideologies of hatred, fanaticism and against all those who seek to destroy our social fabric.

Terrorists and extremists know no borders. The recent attack on the Indian Embassy in Kabul and the serial blasts in Bangalore and Ahmedabad are gruesome reminders of the barbarity that still finds a place here in South Asia. We must act jointly and with determination to fight this scourge. We must defend the values of pluralism, peaceful coexistence and the rule of law.

South Asia clearly has the resources and the skills needed to meet our development challenges. I am happy to say that India has experienced vigorous growth at an average of 8.8% per year for the past four years. India is now an open economy welcoming investment from everywhere. The other countries in our region have also done well. Today, Asia has become the engine of growth of the world economy and South Asia is a part of this resurgence.

This growth must have a multiplier effect in the region. We have rich and varied experience in development, which we must pool together to create a model of inclusive and sustainable regional development. The SAARC Development Fund has made a promising start with the launching of two maternal and child healthcare projects. The development of SAARC Model Villages in each of our countries within the last year is an equally encouraging development.

Economic cooperation, connectivity and integration will be the cornerstone of SAARC in the years ahead. We have already agreed to move towards a South Asian Customs Union and a South Asian Economic Union in a planned and phased manner.

India has granted zero duty access to our markets to LDC members from January 1, 2008, one year ahead of the target and also pruned our sensitive list for these countries. India's FTA with Sri Lanka is working satisfactorily bringing benefits to both our economies.

We will go ahead with these initiatives at a pace we are all comfortable with.

All the leaders have emphasized the importance of physical connectivity. On its part, India has upgraded its railway connection to broad gauge at

the Raxaul-Birgunj and Jogbani-Biratnagar borders, the Dhaka-Kolkata rail service has begun, and work is underway to upgrade infrastructure along our borders with other neighbours. India looks forward to the finalization of the draft Agreements on Motor Vehicles and Railways.

I have always believed that the people of South Asia know much more about countries of the West than they do about themselves. The fraternity that exists among our students and professionals outside the region must be re-created in South Asia. The overwhelming response generated by the first SAARC Cultural Festival and the first SAARC Youth Camp reflects the latent desire for such exchanges.

We are excited about the establishment of the South Asian University. The land for the University in New Delhi has been acquired and a Project Office has been set up. When the University becomes operational in 2010, it will cater to 5000 students, and will create a pool of world-class scientists, technologists and thinkers. When they go out into the world, they will represent not just their respective countries but all of South Asia.

To be a dynamic and responsive body, SAARC must identify and address new challenges as they emerge. The unprecedented increase in oil and food prices risks jeopardizing our developmental gains.

SAARC must make its voice heard in the councils of the world to ensure that there is an effective global response that protects the interests of oil consuming countries. We should also pool our resources to tap renewable sources such as solar energy, hydropower and wind energy, all of which South Asia has in abundance.

The establishment of the SAARC Food Bank in 2007 was an extremely forward looking decision. In the context of the global food crisis today, this decision stands out as an example of our foresight and our ability to help ourselves. We should now move forward to an early ratification of the Intergovernmental Agreement by all the Member States.

We in India are acutely conscious that we need a Second Green Revolution. The countries of South Asia need to work towards a collective response that leads to a quantum leap in agricultural productivity, food grain output and farm incomes so that the spectre of food shortages vanishes from our region.

India will actively work with Member States to realise the several proposals that have been made, including greater exchange of knowledge and

experience on breeding livestock, improvement in yields of protein rich pulses and in adoption of modern post-harvest technologies.

We are inheritors and trustees of one of the most vulnerable eco-systems in the world. It is most encouraging that our Ministers have finalised a SAARC Action Plan on Climate Change, which recognizes that rapid development provides the best form of adaptation.

India has recently launched a National Action Plan on Climate Change, and we will be more than willing to share experiences. There are a number of areas in the Plan where we need to cooperate with SAARC member countries such as in our mission on sustaining the Himalayan ecosystem, in our plans for protection of coastal areas, disaster management strategies and programmes, early warning systems and research on climate modeling. SAARC already has projects on water harvesting and afforestation.

I am confident that under the able leadership of Sri Lanka, we will continue to move these initiatives forward. In recent years we have shifted our focus from declarations to action and implementation, and this has begun to show results. As we consolidate, prioritize and rationalize our activities, we will bring closer to the doorsteps of our people the benefits of SAARC.

India stands ready to play her part in the evolution of a stable, vibrant, and prosperous South Asia. I am optimistic about our future, and am confident that the best is yet to come.

Thank you.



193. Colombo Statement on Food Security issued at the Fifteenth SAARC Summit.

Colombo August 3, 2008.

We, the heads of State or Government, participating in the Fifteenth SAARC Summit held in Colombo on 2-3 August 2008, affirm our resolve to ensure region-wide food security and make South Asia, once again, the granary of the world.

In view of the emerging global situation of reduced food availability and worldwide rise in food prices, we direct that an Extra-ordinary Meeting of the Agriculture Ministers of the SAARC Member States be convened in New Delhi, India in November 2008¹, to evolve and implement people-centred short to medium term regional strategy and collaborative projects that would, among others, lead to:

- Increase in food production;
 - Investment in agriculture and agro-based industries;
 - Agriculture research and prevention of soil health degradation;
 - Development and sharing of agricultural technologies;
 - Sharing of best practices in procurement and distribution; and
 - Management of the climatic and disease-related risks in agriculture.
- We direct that the SAARC Food Bank be urgently operationalised. We also emphasize early drawing up of the SAARC Agriculture Perspective 2020.

We further direct that SAARC region should forge greater cooperation with the international community to ensure the food availability and nutrition security in South Asia.



¹ The proposal for Food Bank was ratified at an Extraordinary Meeting of Agriculture Ministers of the SAARC Countries in New Delhi on October 31. Each country's share was determined by the SAARC Food Bank Board based on production capacity, per capita consumption and availability. It was agreed to operationalize the Bank by the end of December 2008. India has announced a contribution of 153,200 tonnes of food grains of the total capacity of the Bank of 2,43,000 tonnes. Pakistan and Bangladesh agreed to contribute 40,000 tonnes each, while Nepal and Sri Lanka would contribute 4000 tonnes each followed by Afghanistan (1,420 tonnes), Maldives (200 tonnes) and Bhutan (180 tonnes). It has been agreed to store the food in the border areas of the member countries. The Board was authorised to work out the mode of pricing for distributing food grains in case of emergency but it is expected to be lower than the prevailing international prices.

194. Declaration issued at the Fifteenth SAARC Summit.**Colombo, August 3, 2008.****Partnership for Growth for Our People****Introduction**

The President of the Islamic Republic of Afghanistan, His Excellency Mr. Hamid Karzai; the Chief Adviser of the Government of the People's Republic of Bangladesh, His Excellency Dr. Fakhruddin Ahmed; the Prime Minister of the Kingdom of Bhutan, His Excellency Lyonchhen Jigmi Y. Thinley; the Prime Minister of the Republic of India, His Excellency Dr. Manmohan Singh; the President of the Republic of Maldives, His Excellency Mr. Maumoon Abdul Gayoom; the Prime Minister of the Federal Democratic Republic of Nepal, the Rt. Hon'ble Girija Prasad Koirala; the Prime Minister of the Islamic Republic of Pakistan, His Excellency Syed Yousuf Raza Gilani; and the President of the Democratic Socialist Republic of Sri Lanka, His Excellency Mr. Mahinda Rajapaksa, met at the Fifteenth Summit meeting of the South Asian Association for Regional Cooperation (SAARC) held in Colombo, Sri Lanka on August 2-3, 2008.

Regional cooperation

2. The Heads of State or Government reaffirmed their commitment to the principles and objectives enshrined in the SAARC Charter. They renewed their resolve for collective regional efforts to accelerate economic growth, social progress and cultural development which would promote the welfare of the peoples of South Asia and improve their quality of life, thereby contributing to peace, stability, amity and progress in the region.
3. The Heads of State or Government recognized that SAARC has been making steady and incremental progress over the years, in particular since the last Summit held in New Delhi in April 2007, towards realizing the objectives of the Charter. They accordingly emphasized the importance of maintaining the momentum, through clear links of continuity between the work already underway and future activities. The Heads of State or Government recognized the need for SAARC to further strengthen its focus on developing and implementing

regional and sub-regional projects in the agreed areas on a priority basis. Each Member State may consider taking up at least one regional/ sub-regional SAARC project as the lead country.

4. The Leaders noted with satisfaction the considerable progress made in various domains of partnership among SAARC Member States and emphasized the need to consolidate and ensure effective implementation of all SAARC programs and mechanisms by rationalization and performance evaluation on a regular basis.

A Partnership for Growth for the Peoples of South Asia

5. The Heads of State or Government were convinced that the process of regional cooperation must be truly people-centered, so that SAARC continues to strengthen in keeping with expectations as a robust partnership for growth for the peoples of South Asia. They accordingly directed all SAARC mechanisms to abide by the Charter objective of promoting the welfare of the people and improving their quality of life. In this regard they directed the Council of Ministers to ensure that SAARC mechanisms identify further areas of cooperation where people-centric partnership projects could be initiated.
6. The Heads of State or Government observed that an effective and economical regional tele-communication regime is an essential factor of connectivity, encouraging the growth of people-centric partnerships. They stressed the need for the Member States to endeavour to move towards a uniformly applicable low tariff, for international direct dial calls within the region.

Connectivity

7. The Heads of State or Government recognized the importance of connectivity for realizing the objectives of SAARC. They accordingly directed the SAARC mechanisms to continue to embody in their programs and projects a strong focus on better connectivity not only within South Asia, but also between the region and the rest of the world. They further stressed the necessity of fast-tracking projects for improving intra-regional connectivity and facilitating economic, social and people-to-people contacts.

Energy

8. The Heads of State or Government noted that increased access to energy is critical for fulfilling the legitimate expectations of growth

and development in South Asia. They observed in this regard that the escalation of oil prices threatens both the energy security of the region, as well as the economic growth witnessed in South Asia. In this context, they recognized the need to expeditiously develop and conserve the conventional sources of energy and to build up renewable alternative energy resources including indigenous hydro power, solar, wind and bio, while introducing energy reforms, energy efficiency and the trade and sharing of technology and expertise. They also noted that there is tremendous potential for developing regional and sub-regional energy resources in an integrated manner and noted the efforts being made to strengthen regional cooperation in capacity development, technology transfer and the trade in energy. While expressing satisfaction at the progress over the recent years to strengthen energy cooperation, the Leaders directed that the recommendations of the Energy Dialogue be implemented through an appropriate work plan.

9. The Heads of State or Government stressed the urgent need to develop the regional hydro potential, grid connectivity and gas pipelines. They noted that the possibility of evolving an appropriate regional inter-governmental framework may be explored to facilitate such an endeavour. They welcomed Sri Lanka's offer to host the Third Meeting of SAARC Energy Ministers in Colombo in 2009.

Environment

10. Being increasingly aware of global warming, climate change and environmental challenges facing the region, which mainly include sea-level rise, deforestation, soil erosion, siltation, droughts, storms, cyclones, floods, glacier melt and resultant glacial lake outburst floods and urban pollution, the Heads of State or Government reiterated the need to intensify cooperation within an expanded regional environmental protection framework, to deal in particular with climate change issues. They were of the view that SAARC should contribute to restoring harmony with nature, drawing on the ancient South Asian cultural values and traditions of environmental responsibility and sustainability.
11. The Leaders expressed satisfaction at the adoption of SAARC Action Plan and Dhaka Declaration on Climate Change by the SAARC Environment Ministers at the SAARC Ministerial Meeting on Climate

Change held at Dhaka on 3 July 2008. In this context they stressed the need for close cooperation for capacity building, development of CDM projects and promotion of programs for advocacy and mass awareness raising on climate change. They also expressed satisfaction at the adoption of a SAARC Declaration on Climate Change for the United Nations Framework Convention on Climate Change (UNFCCC) by the Twenty-ninth Session of the Council of Ministers.

12. The Heads of State or Government expressed deep concern over global climate change and its impact on the lives and livelihoods in the region. They also noted the urgency of the immediate need for dealing with the onslaught of climate change including sea level rise, on meeting food, water and energy needs, and taking measures to ensure the livelihood security of the peoples in the SAARC region. They resolved to work together to prevent and address the threats to the livelihoods of the peoples and to provide access to remedies when these rights are violated and also to find an equitable distribution of responsibilities and rights among the Member States. They also emphasised the need for assessing and managing its risks and impacts. In this regard, they called for an in-depth study on "Climate Justice: The Human Dimension of Climate Change," to come up with a rights-based approach that would highlight the human impact when responding to the impacts of climate change.
13. The Heads of State or Government affirmed that every citizen of this planet must have an equal share of the planetary atmospheric space. In this context, they endorsed the convergence of per capita emissions of developing and developed countries on an equitable basis for tackling climate change. They were of the view that any effort at addressing climate change should take into account historical responsibility, per capita emissions and respective country capabilities.
14. The Heads of State or Government expressed concern at the human loss suffered through natural disasters in the region and stressed the need for the timely provision of relief in humanitarian emergencies. In this regard they directed that a Natural Disaster Rapid Response Mechanism be created to adopt a coordinated and planned approach to meet such emergencies under the aegis of the SAARC Disaster Management Centre.

Water Resources

15. The Heads of State or Government expressing their deep concern at the looming global water crisis, recognized that South Asia must be at the forefront of bringing a new focus to the conservation of water resources. For this purpose they directed initiation of processes of capacity building and the encouragement of research, combining conservation practices such as rain water harvesting and river basin management, in order to ensure sustainability of water resources in South Asia.

Poverty Alleviation

16. The Heads of State or Government while acknowledging the significant steps taken to alleviate poverty in the region, resolved to continue to combat poverty through all available means, including especially through people's empowerment. They committed themselves to continuing to share each other's experiences and success stories of pro-poor poverty reduction strategies such as micro-credit systems, community-driven initiatives and the raising of the consciousness of the poor on their right to resources and development.
17. In this respect, they emphasized on undertaking sustained efforts, including developing and implementing regional and sub-regional projects towards the attainment of SAARC Development Goals (SDGs). They noted the decision by the Ministers on Poverty Alleviation to obtain an inter-governmental mid-term review of the attainment of the SDGs to be completed by 2009.
18. The Leaders welcomed the offer of Nepal to host next Ministerial Meeting on Poverty Alleviation.

SAARC Development Fund (SDF)

19. The Heads of State or Government expressed satisfaction at the signing of the Charter of the SAARC Development Fund (SDF), and finalization of its Bye-laws, and called for an early ratification of the SDF Charter. They also welcomed early operationalization of the Fund from the available funds. They expressed satisfaction at the launching and identification of the projects on women empowerment, maternal & child health and teachers' training under the social window of the SDF, as directed by the Finance Ministers. They reiterated

their commitment to expedite their financial contributions to the Fund. In this regard, the Heads of State or Government accepted with appreciation the offer of the Kingdom of Bhutan to host the SAARC Development Fund Secretariat in Thimphu.

Transport

20. The Heads of State or Government expressed satisfaction at the progress through the Meetings of the Ministers of Transport. They reiterated the critical importance of an efficient multi-modal transport system in the region for integration and for sustaining the region's economic growth and competitiveness. They urged early implementation in a gradual and phased manner of the proposals of the SAARC Regional Multimodal Transport Study (SRMTS).
21. They noted the progress made in the consideration of the draft Motor Vehicle Agreement (MVA) by Member States. They also noted that technical inputs related to Regional Transport and Transit Agreement and Regional Multilateral Railway Agreement were being examined by the Member States. In this context, they directed the next Transport Ministers Meeting to expedite work in this regard. They appreciated the offer of Sri Lanka to hold the Second Meeting of SAARC Ministers of Transport in Colombo in 2008.

Information and Communications Technology (ICT) Development

22. The Heads of State or Government urged the need for even more expeditious and close regional cooperation in information and communication technology. They welcomed the enhanced digital connectivity among the Member States and the ongoing work to upgrade the regional telecommunication infrastructure. They directed that the arrangements needed to implement the proposed collaborative tele-projects such as those for health care and education, be expedited.

Science and Technology

23. The Heads of State or Government acknowledged the ongoing contribution of Science & Technology including cutting edge technology in information and bio-technology in improving the quality of life of the peoples of South Asia. They noted the offer of India to host the Ministerial Meeting on Science & Technology on September 15-16, 2008 for development of a roadmap on identifying

implementable focused regional and sub-regional projects in SAARC.

Tourism

24. The Heads of State or Government underscored the vital contribution that tourism could afford to the economic development of the SAARC region. They agreed to make every effort to implement the comprehensive action plan adopted by the Second Ministerial Meeting held at Cox's Bazaar, Bangladesh. These efforts would include facilitating the movement of people through improved travel infrastructure and air, sea and land connectivity among the SAARC countries, collaboration in human resource development and the promotion of SAARC as a common destination through public-private partnerships and joint campaigns.

Culture

25. The Heads of State or Government emphasized the role of cultural connectivity in bringing the peoples of South Asia closer, while reinforcing and projecting a distinct South Asian identity. They directed that the Agenda for Culture be implemented in full.

SAFTA and Trade Facilitation

26. The Heads of State or Government emphasized their commitment to implement SAFTA in letter and in spirit, thereby enabling SAARC to contribute as well to the dynamic process of Asia's emergence as the power house of the world. Recognizing the need to continue to address the major barriers hindering effective trade liberalization in the region, which include sensitive lists of items and Non-Trade Barriers (NTBs), they directed that the decision to revise the sensitive lists by the SAFTA Ministerial Council (SMC) be implemented early. They also recommended that while revising the Sensitive Lists, special consideration be given to the LDCs. The Leaders directed that SAFTA Committee of Experts (SCoE) to expeditiously resolve the issue of Non Tariff Measures (NTMs) and Para Tariff Measures (PTMs) in order to facilitate and enhance the trade under SAFTA.
27. The Heads of State or Government underlined the need for taking concrete measures to improve trade facilitation in terms of the mutual recognition of standards, the adoption of common tariff nomenclatures, the harmonization of customs procedures. They directed the relevant SAARC bodies to expedite their work in these

areas. They also recognized the importance of development of communication system and transport infrastructure and transit facilities specially for the landlocked countries to promote intra-SAARC trade.

28. The Heads of State or Government observed that the SAARC legal instruments on trade liberalization and the measures and initiatives for trade facilitation are increasingly affording significant openings for mutually beneficial trade, investments and economic co-operation within South Asia. These openings are complemented by the uniformly sound levels of national economic growth being attained by the Member States of SAARC. The Leaders accordingly noted the growing and urgent need for enhancing capacity within SAARC dedicated to encouraging national and regional strategies that would further maximize the positive trade, investments and economic cooperation climate in South Asia. In this regard they welcomed the offer of Sri Lanka to prepare a Concept Paper and a Working Paper on the subject and directed that the Paper be discussed at a Session of the Standing Committee specially convened for this purpose, to enable the adoption of appropriate follow-up measures.
29. The Heads of State or Government welcomed the signing of the text of the Agreement on the Establishment of the South Asian Regional Standards Organization. The Heads of State or Government welcomed the signing of the Protocol on Afghanistan for Accession to SAFTA.

Trade in Services

30. The Heads of State or Government expressed satisfaction at the conclusion of the Study on Trade in Services and welcomed the decision of SAFTA Ministerial Council to commence negotiation on the Framework Agreement on Trade in Services. Towards achieving further economic integration, they directed that the Draft Agreement on Investment Promotion and Protection be finalized early and the SAARC Arbitration Council be operationalized.

SAARC Social Charter

31. The Heads of State or Government underscored the imperative to make steady progress in the implementation of the SAARC Social Charter and directed the Member States to complete the National

Plans of Action with a perspective of seeking to transform current challenges into opportunities. They further directed the National Coordination Committees (NCCs) to recommend activities in conformity with the Social Charter and to introduce an efficient and effective monitoring and evaluation mechanism for reviewing the progress in the implementation of the Social Charter. The Leaders emphasized the need to implement the selected regional and sub regional programs and projects to complement national implementation efforts. They urged that such activities be suitably accommodated in the SAARC Calendar. They called for people's participation in strategy initiatives, planning and implementation to ensure people's responsibility and ownership. The Leaders directed to develop a policy on the protection of rights of the senior citizens for their geriatric care taking into account existing national policies of the Member States.

Women and Children

32. The Heads of State or Government noted with satisfaction the increased cooperation in the region towards achieving the all important goal of bringing women fully into the mainstream of development, on the basis of gender equality. They called for focused attention on women's economic empowerment and skills development, while addressing key health issues and violence against women. The Leaders directed to work for a regional cooperation for the elimination of all forms of discrimination and abuse against women in general and widows in particular and guarantee their rights to live in the society in a dignified manner.

Education

33. The Heads of State or Government welcomed the substantial progress made in the establishment of the South Asian University in New Delhi and directed that the University should begin its Session from 2010. They also directed that increased interaction between students should be encouraged through institutionalization of students, academics, teachers and youth exchange programs. They further directed early institutionalization of an elaborate SAARC Scholarship Scheme in ICT and related areas.

Combating Terrorism

34. The Heads of State or Government strongly condemned all forms of terrorist violence and expressed deep concern over the serious threat posed by terrorism to the peace, stability and security of the region.
35. They further recognized the growing linkages between the phenomenon of terrorism, illegal trafficking in narcotic and psychotropic substances, illegal trafficking of persons and firearms and underscored the need to address the problem in a comprehensive manner. They reiterated their commitment to strengthen the legal regime against terrorism, including by undertaking to implement all international conventions relating to combating terrorism to which Member States are parties, as well as the SAARC Regional Convention on Suppression of Terrorism and the Additional Protocol to the SAARC Regional Convention on the Suppression of Terrorism. The Head of States or Government while recalling United Nations Security Council Resolution 1373 (2001) emphasized the importance of criminalizing any act for the provision, collection and acquisition of funds for the purpose of committing terrorist acts.
36. The Heads of State or Government recognized in this regard the value of the proposed UN Comprehensive Convention on International Terrorism. They noted the progress made during recent rounds of negotiations and called for an early conclusion of the Convention.
37. They emphasized the need for strongest possible cooperation in the fight against terrorism and transnational organized crime amongst the relevant agencies of the Member States especially in the area of information exchange. The Heads of State or Government further emphasized the importance of completing all legislative and other relevant measures to implement within Member States, the provisions of the Regional Convention on Narcotic Drugs and Psychotropic Substances. The Leaders noted the considerable work done to promote cooperation in Police matters. They appreciated the offer of Pakistan to host the Third Meeting of SAARC Ministers of Interior/ Home in Islamabad during 2008.
38. The Heads of State or Government expressed satisfaction on the finalization of the text of the SAARC Convention on Mutual Legal Assistance in Criminal Matters at the Fifteenth Summit and its signing. They expressed appreciation at the accommodating manner in which

the negotiations were conducted by the Member States to provide each other the widest measures of mutual assistance in criminal matters to ensure a greater sense of security within the region, the Heads of State or Government urged for early ratification and implementation of the Convention.

Joint Positions

39. The Heads of State or Government resolved to encourage consultations among delegations of SAARC Member States at the appropriate international forums and agreed to cooperate accordingly.

Observers

40. The Heads of State or Government welcomed the Observers namely the People's Republic of China, the Islamic Republic of Iran, Japan, the Republic of Korea, Mauritius, the United States of America and the European Union and appreciated their participation in the Summit. They also welcomed Australia and Myanmar to be associated as Observers to SAARC. They approved the guidelines for cooperation with Observers and looked forward to working with them in the common pursuit of the partnership for growth for our people.

Sixteenth Summit

41. The Heads of State or Government welcomed with appreciation the offer of the Maldives to host the Sixteenth Summit Meeting of the Heads of State or Government of the South Asian Association for Regional Cooperation (SAARC).



INDIA'S FOREIGN RELATIONS - 2008

SECTION -V

- (i) SOUTH ASIA**
- (ii) SOUTHEAST - EAST ASIA
AND PACIFIC**
- (iii) CENTRAL AND WEST ASIA**

(i) SOUTH ASIA

195. Extract relevant to SAARC countries from the Media Briefing by Official Spokesperson on the meeting of the Consultative Committee of Parliament attached to the Ministry of External Affairs.

New Delhi, February 15, 2008.

Official Spokesperson:

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This morning EAM also addressed the Consultative Committee on External Affairs on India's bilateral relations with SAARC countries and he also included Myanmar and China in these discussions. Just to give you a sense of the discussions. EAM reiterated that India attaches the highest priority to building closer political, economic and cultural ties with its neighbours, given the fact that the countries of the sub-continent are bound by history, culture and ethnic ties and share a common destiny. India views South Asia as an integrated region in which there is a free flow of goods, peoples and ideas unfettered by boundaries and our belief is that South Asian countries can advance together by establishing peace and security, containing threats from extremism, terrorism, removing sources of political discord, creating a common space for prosperity and enhancing the economic, trade and investment linkages, improving connectivity and creating sustainable social and economic development.

He briefly discussed relations with the countries under review. He discussed India's relations with Nepal in the context of the critical transition that Nepal is undergoing in its political history and India's position on the decision to hold the Constitutional Assembly elections in April 2008 which we have seen as an encouraging development in the right direction. He explained that India stands ready to assist in Nepal's transition to a democratic, stable, peaceful and prosperous state and to enable the people of Nepal to choose their own future. He briefly touched upon economic relations and bilateral infrastructural projects in Nepal.

Similarly with Bhutan, EAM explained the close relationship which is characterised by close consultations, maturity, trust and mutual understanding, in fact a model of good neighbourly relations, particularly in the context of the political changes happening in Bhutan. He also highlighted the development partnership between India and Bhutan, particularly the hydroelectric aspects, in which the three major hydroelectric projects namely Chukha, Kurichu and Tala have already been

set up in Bhutan which have been set up with Indian assistance but supply surplus power to India, and the signing of the agreement in July 2007 when EAM visited Bhutan of the 1095 MW Punatsangchhu-I project which is the largest hydro electric project to be undertaken in Bhutan in partnership with India.

He also dwelt upon relations with Bangladesh. India has provided bilateral aid and assistance to Bangladesh to overcome the natural disasters last year including the mudslide tragedy in June 2007, floods during July-September 2007 and cyclone in November 2007, in which you would recall India provided cash assistance of \$10million, food aid comprising rice, wheat and milk powder costing Rs.100 crores, blankets, medicines, emergency relief and ready-to-eat meals worth \$1.5 million and also when he visited Bangladesh there was a waiver of the ban on export of rice to the extent of five lakh tons and the adoption of 10 severely affected coastal villages.

He also touched upon India's relations with Myanmar, our dialogue with Myanmar, our support for the UNSG's good offices and the efforts of his Special Envoy Mr. Ibrahim Gambari's in his mission to initiate a process of dialogue. We have reiterated our position that the process of national reconciliation should be broad-based and include all sections of the society including Aung San Suu Kyi and various ethnic groups. So these positions which you are already familiar with were again explained in the Consultative Committee.

Similarly on Sri Lanka, India-Sri Lanka relations which have undergone a qualitative and quantitative transformation in the last few years, our abiding commitment to the sovereignty and territorial integrity of Sri Lanka and our constant position that the problems there should be solved keeping these in view as well as keeping the aspirations of all the ethnic communities of the country in view.

He also covered relations with Maldives which is a close and friendly neighbour and the developmental projects there including the Indira Gandhi Memorial Hospital in Male.

EAM also dwelt on the situation in Pakistan and our relations with Pakistan. India is committed to peace, friendship and good neighbourly relations with Pakistan and the fact that Fourth Round of Composite dialogue has been held and India is committed to this Dialogue, the background of the Dialogue which is the January 2004 Statement and the commitments against terrorism.

Similarly also on Afghanistan, EAM gave an overview of our relationship and the political relationship as well as India's commitment to the reconstruction and rehabilitation of Afghanistan. Present level of India's assistance make us the 5th largest bilateral donor in Afghanistan. The way our projects are spread across Afghanistan, they cover the entire gamut of economic and social developmental activities. About 4000 Indians are engaged in the task of rebuilding Afghanistan in a security situation which is deteriorating and which remains a matter of concern for us.

He also gave the broader rubric which is the SAARC rubric and explained the achievements of the 14th SAARC Summit, particularly on the agreements on the establishment of the South Asian University and SAARC Food Bank. He highlighted the theme of Connectivity which was the main theme of the Summit, as you know.

He also briefly spoke about Prime Minister's visit to China which was the first such visit in five years and where the Prime Minister was received with warmth and special gestures, the discussions that were held, the Shared Vision document for the 21st Century, the MOUs that were signed, the institutional framework of the Special Representatives which continues to work on the Boundary issue.

That was the entire sort of tour d'horizon that he gave this morning to the Members of the Consultative Committee. There was a discussion after that. Members talked on various issues and to which he responded. So we thought that we would give you a flavour of those discussions.

Question: Given the deteriorating law and order situation in Afghanistan, there has been some speculation in some sections of the media that India may possibly pull out of Afghanistan.

Official Spokesperson: I am glad you have correctly characterized it as speculation in some sections of the media. That is what it is.

Question: On India-Pakistan civil aviation talks and the decision to add three carriers, by what time that becomes effective?

Official Spokesperson: There is no specific on which this becomes operational. It is contained in the joint press statement. Perhaps all it needs is working arrangements to be finalised. They have said that they will meet again within the year to review the capacity and frequency framework and additional destinations in each other's territory keeping in view the market demand. So, that is a review of the new arrangement. So, those would

obviously be done faster. But we will try and see if there is a date in the MoU. I do not see it in the statement.

Question: The frequency of flights from 12 to 28, what airlines will use which routes?

Official Spokesperson: A decision has to be taken which are the airlines which want to use this route. The airlines have to get into the act. They have to decide when they want to go. These are commercial and technical details which are not done at this level.

Thank you.



196. Keynote Address by Vice President Hamid Ansari at the International Seminar on: "Changing Political Context in South Asia and Prospects of Security and Regional Cooperation", organized by the Institute of Defence Studies and Analysis.

New Delhi, November 5, 2008.

I feel privileged to be here amidst such a distinguished audience. Over the years the IDSA has provided the impulse for such gatherings of scholars and analysts. The end products add to the compendium of knowledge.

The attention of this conference, I understand, would be on dimensions of change in South Asia and its possible implications.

The logic of geography is compelling. For India, the neighbourhood radiates in concentric circles, buttressed by history, cultural affinities and economic necessities.

Our political commitment to closer ties with our neighbours in South Asia is serious. India's security interests are better served if our neighbours evolve as viable states with moderate and stable political and social environments and vibrant economies.

We wish to see South Asia at peace with itself, leading to ever widening circles of security, peace and prosperity in the region.

The theme of this seminar is twofold: security and regional cooperation. Both need to be understood in themselves as also in their mutual relationship. Their logical manifestations could be (1) security exclusively in national terms (2) regional security cooperation (3) regional economic cooperation and (4) a mix of all these resulting in comprehensive security. In terms of linkages, it would be valid to ask if the perceived regional economic cooperation is to be the first step in our quest for regional security cooperation, or vice versa.

Perceptions, as this audience is well aware, have changed overtime. At one point security in the conventional sense offered a menu of choices in regard to security cooperation and suggested options ranging from alliances to collective security, security regimes and security communities. At a later stage, frameworks for communication and dialogue emerged. Each of these was experimented with; results varied from region to region.

Regional economic cooperation has tended to be influenced by a set of factors relating to intra-regional relations and convergence of political interests and cultural compatibility. The potential for economic cooperation is stymied when historic fears cloud security perceptions.

II

South Asia presents a varied picture towards the end of 2008. In some areas, forces of change are resonating noticeably. Bhutan has opted for a new system of governance through a constitutional monarchy. Change is the message of the election in Maldives last week. Nepal has witnessed historic transition from a monarchy to a democratic republic with a new leadership, and a new constitution in the offing. Pakistan has reverted to civilian rule with a new Parliament and a democratically elected President.

Less specific are the readings on Bangladesh and Sri Lanka. The former seeks a return to constitutional democracy and the latter an end to internecine strife.

The conflict in Afghanistan remains a source of considerable concern and calls for innovative solutions premised on national unity.

India, having registered rapid growth in recent years, is itself moving into a period of state and national elections.

The move towards popular and democratically elected governments in South Asia, however, has not eclipsed the existing challenges to

governance in all the countries of the region. Poverty and economic disparities coupled with ethnic and social divisions have created political and social fault lines that have been exploited by non-state actors with their own agendas.

Human Development indices of most countries of South Asia are not flattering and it would be a miracle if the targets of the Millennium Development Goals are achieved.

Yet, economic growth has continued as most of the South Asian countries have liberalised and moved towards market economies. Regional cooperation has made headway within the framework of SAARC which itself has expanded to include Afghanistan as well as nine observers.

New initiatives on the operationalisation of the SAARC Food Bank, establishment of the SAARC Development Fund, setting up of the South Asian University, the launching of negotiations to bring services into SAFTA and signing of the Convention of Mutual Assistance in Criminal Matters are significant for regional integration.

The question that one must ask is whether the changed and changing political context in many SAARC countries would confine itself to domestic politics or go beyond it to develop a changed context for security and economic cooperation with India? In other words, do the new political elites in our neighbourhood harbour a new paradigm of bilateral and regional cooperation?

We have to admit that the traditional pattern of bilateral state-to-state relations has already been transformed in varying degrees as a result of globalisation. Governments today do not control information or patterns of human interaction. Across the region, we see a web of connectivities between political actors, media centres, civil society organisations and commercial entities. Common people freely exchange views and ideas on their governments and their lives.

The prospects of security and economic cooperation are thus correlated to the ability of States to broad-base their relations beyond the traditional frameworks.

Friends

Let me venture to summarise some overarching themes that characterise the emergence of this new political context.

First, there is recognition of the importance of good relations with India and an advocacy for closer economic and political relations. There is also a desire for updating, where relevant, the existing instrumentalities of such cooperation to reflect the new ground level realities. The question for renegotiating existing treaties has been raised in this context.

Second, India on its part has tried - incrementally and non-reciprocally - to incentivise economic cooperation through confidence building measures. As a result, some in our neighbourhood have begun to feel that a prosperous and economically vibrant India is an opportunity for them to reap both economic and political benefits.

Third, political elites are increasingly emphasising that the desired economic outcomes transcend investments, growth or development. The focus is on the human development of people, the quality of the lives of citizens and even Gross National Happiness!

Fourth, all countries in South Asia realise that globalisation would be meaningless without the improvement of intra-regional connectivities. Informal trade and third country trade is still predominant with formal intra-regional trade constituting under 5% of South Asia's overall trade.

On the other hand, negative security perceptions continue to cloud cooperation in tackling trans-national and cross-boundary issues. These include security concerns such as terrorism, drug-trafficking and money laundering, as well as economic and developmental issues such as food, water, climate change and energy security.

Some initiatives need to be mentioned. India has taken the lead in building infrastructure for intra-regional trade in the full knowledge that the economic importance of intra-regional trade is considerable for the smaller regional economies. Taking the theme of connectivity forward, the SAARC Transport Ministers identified specific corridors for implementation linking Nepal, Bhutan, India and Bangladesh. A draft Motor Vehicles Agreement and a draft Railway Agreement are also being negotiated.

The expectation is that cross-border trucking and container movements, improved regional air and rail links and upgraded customs and trade facilitation would knit our neighbourhood in a network of mutually beneficial economic partnerships contributing to long term political and social stability.

Such partnerships are the need of the hour and can help address problems that cannot be solved nationally. Two instances of these lie in (i) rivers and flood control; and (ii) energy generation, energy trade and energy transit.

Both are critical to the achievement of development goals of the countries of South Asia.

Experience elsewhere in the world shows that political constraints need not be permanent barriers to economic cooperation and that the latter could help create a climate of opinion to resolve conflicts.

III

Ladies and Gentlemen

We live in times of great change. The challenges we confront overflow national frontiers. The public in South Asia has, in diverse ways, signalled its impatience with the politics of the status quo. This is most evident in the younger generation. It is now for the governments to think innovatively and encapsulate this impulse in national policies.

History is witness to occasions when bold thinking has led to creativity. Why should South Asia be an exception and remain embedded in the unproductive routine and ritual of six decades?

Would it then be altogether unrealistic to hope that South Asian cooperation would seek to achieve the following?

- Free travel and trade across frontiers, a euro-style single currency, environmentally sustainable and regionally balanced development.
- Security coordination resulting in Joint action on crime and terror.
- Speak with a single voice and work closely together on trade issues and development policy.
- Develop a mechanism for dispute resolution.
- Coordinate approaches on major foreign and defence policy questions?

The meandering River of Time is mighty and can flow in many directions. The answers to the above questions lie in harnessing it for common good and regional betterment. The analyst should go beyond identifying the obstacles and pitfalls to suggesting solutions. I venture to hope that today's conclave would be part of such an effort.

I thank Mr. Sisodia for inviting me today. I wish the Seminar all success



197. Inaugural Address by External Affairs Minister Pranab Mukherjee at the Seminar on "Sub-Regionalism Approach to Regional Integration in South Asia: Prospects and Opportunities" hosted by Sikkim University.

Gangtok, December 19, 2008.

Shri B.P. Singh, Hon'ble Governor of Sikkim & Chief Rector of Sikkim University

Shri Mahendra P. Lama, Vice-Chancellor, Sikkim University,

Dr. Peter Gey, regional Representative, Freidrich Ebert Stiftung,

Shri Rishi Ram Ghimire, Director SAARC Secretariat,

I am indeed happy to have this opportunity to address this distinguished gathering of academics, policy makers, civil society organizations, experts on international relations and media representatives at this International Conference organized by the Sikkim University.

I note that this conference is focusing on sub-regionalism and how it can catalyze activities of regional organizations - in this particular case SAARC, which itself has traveled a long way, and is at the threshold of its silver jubilee. I visualize sub-regionalism like a small cog, with an array of other wheels around it, driving a much bigger device. The output of that bigger device is mutually beneficial and all inclusive socio-economic development in a conducive environment.

For this device to function efficiently, however, there should be a confluence of views at the bilateral levels too so that synergies are created. Needless to add, the foreign policy of the respective countries that make up our sub-region within SAARC, does find reflection in organizations like the BIMSTEC. Our aim is to arrive at a commonality of views, giving all of us a means for ensuring socio-economic development in India as well in its neighbourhood. For this, we need a peaceful periphery.

- India's foreign policy seeks to promote an environment of peace and stability in our region, and in the world, aimed at enabling India's accelerated socio-economic development and safeguarding our national security.

- One cannot choose one's neighbours. Our goal, as I mentioned just now, is a peaceful periphery, to enable us to pursue our own development.
- While a peaceful periphery is our goal, internal developments in our neighbours and cross border issues, ethnicities, migration and sensitivities make these among our most complex and sensitive relationships, where domestic and foreign policy appear closely intertwined.

As I speak to you, our minds automatically go to the unfortunate happenings in Mumbai about three weeks ago; this makes this gathering even more significant. Without going into the details of the horrible and heartrending event, the obtaining environment in our region is a case in point we would do well to ponder on, and see where we go from here. The Mumbai terrorist attack is the latest instance of how sub-regionalism, regionalism and multilateralism are directly threatened by non-state actors with the aid of para-state apparatus. In the face of the gravest of provocations perhaps the time has come now to fine-tune India's priorities.

Terrorism remains a scourge for our region. The recent attacks in Mumbai only reflect the extent to which terrorists have spread their network. The repeated appeals that we have made to our neighbours, over the years, to ensure that they do not provide any support to terrorist activities and dismantle the terrorist infrastructure, has been ignored, despite assurances given by them. If a country cannot keep the assurances that it has given, then it obliges us to consider the entire range of options that exist, to protect our interests and our people from this menace.

Economic Integration: Since the mid eighties, it has been our attempt to overcome the strategic disadvantages imposed upon us by Partition and the political fragmentation of South Asia in 1947 by working to recreate the economic integration of the past. We have had considerable success in this, creating SAFTA - the South Asia Free Trade Area and working bilaterally through unilateral gestures and asymmetrical economic concessions to integrate our immediate neighbours into our economy. India's rapid growth in the last few decades provided an opportunity to accelerate this process and to transform economic inter-dependence into productive political co-existence. However, we still have a long way to go.

Cross Border Infrastructure: A critical element in our long-term strategy of economic integration of our neighbours is the development of border

infrastructure which can facilitate faster movement of goods and people. With this in mind Government is in the process of setting up 13 Integrated Check Posts (ICPs), on land borders with Bangladesh, Nepal, and Myanmar, with immediate priority given to Petrapole, Moreh, Raxaul etc. Each ICP will be complete with all required facilities

Cross Border Ethnicities and Migration: Our relatively porous land borders have led to unrestricted levels of migration of refugees and economic migrants into India from Bangladesh, Tibet, Nepal and Sri Lanka, not counting the enforced migrations of Partition and the birth of Bangladesh. The political and economic consequences of this are borne by our states. What we now need is a system, particularly in the border districts, which is able to make boundaries a reality and is able to monitor and, where necessary, control developments.

In our neighbourhood, India continues to help the Afghan government and people in building a stable, democratic, and pluralistic society. India's direct bilateral multifaceted cooperation for Afghanistan's rebuilding is, by now, well over US\$ 1 billion, across a whole range of sectors and several thousand Indians remain engaged in development work in Afghanistan.

The deterioration in the internal security situation, the resurgent Taliban influence, and attacks on our personnel, establishment and projects in Afghanistan, epitomized by the dastardly attack on our Embassy in Kabul in July, remain a matter of deep concern. Developments in Afghanistan impinge directly and otherwise on our national security, and stability in that country is clearly in our interest.

In Pakistan, the internal security situation continues to deteriorate. Power has fragmented landing in many hands, leading to the emergence of multiple centres of power. This has been reflected in attempts at cross border infiltration as also in the increase in cease fire violations, recently climaxed by the appalling terrorist attack in Mumbai. It is also true that the issue of terrorism within Pakistan is deeply embroiled in the internal politics of that country. The infrastructure of terror remains unchallenged in Pakistan as does logistical support to anti-Indian terrorists, from the multiple hands, I referred to earlier,.

We have regular high-level interactions and sustained exchanges and dialogue mechanisms with China. These include the meeting of the expert-level mechanism on trans-border rivers, annual defence dialogue, and dialogue mechanism on disarmament and non-proliferation, buttress the

relationship. For some more time China would require peaceful conditions so that it can concentrate on its objective of continued economic growth, (just as we ourselves do). One other immediate issue is the border issue, where, talks continue but progress has been slow.

With regard to Bangladesh, we have made some limited progress in the last two years on promoting connectivity with the commencement of the Kolkata-Dhaka Passenger Train Service in April 2008 and signing of a new air-services agreement to increase flights between our two countries. We are also undertaking several initiatives to improve the trade infrastructure, including Land Customs Stations (Kolkata-Petrapole), Road, Rail and riverine routes to facilitate increased levels of trade.

There has been a historic change in Nepal in the last two years. We have had a useful interaction with the new political leadership of Nepal and have agreed to work towards further strengthening our unique and special relationship. Major elements of this would include cooperation to ensure our mutual security interests; economic and infrastructure cooperation including through the development of border infrastructure; cooperation in development of hydel power projects and flood relief measures; as well as trade and transit.

Bhutan is now a constitutional monarchy with a new King and an elected PM. We revised our Treaty of Friendship with Bhutan last year and continue our economic cooperation which has been highly successful. The 1,020-MW Tala hydroelectric project in Bhutan, built with our cooperation, has started full commercial operations. We have also signed an agreement for the 1,095-MW Punatsangchhu hydroelectric project and more such projects are in pipeline. The two governments plan to produce 10,000 MW of hydropower in Bhutan by the year 2020 for export to India.

While we pursue our relations bilaterally with each of our neighbours, we have also tried to utilize SAARC to realize our aim of economic re-integration. During 2007, as Chairman of the SAARC we put emphasis on concrete regional initiatives, moving from a declaratory phase to implementation, keeping in view the need to have better intra-regional physical, economic and people-to-people connectivity. Several initiatives were launched including the South Asian University whose ground breaking ceremony was held in May this year in New Delhi. The SAARC Food Bank, SAARC Development Fund and physical and social connectivity projects, are other instances of our effort to share advantages from regional groupings which have bilateral as well as sub-regional effects.

Myanmar is our link to ASEAN. In line with our 'Look East' policy and our commitment to developing the North-Eastern States of India, several cross-border development projects are being taken up with Myanmar, including [Rhi-Tidim and Rhi-Falam] Roads in Mizoram sector, and in Manipur sector. [Tamu-Kalewa-Kalemyo Road, besides upgradation of Jiribam-Imphal-Moreh road.]

We have also finalized the agreement on Kaladan Multi-Modal Transit and Transport Project which envisages connectivity between Indian ports on the eastern seaboard and Sittwe port in Myanmar and then through riverine transport and by road to Mizoram, thereby providing an alternate route for transport of goods to the states of North-East India.

Enhancement of Indo-Myanmar trade is being promoted by converting existing cross border trade into normal trade, and by facilitation measures such as ICPs and Land Custom Stations in Manipur and in Mizoram. To secure our energy interests, India has also signed production - sharing contracts for offshore deep-water blocks in September 2007.

The region we are presently meeting in, is at a geographical crossroad as it were. SAARC, BIMSTEC, MGC and our summit partnership with the ASEAN overlap here. I see that the participants in this conference from outside India are from countries that belong to one organization or the other, I have just now referred to. At the multilateral level, every member of the World Trade Organization (WTO) today is also a member of at least one sub-regional or regional cooperation arrangement, many are members of both. Transport networks in the sub-region have the potential to transform its economic geography. Sub-regional initiatives not only promote regionalism but also in some way contribute to multilateralism as trade and investment increase. However, in today's environment of international financial crisis, this aspect has come under strain as options have become more limited.

The consolidation of our relations with ASEAN is a significant element in our Foreign Policy profile. India's Look East policy seeks to develop relations within bilateral and sub-regional framework with a dynamic and rapidly growing region of Asia which will become the third pole of the world economy within the next few decades. The significance of this development will be reflected in every aspect of our foreign relations including diplomatic policy, foreign trade, foreign investment, science and technology collaboration and cultural exchanges.

The conclusion of the India - ASEAN FTA in goods, the establishment of entrepreneurship development centres in Myanmar, Laos, Cambodia and Vietnam; the establishment of Centres for English Language Training, IT centers are successful examples of sub-regional cooperation between India and the CLMV countries within the ASEAN framework.

India has also interacted with south east Asian countries in the context of our membership of Mekong-Ganga Cooperation (MGC) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC). The MGC comprising of six countries including India and five ASEAN countries - Cambodia, Lao PDR, Myanmar, Thailand and Vietnam was launched in 2000 and focuses on cooperation in culture, tourism, human resource development, education, transport and communication. One of the successful events under the MGC was the pilgrimage undertaken by 100 Buddhist priests and others during 2007. This has renewed the civilizational links of India with these countries and enables people to people contacts through education, culture and tourism.

The BIMSTEC which presently has India, Bangladesh, Bhutan, Nepal, Sri Lanka, Myanmar and Thailand as members focuses on trade and investment, technology, transport and communication, energy, tourism and fisheries. It plays the role of a bridge between countries of South and South East Asia with the North East region of our country as the centre of this bridge. The 2nd BIMSTEC Summit was successfully held in November 2008 in Delhi roughly 10 years after the establishment of the grouping. Significant progress has been made in the negotiations for BIMSTEC Free Trade Area Agreement.

Among others, the Member States finalized a convention on combating international terrorism, transnational organized crime and illicit drug trafficking. It was agreed to establish a BIMSTEC Energy Centre and BIMSTEC Weather and Climate Centre in India and BIMSTEC Cultural Industries Commission and BIMSTEC Cultural Industries Observatory in Bhutan that would contribute greatly to the consolidation of this initiative for deepening sub-regional and by extension, regional integration. The need to coordinate on issues of maritime transport such as construction of a deep-water port to service the region, new trans-national challenges such as climate change, energy and food security that threaten our developmental efforts also came under focus. At the summit, the leaders agreed that terrorism and threats from the sea continue to challenge the authority of the State.

India thus has had some significant success in its relations with all countries in the SAARC, ASEAN, MGC and BIMSTEC frameworks. While these frameworks help us to engage at a sub-regional level, the actual impact is felt at the bilateral level since project and idea implementation enables people to people contact at the professional and other levels.

The linkages from the bilateral base on the sub-regional framework, helping us to graduate to regional and multilateral cooperation, is the task before us. To achieve this however, we need a peaceful environment devoid of envy, jealousy. The environment has to be replete with respect for human life and endeavour. Unless this is adhered to, we will find ourselves moving forward three steps but sliding back by two. There must be genuine understanding and respect for the tradition and cultures of each others' societies. Violence is not a virtue by any stretch of imagination. Its presence, encouragement for it within and across the borders will only lead us to a society devoid of values that elevate human existence.

It is my hope that the deliberations you are due to have over the next few days will focus just as much on human innovation and evolution in the modern day, just as you leave a message for human values to flower in the future.

It gives me great pleasure to inaugurate the International Conference on Sub-regionalism Approach to Regional integration in South Asia: Prospect and Opportunities. I wish you all success in your work.

Thank you.



198. Remarks by External Affairs Minister Pranab Mukherjee at the Panel Discussion on "Vision for a new South Asia" at the Conference on "Development, Freedom and Welfare" in honour of Nobel Laureate Prof. Amartya Sen.

New Delhi, December 20, 2008.

Distinguished Guests,

It is an honour to preside over this Panel Discussion on the theme Vision for a New South Asia. The panelists for this session are all very distinguished persons, who are highly respected in India and among the South Asian fraternity. Yesterday and today, we have heard great minds who have all come together to celebrate the 75th birthday of Nobel Laureate Amartya Sen through the sharing of ideas on development, freedom and welfare - all of which have been Amartya's lifelong search.

Interestingly this panel will talk about a 'new' South Asia, suggesting thereby that the 'old' South Asia is either dead or dying. At one level, it is true that there has been dramatic and truly momentous political developments in some countries of South Asia, especially Bhutan, Maldives and Nepal. All of us in South Asia applaud these developments. However, if a 'new' South Asia is to emerge, I believe that there would need to be a change in mindsets in the first instance.

If we were to identify, as sovereign nations, the one single thing that is critical to our national interests, I would say that it is freedom or the absence of insecurity.

Security has many dimensions and I do hope it would be possible for the panelists to explore these aspects in some depth during their presentations. Let us take the element of economic security. Without economic security can there be freedom? Today, much of South Asia is characterized by high rates of economic growth and yet, it remains as amongst the poorest regions in the world. There are almost 450 million persons who live below US\$ 1 per day. The prevalence of extreme poverty and human deprivation reflects the acute income inequality and disparity prevalent in the region. Statistically there has been progress in terms of poverty reduction but the countries in the region have a long way to go before they can attain the Millennium Development Goals (MDGs) by 2015. Unless we can guarantee

economic security or development for our people, a 'new' South Asia will not emerge. Indeed, economic security or the freedom from hunger, destitution and poverty is the only path towards dignity and development.

Our government is committed to pursuing policies of inclusive growth because we believe that when the benefits of growth are shared equitably, growth will be transformed into development. Economic security is, thus, the primary focus of our government. At the same time, we have consciously sought to find ways and means through which the positive performance of the Indian economy could usher in 'shared prosperity' in the region. We believe, quite pragmatically, that 'shared prosperity' is mutually advantageous. As a result, during India's chairmanship of SAARC, we consciously tried to infuse dynamism in the SAARC process in a non-reciprocal manner.

Another element of security may be loosely termed as 'political freedom'. In a recent paper, Professor Kanti Bajpai has argued that democracy and democratization are vital for peace in South Asia. India believes it is the sovereign right of any people to decide on the kind of government they would like, whether democratic or military. We have seen a fresh wave of democracy sweep over many parts of South Asia and these are encouraging signs. However, genuine democracy does not come about simply by holding an election but rather through a process of democratization that makes the elected representatives accountable and more importantly, in ensuring that there does not exist a separate and de facto centre of power that is actually pulling the puppet strings. The pretense of democracy is not equivalent to democratization. We do not believe that it is for us to advocate how other countries should be governed but we would, most certainly, like to know whom we should deal with vis-à-vis another government; in other words, who runs the show?

While discussing a 'new' South Asia, can we forget the plural character of the region? India alone is home to every great religion in the world and we are proud of our secular and plural heritage. It is a heritage we will not abandon or forsake for it is the cornerstone of idea that is India. Security of all religious faiths is, thus, critical to the vision of a 'new' South Asia.

Finally, we need to focus on the aspect of physical security. Less than a month ago, India was held hostage to a dastardly terrorist attack in the city of Mumbai. Across the globe, the faces of the terrorists have been seen.

The deaths of the innocent people, the wanton loss of life and property, were not accidental or unintended as is sometimes referred to as collateral damage. On the other hand, this was cold and calculated murder. One of the terrorists, who has been captured alive has given us a chilling accounts of his handlers. A few months earlier, the Indian embassy in Kabul was the target of a terrorist attack. The impunity with which these attacks are carried out is possible only because of the safety the handlers have been assured. For as long as this continues, we will remain mired in the 'old' South Asia.

I am confident that the eminent panelists and the discussions that follow will try and explore the vast canvas that the theme of the panel opens up before us.

Thank you.



AFGHANISTAN

199. Statement by Official Spokesperson on the suicide attack on a convoy of the Border Roads Organization in Afghanistan.

New Delhi, January 3, 2008.

We have just heard that a suicide attack on a convoy of the Border Road Organization which is constructing the Zaranj - Delaram Road in Afghanistan. We understand that at least two of our security personnel have been killed and some others injured. A number of Afghan security personnel have also been killed.

2. The Government of India deeply regrets the loss of life and offers its heartfelt condolences to the families of the deceased.
3. Our Ambassador in Kabul is in touch with our personnel and is making efforts to airlift the injured to a place where they can be provided better medical treatment. We are contacting the families of the deceased and wounded. Compensation and insurance for the victims will be disbursed immediately.
4. The Government of India will work with the Government of Afghanistan to strengthen security at project sites and other locations where Indian nationals are working for the reconstruction of Afghanistan. A team to review security arrangements and identify additional measures is visiting Afghanistan immediately.
5. The Government of India strongly condemns this act of terrorism aimed against its aid and humanitarian programme in Afghanistan and reiterates its determination to continue to work for the rehabilitation and reconstruction of Afghanistan and the well-being of Afghan people.



200. Extract relevant to Afghanistan from the Statement of External Affairs Minister Pranab Mukherjee in the Lok Sabha on “Foreign Policy Related Developments”.

New Delhi, March 3, 2008.

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The security situation in Afghanistan remains a concern to us, but will not be allowed to affect our commitment to Afghanistan's reconstruction. We lost two of our personnel in a terrorist attack on a major road building project in Afghanistan in early January this year. Five of our personnel were also wounded in this attack, which also claimed the lives of twelve Afghan security persons. We extend our heartfelt condolences to all their families. The international community must stand firmly with President Karzai and his Government as they face up to the twin challenges of a major threat from terrorism in the form of the Taliban, and seek to build a democratic and pluralistic polity.

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201. Press Release of the Ministry of Petroleum and Natural Gas on Turkmenistan-Afghan-Pakistan-India Gas pipeline.

New Delhi, April 24, 2008.

Please see Document No.490.

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202. Media Briefing by Official Spokesperson on External Affairs Minister Pranab Mukherjee's condemnation of dastardly attack¹ on Afghan President Hamid Karzai in Afghanistan.

Kolkata, April 27, 2008.

Speaking to the media in Kolkata, EAM condemned the dastardly attack in Kabul and expressed his relief that President Karzai was unhurt.

He also underscored the need for the international community to show zero tolerance for terrorism.



¹ Afghan President Hamid Karzai on April 27 survived an assassination attempt by Taliban militants who staged a daring attack with rockets and gunfire on the country's largest annual military parade, killing three people, including a lawmaker, and injuring a dozen. Karzai as well as scores of ministers from his Cabinet and top foreign diplomats escaped unhurt from the attack.

203. Terrorist attack¹ on the Indian Embassy in Kabul and Government of India's reaction.**Statement by Prime Minister Dr. Manmohan Singh on the terrorist attack on the Indian Embassy in Kabul.****On Board the Air India One, July 7, 2008**

I am horrified to know of the death of our personnel in the dastardly terrorist attack on our Embassy in Kabul. The loss of these precious Indian and Afghan lives in the service of their country must be condemned in the strongest terms possible. Those responsible, directly or indirectly, for this terrorist attack and for making this possible are no better than the worst criminals.

I offer my deep condolences to those who have lost their loved ones and those who have suffered grievous injuries. India is with the families of those bereaved today. We will do all that we can to help them bear their loss and grief. This is our pledge.

We have lost Indians who were helping their Afghan brothers to rebuild their lives and country. That endeavour must continue with renewed commitment.

1 Over 40 people, including four Indians, were killed when a suicide bomber rammed his bomb-laden car into the gates of the Indian Embassy on July 7th morning. Others killed in the attack, the first of this magnitude on an Indian mission anywhere in the world, were local security personnel and Afghans who had queued up for visas to travel to India. Indian diplomat, V. Venkateswara Rao, and the military attaché, Brigadier Ravi Datt Mehta, were killed as their car was entering the compound and the jawans of the Indo-Tibetan Border Police, Ajai Pathaniya and Roop Singh, Minister of External Affairs Pranab Mukherjee told journalists in New Delhi. About 10 Afghan security personnel were among those dead or injured. Several shops across the road, including the Indian Airlines office, were damaged and many Afghan shopkeepers injured. An Indian Air Force transport plane left for Kabul in the evening to bring back the bodies of the Indian victims. Greatly concerned about the security and safety of the Indian personnel in Kabul a special team led by Secretary in the MEA Nalin Suri rushed to the Afghan capital to review security measures and interact with local officials to improve safety measures for the nearly 3,000 Indians working at missions and development projects in the country. It included representatives from the Foreign Office and the Ministry of Home Affairs besides trauma specialists.

Afghan President Hamid Karzai on the same night called up Prime Minister Manmohan Singh and conveyed his condolences over the loss of lives in the suicide bomb attack. In the telephonic conversation, Prime Minister told Mr. Karzai that India had lost some of its precious officers. He, however, assured the Afghan President that this would not

Statement by External Affairs Minister Pranab Mukherjee on the terrorist attack on the Indian Embassy in Kabul.

New Delhi, July 7, 2008

It is with very great regret and a heavy heart that I have to announce that in the terrorist attack on our Mission in Kabul this morning, we have lost five of our personnel. Brig. R.D. Mehta, Defence Attache, Shri V.V. Rao, Counsellor and S/Shri Ajai Pathaniya and Roop Singh both from the ITBP security contingent were killed in the attack. One of our Afghan staff members Mr. Niamatullah was also killed in the attack. Government offers its deepest condolences to their families as also to the families of the others who were killed in this dastardly attack.

A special team under the leadership of Secretary (West) Shri. Nalin Suri will be flying to Kabul immediately to attend to this emergency situation concerning our Mission.

deter India from continuing its reconstruction and rehabilitation work in Afghanistan. He reiterated the bilateral commitment to fight terrorism. Prime Minister took the opportunity to condole the Afghans killed in the dastardly attack. He also spoke to Indian Ambassador Jayant Prasad and told him that the country was behind the Indian mission.

India strongly suspected involvement of Pakistani intelligence agency ISI but Pakistan denied any involvement in the incident. In order to give the pretence of being innocent and appearing to be taken aback itself by the incident, Mr. Asif Ali Zardari in a statement on July 8 condemned the attack as "barbaric and cowardly" and said the perpetrators were "enemies of peace" who wanted to destabilise the region. "The incident should not deter the countries in the region from pursuing their common agenda of peace. If anything, it should further strengthen their resolve to fight terror in all its manifestations and forms," he said. Pakistan, however rejected the veiled accusation by Afghanistan that it was behind the suicide attack. Interior Adviser Rehman Malik, who functioned as the Interior Minister, said the accusation was "baseless". Speaking in the Malaysian capital Pakistani Prime Minister Yousuf Raza Gilani said Pakistan was determined to fight terrorism with an "iron fist", adding that a destabilised Afghanistan was not in his country's interests. The Pakistani Foreign Minister Makhdoom Shah Mahmood Qureshi, in his statement condemned the bomb blast and said that Pakistan "condemns terrorism in all its forms and manifestations as this menace negates the very essence of human values."

Despite Pakistan's denial of any links with the attack the National Security Adviser M.K. Narayanan on July 12 indicated that India had a "fair amount" of intelligence inputs about Pakistan's involvement in suicide attack on its embassy in Kabul. Mr. Narayanan's remarks came on a day when the U.S. also ramped up pressure on Pakistan, reportedly making a similar charge that Pakistani security agencies were backing Taliban and Al Qaeda. Media reported that the U.S. Joint Chiefs of Staff Chairman Admiral Mike Mullen arrived in Pakistan on July 14 in what seemed to be an unscheduled visit, and apparently

The Statement issued by the Official Spokesperson of the Ministry of External Affairs on the bomb blast at the Indian Embassy.

New Delhi, July 7, 2008.

We convey with deep regret that there was a suicide car bomb attack on the Indian Embassy in Kabul a little while ago. We fear that there may be casualties among our personnel and are ascertaining full details. We are in touch with the Ambassador who is supervising arrangements for medical assistance. The Government of India strongly condemns this cowardly terrorists' attack on its diplomatic mission in Afghanistan. Such acts of terror will not deter us from fulfilling our commitments to the Government and people of Afghanistan.

Resolution passed by the Foreign Service Association on July 7, mourning the untimely passing away of Foreign Service officer Shri V. Venkateswara Rao.

"It is with a deep sense of anguish and deep sorrow that the Indian Foreign Service Association mourn the untimely passing away of Shri V. Venkateswara Rao, a 1990 batch IFS officer, under tragic circumstances, in Afghanistan.

Shri Rao was a bright and energetic officer. He had served in various capacities in our Missions in Berlin, Colombo, Kathmandu and Washington. His latest tour of duty in Kabul under extremely difficult conditions, revealed his determination,

did some tough talking in his meeting with Pakistan Army chief General Ashfaq Parvez Kayani. The *News* from Pakistan reported that Admiral Mullen made the one-day visit to share evidence of American claims that "responsible elements within Pakistan's security agencies were giving comprehensive support to Taliban and Al Qaeda elements." *The Dawn* said that Admiral Mullen conveyed Washington's growing frustration with Pakistan's inability, or unwillingness, to act decisively against Taliban and Al Qaeda militants hiding in "safe havens" in the tribal areas in the north-west frontier, from where they are known to mount cross-border attacks in Afghanistan. Foreign Secretary Shivshankar Menon while in Kabul on the 13th and 14th July reviewed the security of the Indian Embassy and other Indian assets and also held talks with the Afghan President Hamid Karzai. During the 30-minute meeting on July 13, the two sides discussed security and strongly felt that the attack was the handiwork of "enemies" of relations between the two countries. Mr. Menon, who also met Afghan Foreign Minister Rangeen Dadfar Spanta, was told that the Afghan government would do everything possible to protect

sincerity and a courage of immeasurable proportions. It is extremely distressing that he has had to lay down his life to a cowardly act of terrorism. His death, while answering the highest call of duty will be an inspiration to all of us reflecting the professionalism that our service represents.

The Indian Foreign Service Association conveys its heartfelt sympathies and condolences to the family of Shri Venkateswara Rao. We stand by the bereaved family in their hour of grief. We also convey our condolences to the families of Brigadier R.D.Mehta, Defence Attache, Shri Ajai Pathaniya and Shri Roop Singh, both from the ITBP security contingent and the Afghan official who was working in the Embassy.

I now request the assembly to rise and observe one minute silence in memory of Late Shri V.Venkateswwara Rao."

Remarks by Foreign Secretary Shivshankar Menon at the memorial service to commemorate victims of the terrorist attack on the Indian Embassy on 7th July, 2008.

Kabul, July 13, 2008.

Hon'ble Members of the Afghan Cabinet, Excellencies, ladies and gentlemen,

I have come from Delhi to be here with you on this significant and poignant occasion. We, Afghans and Indians, have suffered grievous losses in the dastardly terrorist attack on our Kabul Embassy on 7 July. Our heart goes out to the victims, the injured and their families.

the Indian assets. The two sides agreed that "terrorism is a threat to both countries, as well as the stability and democracy of the region," Afghan Foreign Ministry spokesman Sultan Ahmad Baheen told the media and added that both Mr. Karzai and Mr. Menon were of the view that it was "not enough to fight the symptom of terrorism" that was visible in Afghanistan but the menace should be "rooted out from the region by targeting bases, recruitment places and financial links." The *New York Times* came out with a damning report that U. S Government officials told the paper that their conclusion about Pakistan involvement in the Indian Embassy bombing in Kabul "was based on intercepted communications between Pakistani intelligence officers and militants who carried out the attack." However, the *New York Times* reported that a top CIA official travelled to Pakistan to confront officials with evidence of the ISI's continued support of terrorism. CIA deputy director Stephen R. Kappes carried with him a large mass of evidence,

The attack on July 7 is the work of our common enemies, of the enemies of our friendship, and of the enemies of peace in Afghanistan and our region. No words of condemnation are too strong for the perpetrators and organisers of this attack. They must and will face a reckoning. Justice must be served.

Previous speakers have spoken eloquently about those we have lost. It is for us who remain to ensure that their sacrifices will not be in vain.

We in India are determined to continue the work of these martyrs to our friendship. India's commitment to the reconstruction of Afghanistan and to work with our Afghan brothers is unwavering.

Earlier today, our Embassy in Kabul began issuing visas again. As they rebuild and regroup, the Embassy personnel under Ambassador Jayant Prasad's leadership have set a magnificent example that makes every Indian proud.

The strong and spontaneous support and sympathy that we have received from the Afghan Government and from people in all walks of life, inspires us. Earlier today, President Karzai expressed his shock and horror and determination to work together against the forces behind the attack. These words and actions are a great comfort to us all. We are most grateful.

Let there be no doubt that India and Afghanistan are and will be, today and in the future, partners.

Thank you all for coming today.



including the available communications intelligence on the Kabul bombing. Media reports said that the U.S. President George Bush was believed to have confronted Pakistani Prime Minister Yusuf Raza Gilani on the ISI's support for terrorism during their recent meeting. President Bush complained that tactical intelligence provided by the U.S. to Pakistan was being leaked by ISI elements to terrorists. Before his visit to the U.S., Mr. Gilani issued orders placing the ISI under the control of the Interior Ministry, but interestingly backed down under pressure from the Pakistan Army. Government officials who spoke to the *Times* said the ISI officers whose conversations with terrorists had been intercepted "had not been renegades," suggesting that the Kabul bombing was authorised by the organisation. "It confirmed some suspicions that I think were widely held," one State Department official told the *Times* of the intercepted communications, the *Times* report said. "There was a sense," he said, "that there was finally direct proof." Given that the ISI director was a three-star Army general, this would imply that the attack on the Indian embassy was endorsed by Pakistan's strategic establishment.

204. Press Trust of India report on the remarks of National Security Advisor M. K. Narayanan on the involvement of Pakistan's Inter Services Intelligence agency in the bombing of the Indian Embassy in Kabul.

New Delhi, July 12, 2008.

On July 12 the National Security Advisor M. K. Narayanan, when asked about the involvement of the Pakistan's Inter Services Intelligence agency in the terrorist bomb attack on the Indian Embassy in Kabul said: "We not only suspect but we have a fair amount of intelligence [on the involvement of Pakistan]," Mr. Narayanan told television channels when asked whether India suspected Pakistan's hand. ...The ISI needs to be destroyed. We made this point, whenever we have had a chance, to interlocutors across the world... there might have been some tactical restraint for some time, obviously that restraint is no longer present".

Specifically asked about reports that the agency was involved, he said "we have no doubt that the ISI is behind this....The people of this country deserve to know the facts rather than being carried away by people who make statements that these are insinuations. There are no insinuations."

(Four Indians, including senior IFS officer V.V. Rao and Brigadier R.D. Mehta, Defence Attache, were killed in the blast caused by a suicide bomber) The NSA said there was a need to retaliate against such acts. "I think we need to pay back in the same coin. We are quite clear in our mind," he said. Asked who should be paid back, he replied, "Those who are responsible."

1 There was no official Pakistani reaction to the charge of NSA, and his statement that it was India's case to the world that the ISI must be "destroyed." Mr. Narayanan also said if things continued in this manner, there would be no choice but to "retaliate in kind." While the Pakistan Government and the ISI itself chose to observe silence on NSA's remarks the Pakistani Defence Minister Chaudhary Ahmed Mukhtar, on July 13 in response to a question on a private TV channel Express News described the remarks as "inappropriate... without proof" and added it would have no effect on the peace process. In a parallel development the United States also ramped up pressure on Pakistan, reportedly making a similar charge that Pakistani security agencies were backing the Taliban and Al Qaeda. According to media reports the U.S. Joint Chiefs of Staff Chairman Admiral Mike Mullen who arrived in Pakistan on July 12 in what seemed to be an unscheduled visit, apparently did some tough talking in his meeting with Pakistan Army chief General Ashfaq Parvez Kayani. The News, an influential Pakistani daily reported that Admiral Mullen made the one-day visit to share evidence of American claims that "responsible elements within the country's security agencies were giving comprehensive support to Taliban and Al Qaeda elements." According to another report in the Dawn, Admiral Mullen conveyed Washington's growing frustration with

When asked if such retaliatory acts would not impede the peace process, he said: "I don't think the ISI has ever been a part of the peace process.... I think we need to make a distinction" between the two. "The anti-terror mechanism was one piece of this picture. The hope was that in course of time both sides would share whatever information they have and come up with a holistic idea of what was going on," he said.

"Talk-talk is better than fight-fight. But it hasn't worked so far. In some way, we haven't arrived at the decision that we should go for fight-fight so let talk-talk continue for the moment," he said. The NSA said there was a "hiccup" in the peace process towards the end of 2006 and early 2007. "It hasn't really picked up....we are hoping that the new administration will take this up again."



Pakistan's inability, or unwillingness, to act decisively against Taliban and Al Qaeda militants hiding in "safe havens" in the tribal areas in the north-west frontier, from where they were known to mount cross-border attacks in Afghanistan as well. Belatedly on July 21 Pakistan chose to react to NSA's comments saying that the "blame-game" should be avoided. It brought "disquiet for us," Pakistan Foreign Secretary Salman Bashir told reporters. "It is imperative to refrain from blame-game. We have played it for too long," he said, adding it was important for both the countries to voice their concerns directly rather than publicly. Mr. Bashir said the two countries have had a "gentleman's agreement" not to air allegations in public which was not being kept. "We reject allegations from anyone," he said, adding there will be problems if "intentions are questioned." He also attacked the Afghanistan government for pointing fingers at Pakistan over the bomb attack on Indian Embassy in Kabul.

When Pakistan Prime Minister Yousuf Raza Gilani met the Prime Minister in Colombo on the sidelines of the SAARC Summit on August 2 he assured his Indian counterpart, Manmohan Singh that Islamabad would independently investigate the terrorist attack on the Indian embassy in Kabul which killed 60 people, including four Indians. Mr. Gilani said he would interact with Afghanistan President Hamid Karzai to "get to the root" of the case. Pakistan would do everything required to put the dialogue process back on track. Dr. Manmohan Singh told Mr. Gilani that New Delhi and Islamabad were working on this goal for the last four years but unfortunately the recent events had cast a shadow on the process. Foreign Secretary Shiv Shankar Menon told the media later that Dr. Singh was "frank" in expressing his concern to the Pakistani counterpart over the recent events.

205. Press Statements of Prime Minister Dr Manmohan Singh and Afghan President Hamid Karzai.

New Delhi, August 4, 2008.

Prime Minister of India (Dr. Manmohan Singh): I am delighted to welcome His Excellency President Hamid Karzai to India. The President's visit is a reflection of the close and friendly ties that exist between India and Afghanistan.

President Karzai's visit takes place at a critical juncture for India, Afghanistan, and our region. Our discussions today were held against the backdrop of the serious threat posed by terrorism to the security and stability of Afghanistan, India and the region. As the attack on our embassy in Kabul on July 7 has tragically shown, terrorism has no barriers, and is not bound by any restraints. It was an attack on the friendship between India and Afghanistan.

We have agreed that we will not allow terrorism to stand in our way. We will fight it unitedly and with full determination. I conveyed our deep condolences on the loss of so many innocent Afghan lives in the attack on July 7, and re-affirmed to President Karzai India's abiding commitment to Afghanistan's efforts to build a democratic, pluralistic and stable polity. Such a vision is not only in keeping with our age-old association with Afghanistan, but is necessary for regional peace and stability.

I conveyed to the President that we will fulfill all our commitments to Afghanistan. For this purpose, we will allocate an additional amount of 450 million US dollars over and above the existing 750 million US dollars to meet the requirements of our ongoing and forthcoming projects.

I also informed the President that one of our important infrastructure projects in Western Afghanistan - the road from Zaranj to Delaram - is now complete. We will hand this over shortly to the Government of Afghanistan. The road is a symbol of our cooperation with Afghanistan, and a tribute to the precious Indian and Afghan lives that were lost in making this project a reality. The road has brought our two peoples closer together.

India's contribution in the reconstruction and development of Afghanistan is part of a larger international effort to help the Afghan people in forging a pluralistic and democracy society. India will be happy to host a meeting of the Joint Coordination and Monitoring Bureau, the body which oversees

and harmonizes the activities of different countries in the reconstruction process in Afghanistan.

In conclusion, I would like to pay tribute to the sagacity and wise leadership of President Karzai as he leads Afghanistan through a difficult and challenging period. He represents the new face of Afghan nationalism, which draws strength from the diversity and pluralism of Afghan society. He has always stood for India-Afghan friendship. We wish President Karzai well in his noble endeavours, and all success in guiding Afghanistan through these testing times to a better future.

President of Afghanistan (Mr. Hamid Karzai): *Bismillah-e-Rahman-e-Rahim!*

Thank you very much Mr. Prime Minister. It is a great honour and privilege for me and my delegation to be once again in India, a country of deep history, and values, and humanity.

Mr. Prime Minister, I convey my condolences and deep sadness over the tragic loss of life yesterday at Bilaspur's incident. Mr. Prime Minister, also please accept my condolences once again on the tragic incident of the bombing of the Indian Embassy in Kabul, and the bombings in Bangalore and Ahmedabad.

Mr. Prime Minister, Afghanistan and India indeed share in common the interests of peace and stability in the two countries, in the region, and in the larger world. And we know that together India and Afghanistan are facing the challenges of terrorism, of cold-blooded, brutal murderous activity in our two countries. And we recognize that the two countries and the world at large have no option but to be united in fighting the menace of terrorism as it affects us and as it affects the international community. I would call upon all our allies to recognize the seriousness and the brutal nature of militant radicalism as it attacks innocent lives, women, children, elderly alike wherever they can manage to attack them.

Mr. Prime Minister, Afghanistan will stand resolutely with our friends in India in fighting the menace of terrorism; Afghanistan stands resolutely with our allies in the conduct of war against terrorism. As India has suffered immensely from this menace, Afghanistan has too. Therefore, Mr. Prime Minister, it is a moral responsibility for us - not a political activity, I would like to underline, it is a moral responsibility for us - as human beings to protect the lives of our women and children, and to prevent the loss of life

caused by terrorism by defeating terrorism and by eliminating it completely, and thereby bringing security to our peoples and the world at large.

Mr. Prime Minister, Afghanistan is very grateful to India's assistance all along. Historically we have been friends; and India has proven in particular to be a very valued ally and at the forefront of its assistance to Afghanistan in Afghanistan's effort in rebuilding itself. India has been among the best contributors of assistance to the rebuilding of Afghanistan. You have provided us help in education in a significantly important way. A thousand scholarships a year for five years; you have been building transmission lines for us; constructing dams for us; building new roads for us; and helping in all manners where India could. On behalf of the Afghan people, Mr. Prime Minister, please convey our regards and thanks to the people of India.

Mr. Prime Minister, I am grateful for the new announcement that you have made of 450 million dollars of fresh assistance to Afghanistan. Afghanistan will value this and I am sure it will be spent correctly for the betterment of the lives of the Afghan people.

I bring you once again greetings from the Afghan people and gratitude from the Afghan people. And I assure you that Afghanistan will be a steadfast ally in the war against terrorism and Afghanistan will remember and cherish the memory of India's assistance to the rebuilding of Afghanistan at an extremely critical juncture of our history.

Of course, I must re-emphasize, as you did, that both of us will continue the journey of democracy and pluralism, values that our nations definitely enjoy and will protect.

Thank you very much.



206. Joint Statement issued during the State Visit of Afghan President Hamid Karzai.

New Delhi, August 4, 2008.

1. At the invitation of His Excellency Dr. Manmohan Singh, Prime Minister of the Republic of India, His Excellency Mr. Hamid Karzai, President of the Islamic Republic of Afghanistan, is currently paying a State Visit to India (August 3-5, 2008).
2. During the visit, the two leaders held talks on a range of bilateral issues and regional issues.
3. India reiterated its full support to the goal of a sovereign, democratic, peaceful and prosperous Afghanistan, conducive to the peace, security and stability of the region.
4. President Karzai's visit comes at a time when there has been a resurgence of terrorism whose specter profoundly threatens our societies. The attack on the Indian Embassy in Kabul on the 7th of July was an attack on the friendship between India and Afghanistan. President Hamid Karzai's presence today conveys a befitting response to that attack. The leaders expressed their determination to fight terrorism unitedly and with all the forces at their command.
5. Prime Minister Dr. Singh conveyed to President Karzai that all of India's commitments to Afghanistan would be fully met. To this end, the Government of India pledged an additional 450 million US dollars over the 750 million US dollars announced so far to effectively meet the requirement of our ongoing and forthcoming projects.
6. Prime Minister Dr. Singh also conveyed to President Karzai that one of the important infrastructure projects in Western Afghanistan - the road from Zaranj to Delaram - is now complete and will be handed over shortly to the Government of Afghanistan. The construction of this road was a major test of our joint resolve.
7. India's efforts for the reconstruction and development of Afghanistan are also part of a larger international endeavour to help the Afghan people in forging a pluralistic and democratic society. It was agreed that a meeting of the Joint Coordination and Monitoring Bureau would be hosted by India next year.

8. The two leaders reaffirmed their common interest in developing a robust, strategic partnership, building on the foundation of the historically rich ties and suited to the dynamic of the 21st century.



207. Speech of President Shrimati Pratibha Devisingh Patil at the Banquet in honour of Afghan President Hamid Karzai.

New Delhi, August 4, 2008.

Your Excellency, President Hamid Karzai,

Excellencies,

Ladies and Gentlemen,

We are privileged to welcome Your Excellency and the distinguished members of your delegation to India.

Mr. President, you are in our midst today as a leader of the Afghan nation and as a friend of India. We welcome you also as a partner in our common endeavour of working for the stability and prosperity of our two countries and that of our region.

Our relations with Afghanistan span centuries and millennia. We are embedded in each other's historical and cultural consciousness. SAARC became a truly South Asian Association only after Afghanistan joined it. Our bonds are dictated by geography and forged by history. We share traditions and our culture has been enriched over the centuries by this interaction.

Mr. President, in sharing a history, we have also shared the pain of the Afghan people caused by years of conflict and destruction. We have directly felt the tragic consequences when your land was used as a safe haven for training terrorists.

Since 2002 under your resolute leadership, Afghanistan has taken many steps to attain its goal of a pluralistic, democratic and inclusive society. Mr. President, we most sincerely and warmly congratulate and felicitate you, as you guide your nation through a critical period of its history. You face extraordinarily difficult circumstances and challenges. But Afghanistan is today in a moment of hope and to us, you do represent hope.

India has admired the progress made by Afghanistan over the last six years. We have applauded the achievements of the Afghan people in rebuilding

their lives as well as in rebuilding the physical and human infrastructure of Afghanistan. We have noted with great admiration the school enrolment figures, the percentage of populace covered by basic health care, the thousands of kilometers of roads that have been rebuilt, the significant drop in infant and maternal mortality rates, as well as the large number of communities being serviced under the National Solidarity Programme. These developments demonstrate that the Afghan people welcome democracy, desire prosperity and seek to become a source of stability in the region.

India has endeavoured to be a partner in Afghanistan's progress and in its quest for peace, stability and development. We have endeavoured to be a meaningful partner and follow the priorities of the Afghan Government and people. Unfortunately, we have become also a target of those who do not share the vision of a stable and democratic Afghanistan. The attack on our Embassy last month on the 7th of July was a barbaric act of terrorism. It was an attempt directed to undermining the friendly relations between India and Afghanistan. Your visit to India is a demonstration that such attempts will not, and cannot, succeed and that our friendship has emerged the stronger from this most unfortunate tragedy.

Our partnership has grown into a multi dimensional cooperation programme. This encompasses education, health, telecommunications, transport, civil aviation, agriculture and irrigation, industry, power generation and transmission, capacity building and human resource development. I have no doubt that this cooperation will grow in the years to come.

Earlier this morning, we announced an additional pledge of US \$ 450 million from the people of India for the people of Afghanistan under our Assistance Programme, in alignment with the priorities of the Afghanistan National Development Strategy, as a mark of our affirmation of support.

Mr. President, on behalf of the Government and the people of India, I reaffirm our commitment in working together to support you in your efforts in making Afghanistan a stable and prosperous country and in achieving for the people of Afghanistan the dreams that you cherish and that we share as part of our historical traditions.

In conclusion, may I propose a toast to: -

- the health and happiness of His Excellency President Hamid Karzai;
- peace, progress and prosperity of the friendly people of Afghanistan; and
- abiding friendship and cooperation between India and Afghanistan.



**208. Statement by Permanent Representative at the UN
Nirupam Sen on the Report of the Secretary General on
the Situation in Afghanistan at the Security Council.**

New York, October 14, 2008.

Mr. President,

Let me begin by formally welcoming you both to your new post, and to the Presidency of this Council. I also wish to express appreciation for scheduling today's debate on the UN Assistance Mission in Afghanistan, and the situation in that country. This is a topic of immediate interest for our delegation. We also welcome the report of the Secretary-General, while thanking Ambassador Eide for his comprehensive briefing.

Mr. President,

The latest report of the UN Secretary-General makes it clear that we stand at a very difficult juncture in Afghanistan. The escalation in asymmetric attacks to include areas that were cleared of the Taliban and the Al-Qaeda is a deeply worrying sign. The fact that civilians, humanitarian workers, UN convoys and diplomatic representations-including our Mission in Kabul-have been attacked clearly underlines the barbarity of the foe that we face. The escalating civilian death toll is truly distressing, but the ultimate responsibility for such casualties must be laid at the door of the Taliban, Al-Qaeda, and those who support and empower them. Such callous violence underlines the need to ensure that care is taken in our collective actions and messages. We must avoid giving them a sense of comfort or a hint of desperation, but most of all, we must not dignify them by according terrorists parity with the forces of order. It is in this context that we feel a sense of some discomfort with references in this report to casualties caused by anti-government forces and "pro-government forces".

Mr. President,

The course ahead may be difficult, but it is clear. We have no other option but to collectively work on a three-pronged strategy in Afghanistan. One element in this must be security, for without security neither the Afghan people nor those of our own countries will see the long-awaited peace dividend after decades of privation in Afghanistan. A second element must be to raise governance capacities in Afghanistan, otherwise we run the risk of placing responsibility upon our Afghan partners without ensuring

that they have the wherewithal to live up to it. The third element is the regional aspect, because unless Afghanistan is at peace within its region, and equally, vice versa, we cannot hope to stabilize Afghanistan solely from within. I should like to briefly elaborate on these three inter-related aspects. Firstly, security. Now is not the moment for doubts or hesitation in implementing robust measures within Afghanistan, while expanding coordinated politico-military efforts beyond Afghanistan's borders. We need to go much further in realizing the well-established objective of degrading the ability of the Taliban to fight, while simultaneously denying them safe-havens, finances and armaments. There must be a much closer alignment between the consistent application of force wherever terrorist groups are present, and the political objectives of our efforts in Afghanistan, in which UNAMA must play an important role.

This brings me to my second point, which relates to development and international assistance. With the adoption of the Afghan National Development Strategy (ANDS) at the Paris Conference this June, we now have a clear road map. From the new mandate of UNAMA, we have a designated guide to help us align our assistance in accordance with the strategy. The onus is upon us to take forward our efforts in a manner that coheres with the objectives set out in the ANDS. In this, UNAMA and the Afghan government must play a leading role. We share the sense reflected in the UNSG's report of the need for the international community to provide not just the resources but also political momentum to "turn back negative trends and accelerate progress in those areas where we have achieved success". In the particular context of the UN, it is now essential that we back our stated commitment to this new role for UNAMA by ensuring that it actually has the resources to do so. We also echo the call made by several speakers for greater efforts to address the worsening humanitarian situation, in particular, the food crisis.

In the specific context of resources, India also supports the increasing streamlining of assistance through the Afghan national Budget. Sustainable progress depends on our ability to mentor capacity building in all sectors of governance, including the Budgetary process as much as other mechanisms of government. At the same time, we must also ensure that adequate resources are made available for such newly-trained government agencies. It is for this reason that capacity-building is a priority element in each of India's assistance projects in Afghanistan. I should in this context like to add that India has recently announced an increase in its commitment to Afghanistan, which will now amount to US \$ 1.2 billion. We are also

pleased to have completed the Zaranj-Delaram highway, which is one of three major infrastructure projects India is undertaking in Afghanistan.

Mr. President,

Regional cooperation is the third leg of the triad of elements that must be implemented in parallel to stabilize Afghanistan. This includes, but is not limited to, regional economic cooperation. Afghanistan's entry into the South Asian Association for Regional Cooperation, and its membership in other regional groups such as the Shanghai Cooperation Organization are aimed at revitalizing Afghanistan's historic linkages with the countries of its region. The central challenge that remains, however, is to ensure that programmes evolved in such regional processes are actually implemented. These include resolving impediments that hinder the expansion of commercial and economic linkages, including barriers to effective overland trade and transit, as well as to the operation of mechanisms to deal with the challenge posed by trafficking in drugs, cross-border terrorism and so on. Eventually, every challenge is an opportunity, but we need to make greater efforts to implement measures before we can benefit from the opportunities.

Mr. President,

In conclusion, I must reiterate the need to avoid excessive expectations. While it is tempting to attempt to replicate our own socio-economic models in a country that needs every form of assistance after decades of conflict, we cannot realistically resolve all of Afghanistan's problems at once. We must therefore accept that progress will continue to take place sectorally, partially and sometimes even episodically. Unless we display patience and perseverance, however, we cannot ensure that we truly follow a demand-driven approach on the ground, and without such an approach, our best efforts will not have the necessary legitimacy. It is for this reason that we reiterate the importance of an Afghan-led process of prioritization of tasks.

I thank you, Mr. President.



209. Statement of Member of Parliament and Member of the Indian Delegation to the United Nations K. Yerrannaidu on Agenda Item 17 – The Situation in Afghanistan at the UN General Assembly.

New York, November 10, 2008.

Please see Document No.753.



210. Press Release on the participation of Minister of State Anand Sharma in informal ministerial meeting on Afghanistan held in Paris.

New Delhi, December 15, 2008.

Shri Anand Sharma, Minister of State for External Affairs participated in an informal ministerial meeting on Afghanistan and its neighbours on 14 December in Paris. The meeting was hosted by the Foreign Minister of France H E Bernard Kouchner.

Participants at the Conference, besides Afghanistan and France, included Tajikistan, Turkmenistan, Uzbekistan, Pakistan, China, India, the United States, Russia, Germany, the United Kingdom, the Special Representative of the UN Secretary General for Afghanistan and representatives of the European Union and the European Commission.

The declaration issued in the name of the Minister of Foreign and European Affairs of France, the host of the meeting, stated that the participants at the Conference "expressed their strongest solidarity to the Indian authorities and the Indian people after the heinous acts of terrorism committed in Mumbai on November 26th." The declaration "underlined the regional character of terrorism and the need for visible, firm and coordinated action against terrorist groups."

The declaration also agreed that there could be no long-term security and peace in the region without a stable, secure, prosperous and democratic Afghanistan, which was in turn predicated on regional cooperation.



BANGLADESH

211. Statement by Official Spokesperson on extension of visa of Bangladesh writer Ms. Taslima Nasreen.

New Delhi, February 14, 2008.

The Government of India have decided to extend the visa of Ms. Taslima Nasreen. Throughout its history, India has a tradition of offering hospitality to those who seek it. It has also afforded protection to those who have come as our guests. Ms. Taslima Nasreen is our guest and, in keeping with our traditions, we have offered her the same privileges.

It is incumbent on those who are welcomed as guests in India that they remain sensitive to India's traditions and do not conduct themselves in a manner that either affects our relations with other countries or cause hurt to our secular ethos. We expect that they do not undertake actions that could hurt the sentiments of the many communities that make up our multi-religious and multi-ethnic nation. These are the same restraints which we in India follow. We expect nothing less from our guests.



212. Media Report on the visit of Bangladesh Chief of Army Staff General Moeen U. Ahmed.**New Delhi, February 25, 2008.**

It was the maiden visit of Bangladesh Chief of Army Staff General Moeen U. Ahmed to India as guest of the Chief of Army Staff General Deepak Kapoor. During the visit, according to reports in the media it was decided that Dhaka henceforth would honour the memory of Indian Army soldiers who were martyred in the war for liberation of Bangladesh. The remembrance will be officially on March 25 each year, the day when the Pakistan Army began 'Operation Searchlight,' a brutal campaign of genocide and rape against the people of East Pakistan and the Awami League responded by declaring Independence.

The Bangladesh Army Chief stated that his maiden visit was aimed at ushering "in a new era of close cooperation between the two armies." The decision to honour martyred Indian Army soldiers was expected to contribute greatly to the desire between both sides to enhance understanding between the two countries.

India signalled the importance it attached to the General's visit by gifting him two stallions and four mares. The six horses were handed over by General Kapoor. General Ahmed during his stay in New Delhi called on President Pratibha Patil, Prime Minister Manmohan Singh, Defence Minister A.K. Antony, External Affairs Minister Pranab Mukherjee and National Security Adviser M. K. Narayanan.

It is expected that the visit would contribute to a greater commitment from the Bangladesh side to clamp down on anti-India militants perceived to be camping on the Bangladeshi territory.

The need to reduce tensions on the Indo-Bangladesh border figured in the discussions as well as the question of illegal immigration. India was expected to operationalise External Affairs Minister Mr. Mukherjee's promise made last November to make a one-time exception and export five lakh tonnes of rice, the staple food of Bangladesh. (Bangladesh was affected by a shortage of the cereal, leading to an increase in prices and general disaffection after natural calamities struck last year.)



213. Press Release of the Ministry of Home Affairs providing clarification about illegal immigrants from Bangladesh.

New Delhi, May 21, 2008.

1. Reports have appeared in a section of the media on the subject of identification and deportation of illegal Bangladeshi immigrants. Reference has also been made in these reports to correspondence between the Central and the State Governments on this issue and, in this context, some directions said to have been issued by the Central Government to a particular State Government to round up immigrants and put them in transit camps have also been mentioned. Since such reports can lead to unnecessary confusion, it is clarified that the issue of identification and deportation of illegal immigrants is a continuing process and is dealt with as per the provisions of the Foreigners Act, 1946. This, inter alia, provides for detection of foreigners staying illegally in the country and, issue of directions to restrict their movements and for their detention and deportation. Powers under the Act, relating to these provisions, were delegated to the State Governments as far back as 1958. The State Governments are taking action as per the provisions of the law on a continuing basis. Instructions have also been reiterated, from time to time, to all State Governments/Union Territory Administrations in this respect.
2. In the context of a petition filed in the High Court of Delhi, regarding the detection and deportation of illegal Bangladeshi immigrants in the National Capital Territory of Delhi, and the orders of the Court thereon, a Nodal Authority under the Union Home Secretary had been constituted to monitor the action taken in this regard. With reference to these Court orders, meetings of the Nodal Authority have been held with the officials of the Government of Delhi, the States in the NCR region and the border States contiguous to Bangladesh. In this context, the need for systematic action for detection, detention and deportation of illegal immigrants has been emphasized. With reference to a particular letter said to have been written by the Government of Rajasthan in which certain problems had been mentioned, they had been advised to depute officers for consultations with the concerned authorities in Delhi by way of guidance, and no directions, as has been suggested in the reports, were issued.

3. Selective references have also been made to some alleged directions given in a meeting held on April 25, 2007 which, incidentally are factually incorrect. What had, however, been stressed in these meetings was not only to take systematic action for detection and deportation of illegal immigrants, but also to take multi-faceted measures to prevent illegal immigration into the country.
4. Further, in the context of these reports, mention has also been made about the need for the Prime Minister to immediately convene a meeting of the Chief Ministers on Internal Security. It is informed that over the last 4 years, regular meetings of Chief Ministers on Internal Security have been held, under the Chairmanship of the Prime Minister, the last of which was held on 20th December, 2007. On this occasion, separate meetings were also held with the Chief Ministers to specifically discuss issues relating to terrorism and Naxalite violence. Besides this, meetings of the Zonal Councils have been regularly held under the chairmanship of the Union Home Minister in a number of which the primary focus was on issues relating to internal security. The Central Government has, at all stages, sought to ensure close coordination with the State Governments/Union Territory Administrations in dealing with issues relating to internal security including terrorism, and has extended the fullest support and assistance to them from time to time. Simultaneously, emphasis has been laid on augmentation, capacity building and upgradation of the State Police Forces and the related infrastructure, and assistance has been provided for this through a variety of schemes and initiatives.



214. Statement by Official Spokesperson in response to a question on the release of former Bangladesh Prime Minister Sheikh Hasina.

New Delhi, June 11, 2008.

We are closely following evolving political situation in Bangladesh. The release of former Prime Minister Sheikh Hasina¹ for medical treatment is a positive step by the caretaker Government. It remains our hope that both the caretaker Government and the political parties would be able to achieve a constructive outcome from the political dialogue that is currently under way. We reiterate our expectation of due process of law, basic human rights and free, fair, credible elections leading to full restoration of democracy in Bangladesh. As a close and friendly neighbour, India remains committed to seeing a peaceful, stable, prosperous and a liberal democratic Bangladesh.



¹ Sheikh Hasina was released from the prison on June 11, after 11 months in jail. While the Government said she would be on parole for eight weeks, she maintained that her release was unconditional. Media reports said the sudden release - even if it was temporary - was the outcome of her party's stand that it would not join the ongoing government-sponsored dialogue or participate in the coming election unless Ms. Hasina was released. The next day she left for the USA for medical treatment.

215. Inaugural Address by External Affairs Minister Pranab Mukherjee at South Asian Free Media Association (SAFMA) Conference of Journalists from Bangladesh and West Bengal.

Kolkata, June 30, 2008

Shri Hashim Abdul Halim, Hon'ble Speaker, WBLA,

Shri Buddhadeb Bhattacharjee, Hon'ble Chief Minister,

Shri Zahiduzzaman Faruque, Leader of SAFMA,

Media Participants, Distinguished Guests,

Ladies and Gentlemen:

It gives me immense pleasure to be present here today on the occasion of the inauguration of the South Asian Free Media Association (SAFMA) Conference of Journalists from Bangladesh and West Bengal. The event organized by the SAFMA's India Chapter gives an opportunity to the media from both sides to promote mutual understanding and cooperation between the two countries. SAFMA has also played an important role in addressing the constraints and concerns of media, and look for solutions while pursuing its endeavour to foster peace, stability and cooperation in South Asia. I have been given to speak on "West Bengal-Bangladesh interaction on building trust and mutual confidence", a theme well-timed and opportune.

With Bangladesh, India shares not only enduring feelings of civilizational, fraternal, linguistic and cultural ties but also a common history of struggle and liberation. These close bonds are logically manifested in the common historical legacy and friendship which West Bengal shares with Bangladesh. It is, therefore, but natural that people from both sides of the border have aspirations to enhance connectivity for promoting trade, people to people contact and interaction.

Relations between India and Bangladesh especially over the last few years have seen much dynamism and closer interaction in all spheres. Building trust and mutual confidence in our relations is the acknowledgement of issues in our relations and to address them comprehensively with an open mind. Understanding can only be built on this determination to address issues of concern to both countries. Last year, I visited Bangladesh twice

in February and in December and held frank discussions with leaders of Bangladesh on the entire gamut of our bilateral relations. Governments of both countries are committed to try and resolve all issues in our relations with a mutually constructive approach.

The commencement of Kolkata-Dhaka Passenger Train Service in April fulfilled a long standing aspiration of the people of both countries to enhance connectivity. This comes as a welcome development to the people of West Bengal to enhance their fraternal links with Bangladesh. Equally important is the connectivity of ideas, minds and hearts. Recently, for the first time a delegation of Indian War Veterans of the 1971 war visited Bangladesh to participate in the Independence Day celebrations. A delegation from Muktiyodhas from Bangladesh now visits Kolkata annually to participate in the Vijay Divas celebrations.

It is also in this spirit of engagement that India has made several unilateral gestures in the recent past to Bangladesh. These gestures are precisely to build trust and mutual confidence in each other. They include allowing Bangladesh to export eight million pieces of readymade garments to India duty-free, lifting the ban on FDI from Bangladesh, providing duty-free access starting January this year. We are also undertaking several initiatives to improve the trade infrastructure including Land Customs Stations, Road, Rail and riverine routes which would help to facilitate trade.

India has provided Bangladesh aid and assistance to help it overcome the damage caused by some of the worst natural disasters last year. These included cash assistance of US \$ 10 million, supply of food aid consisting of essential items including rice and milk powder of a total value of nearly 100 crores is underway. In the aftermath of the cyclone in November 2007, India sent an emergency relief package of essential commodities and announced waiver of a ban of rice to Bangladesh for an additional 5 lakh tonnes of rice. We are also in the process of rehabilitating 11 severely cyclone affected villages. Needless to add, our hand of friendship always remains extended.

Distinguished participants,

One of the important vehicles for creation of trust and mutual cooperation between India and Bangladesh is through the means of regional

cooperation of SAARC. Following its inception 22 years ago, the geographic contours of SAARC have also changed. Afghanistan is the newest and eighth member of SAARC. SAARC has transformed from declaratory to implementation with the establishment of the SAARC Development Fund (SDF), the Project Office of the South Asian University (SAU), incorporation of services in the on-going negotiations in SAFTA and implementation of key projects in areas of tele-medicine, tele-education, solar rural electrification, rain water harvesting and seed testing laboratories.

SAARC is strengthening intra-regional connectivity through up-gradation of physical linkages that were identified at the 1st meeting of SAARC Transport Ministers in New Delhi in August 2007. These linkages would enable land-locked member states of SAARC to have access to sea via other SAARC member states. Discussions are on going for agreements for seamless travel between SAARC member states, on motor vehicles by rail etc.

Conscious of the adverse impact of climate change, SAARC adopted a Draft Declaration on Climate Change at the 29th Council of Ministers following up with a ministerial meeting hosted at Dhaka. As SAARC evolves further, strengthening its core mechanisms and engaging the outside world through observers and project-based cooperation, the vision of its founding fathers for a vibrant, dynamic regional economic entity is being realized. An area of concern for both countries is to combat the growing menace of extremism and terrorism in the region. Closer cooperation on security issues for building trust is the need of the hour. We should move to address such issues without rancour and with the understanding that both our countries will benefit in the long run. Keeping in mind that development can never take place in an atmosphere of insecurity, SAARC is also cooperating on an agreement to enable security agencies of SAARC member states, strengthen their cooperation to counter terrorism and bring criminals to book.

Distinguished Participants,

In the globalized world of today, it is important for both countries to enhance connectivity, linkages and boost our trade which would bring prosperity to the region. Initiatives like transit for Indian goods via Bangladesh can generate synergy and mutual dependence. Closer engagement has

emerged as the key to build mutual confidence between countries and I see no reason why our two countries cannot go the way numerous countries have done with India. In this the private sector of both countries has an important role to play.

In any civil society, journalists have a very important role in forming public opinion. All of you can contribute to highlight the issues as also the vast avenues of close cooperation which exists between our countries. I also assure you of our government's help in removing problems and difficulties that may be identified during your discussions. I convey my best wishes for the success of this SAFMA conference and hope it would help in disseminating information on issues and initiatives in the region which can promote understanding and bring people of both countries closer.

Thank you.



216. Joint Press Conference by Foreign Secretaries of India and Bangladesh after annual Foreign Office Consultations.

New Delhi, July 17, 2008.

Foreign Secretary (Shri Shivshankar Menon): Good afternoon, ladies and gentlemen. Thank you for coming. I am very happy to welcome Foreign Secretary of Bangladesh and his delegation to India for the annual Foreign Office Consultations between our two countries.

We have had very friendly, open, cordial and substantive discussion on our relationship this morning. We have covered all aspects of our relations. For us in India, as I informed the Foreign Secretary, relations with Bangladesh are a matter of the highest priority. We share a common cultural heritage and historical bonds. As a close and friendly neighbour we stand committed to strengthening our relationship with Bangladesh. We had a very good discussion today where we discussed our trade and economic relations, our political relations, common security issues, water issues and the other aspects where we would like to carry our relationship forward¹.

It has been a productive year for our relationship. In the last April we started the Maitri Express between Kolkata and Dhaka. We have also had the visit of the Chief of Army Staff of Bangladesh. Our Army Chief will be visiting Bangladesh soon. The Home Secretary will also be going to Bangladesh in the near future. Last year, our External Affairs Minister visited Bangladesh twice; and we tried to help Bangladesh to the extent that we could when she was hit by a series of natural disasters.

¹ In anticipation that the Indian would raise the question of transit facilities to Northeast through Bangladesh in the New Delhi talks, caretaker government's Foreign Affairs Adviser Iftekhhar Ahmed Chowdhury, according to media reports said in Dhaka on July 13 that 'his Ministry would never agree to any arrangement on the issue of transit to India which is contrary to Bangladesh's sovereign national interest. Mr. Chowdhury said: "We are prepared to negotiate with any country on any subject, but no solution can ever be imposed on us without our consent." "This is an axiomatic truth of our diplomacy." In another development ahead of the talks the political alliance led by Begum Khaleda Zia announced plans to observe an "anti-aggression day" on July 17 that marked the Foreign Secretary-level talks in New Delhi. The BNP and Jamaat-e-Islami, including their other partners, reportedly said that the present caretaker government was set to give transit facility to India bypassing national interests. However Indian High Commissioner Pinak Ranjan Chakrabarty, after a meeting with Mr. Chowdhury, reportedly said India was interested in transit through Bangladesh and would raise the issue in all the fora.

Today, we also discussed issues about connectivity between our two countries. From our point of view I think the discussions were very useful and have led to much greater understanding of each other's concerns and interests. We are convinced that our security is interlinked, and that terrorism will have to be tackled resolutely.

We both exchanged views on how to deal with some of the humanitarian aspects, water resources issues for instance; and we are trying to enhance cooperation in agriculture and in science and technology. I am confident that this round of Foreign Office Consultations helped build trust and understanding between our two countries, and we look forward to continuing this process.

Foreign Secretary of Bangladesh (Mr. Md. Touhid Hossain): I would first like to thank all of you for being here to cover the present round of Foreign Office Consultations between India and Bangladesh.

I know that for the media, both in Bangladesh and in India, there is a very keen interest to follow how the relations between our two countries are evolving. This is natural and this is also welcome for I believe that the media in both our countries can play a major positive role in creating the conditions that may help both our countries to remain on a positive trajectory to improve and strengthen their relations.

I thank Foreign Secretary Menon for inviting me over to Delhi for this round of Foreign Office Consultations between our two countries despite his extremely busy schedule and other important preoccupations. I am delighted to come here in response to his invitation; and we have had, as he has mentioned, very useful and constructive discussions on the entire range of issues in which we have shared interests.

The Foreign Secretary has indicated to you broadly the issues that we discussed. I can only add to what he has said by saying that we did not shy away from discussing all issues which we considered important for the present and the future of the robust, friendly relations between Bangladesh and India.

Our discussions have been candid, comprehensive and forward-looking. I have every reason to believe that ours has been a useful round of discussions which would enable us to continue to work constructively in the days and years ahead to enrich our already close bilateral relationship. I have invited Mr. Menon to visit Bangladesh at a time that he finds

convenient to carry forward the useful discussions that we have had in Delhi.

I would like to mention here one small thing which is that on the water issue we have agreed that the Technical Committee should sit very quickly to resolve one small issue that can be resolved quickly which is the embankment protection of the rivers which has been harming the people on both sides of our border. We hope that very soon they will sit and resolve this issue.

Thank you.

Question: This is addressed to both Foreign Secretaries. Recently in all the terror attacks that have taken place in India, fingers have pointed towards the HuJI which is supposed to have its base in Bangladesh. Was this discussed in the meeting between the two Foreign Secretaries?

Foreign Secretary of India: We discussed the issue of terrorism and how we both need to face it together. The details, of course, are dealt with in other fora. We have other places where we discuss these things, the Home Secretaries' talks and so on. And we look forward to working together against terrorism.

Foreign Secretary of Bangladesh: I fully agree with what he has said. I just have to add one thing that we think this is a global problem. We have a mechanism for cooperation in this sector and we will continue to do that.

Question: What is the status of BIPA?

Foreign Secretary of Bangladesh: This is in an advanced stage of finalization and we believe that in the near future we will be able to do something on that.

Foreign Secretary of India: I will ditto that.



217. Joint Statement issued after the conclusion of the 9th India - Bangladesh Home Secretary Level talks.

Dhaka, August 31, 2008

The 9th Home Secretary level Talks between Bangladesh and India was held in Dhaka during 29-31 August 2008 in a friendly and cordial atmosphere. Bangladesh delegation was led by Mr. Md. Abdul Karim, Home Secretary, Government of Bangladesh while the Indian delegation was led by Mr. Madhukar Gupta, Home Secretary, Government of India.

At the meeting both sides expressed their sincere desire to further expand, deepen and strengthen their bilateral cooperation. The two sides discussed, among other issues, matters related to Security, Border Management and enhanced bilateral cooperation.

On security related issues, both sides condemned terrorism in all its forms and manifestations and reaffirmed their commitment not to allow their territory to be used for any activity inimical to each other's interests.

Bangladesh and India expressed satisfaction at the successful reactivation of the Joint Working Group at the level of Joint Secretaries of both the countries and designation of nodal points to deal with the issues relating to security and human trafficking.

Both sides agreed to take action against militants, insurgent outfits and their leaders on the basis of real time and actionable information to be exchanged between the nodal points. Bangladesh side mentioned about the recently introduced legal regime that has been established to deal with anti-terrorism, prevent terrorist financing, money laundering etc. As regards criminals who have taken shelter in either country to evade the process of law, both sides agreed to continue efforts to find them out and send them back expeditiously.

Noting that smuggling of arms, ammunitions, explosives and fake currency notes is a serious threat to the peace and security of both countries, the two sides agreed to find out the elements engaged in such illegal activities and bring them to justice.

Bangladesh side sought India's cooperation to take preventive measures against anti-Bangladesh outfits based in India. The Indian side also sought Bangladesh's cooperation to trace the presence of Indian Insurgent groups allegedly based in Bangladesh.

Both sides agreed to ensure peace and tranquility along the border keeping in mind relevant provisions of the Joint Border Management Guidelines of 1975.

It was agreed by both sides to convene a meeting of the JBWG at an early date to discuss all outstanding boundary-related issues.

On the issue of construction of border fence within 150 yards of international border, Bangladesh side stated that matter will be further examined including joint visits to vulnerable sections of the border.

Both sides agreed that the verification process of released prisoners of one country held in the prisons of other country should be expedited and modalities in this regard will be worked out¹.

Both sides agreed that apart from sharing information between the two nodal-points and follow-up action, there is a strong need to identify the racketeers engaged in human trafficking especially women and children and bring the perpetrators of such acts to justice.

Both sides agreed that cooperation between the Narcotics Control Departments of the two countries needs to be further enhanced. In this respect, it was decided that a meeting of two Narcotic Departments will be held in October 2008 in New Delhi.

On the issue of enhancing cooperation towards capacity building including training of law enforcement agencies of both the countries, both sides noted

1 Asked whether some ULFA leaders reportedly in Bangladesh jails would come under this process, they said it was not about individual cases. The aim was to set up a mechanism to expedite the process of repatriation of prisoners who had completed their jail terms. It may be recalled that during the BSF-BDR talks in April, Bangladesh maintained that United Liberation Front of Asom (ULFA) chief Paresh Barua was "no longer staying" in that country and promised that it would not hesitate in handing over any Indian fugitive to New Delhi. "Paresh Burua is no longer staying in Bangladesh. We don't harbour any Indian terrorist or criminal in our territory," Director-General of Bangladesh Rifles (BDR), Major-General Shakil Ahmed said at a joint press conference with Border Security Force (BSF) Director-General A.K. Mitra on April 12, 2008. (Interpol had issued a red corner notice against Barua over a decade ago.) On ULFA general secretary Anup Chetia, the BDR chief said there was no extradition treaty between the two countries. Besides, Chetia was under trial for some cases registered in Bangladesh. "His case is still sub judice and unless and until the court takes a decision, we cannot hand him over to India," he said. "Under no circumstances do we want to support insurgency. Terrorists and insurgency in the northeast are a threat to Bangladesh. We don't want insurgency in the region because it spills over to Bangladesh. There is no question of any camp being set up and run in Bangladesh," said Gen. Ahmed. Asked to corroborate his assertion, the BSF chief said, "you can make your own conclusion." India submitted a list of 117 hideouts of Indian insurgent groups in Bangladesh. Mr. Mitra said India had handed over seven Bangladeshi criminals who had fled to India.

with satisfaction at the existing level of cooperation. Moreover they resolved to deepen it further.

Both sides agreed that the next meeting will be held in New Delhi and date for the same will be decided through diplomatic channels.



218. Extract from the Speech of Home Minister P. Chidambaram on Bangladesh cooperation to control terrorism while answering the debate on terrorism in the Lok Sabha.

New Delhi, December 15, 2008

* * * *

We continue to be concerned that the territory of our neighbour, Bangladesh is being used by Indian Insurgent Groups to plan and execute terrorist acts against India and the Indian people. The Government of Bangladesh has repeatedly assured that they would not allow their territory to be used by the Indian Insurgent Groups. However, the regrettable fact is that many leaders of the Indian Insurgent Groups continue to use Bangladesh as a safe haven. It is our expectation that Bangladesh will implement its commitments and assurances not to permit the use of its territory for such actions or allow sanctuary to such militant groups.

The activities of HUJI are also a matter of concern. HUJI has sponsored and supported terrorist activities in India. The Government of Bangladesh has a duty to control the activities of HUJI and to apprehend its leaders who are responsible for the terrorist activities. There are intelligence inputs to believe that HUJI is coordinating its activities with ULFA, NDFB and some other organizations¹.

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1. The Home Minister made these remarks in the context of terrorist activities in North East part of India and the recent terrorist attacks in the States there. He particularly referred to the activities of the ULFA and the training camps in Bangladesh. The Minister said that there were inputs to suggest the involvement of the Bangladesh based terrorist outfit Harkat-ul-Jehad-Islami (HUJI) in the activities of the National Democratic Front of Bodoland and United Liberation Front of Asom. Similarly the Home Minister said the headquarters of the All Tripura Tiger Force (ATTF) were located in Satchari in Bangladesh.

219. Reaction of India to the Elections in Bangladesh.**Statement by the Prime Minister****New Delhi, December 30, 2008.**

"Please accept my heartiest congratulations on your electoral victory. The successful conduct of free, fair and peaceful elections is a reflection of the desire of the people of Bangladesh for democracy, development and progress. I am confident that under your leadership, Bangladesh will attain even greater heights.

India and Bangladesh share historically close and friendly relations. I wish to assure you of India's commitment to the further strengthening and deepening of our relations with Bangladesh. I look forward to working with you towards this end for the mutual benefit of our two peoples. I also take this opportunity to invite Your Excellency to visit India at your earliest possible convenience. I am asking my senior colleague, External Affairs Minister Pranab Mukherjee, to visit Bangladesh as soon as possible to personally convey our good wishes.

Please accept, Excellency, my best wishes for your good health and personal well being and for the continued progress and prosperity of the friendly people of Bangladesh."

Manmohan Singh

Statement by Government of India**New Delhi, December 30, 2008.**

India congratulates the people of Bangladesh on the fair, peaceful and free conduct of their general elections which mark the return to multi-party democratic politics in a close and friendly neighbour. The historic victory of the Awami League and the Grand Alliance led by Sheikh Hasina is a major landmark in democratic politics in South Asia. The large turnout of voters and the successful conduct of elections is a resounding victory for democracy. The people of Bangladesh have spoken with one voice to reiterate their faith in the democratic process and their desire for development and progress.

India and Bangladesh share common values, a commitment to democracy and a multi-faceted historical relationship, in every field of human endeavour. India looks forward to working closely with the newly elected Government in Bangladesh to further strengthen our bonds of friendship and cooperation in the quest for peace and development¹.

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BHUTAN

220. Press Release issued by the Ministry of External Affairs on successful conduct of first ever elections to National Council in Bhutan.

New Delhi, January 1. 2008.

Government of India congratulates the Royal Government of Bhutan for the successful conduct of the first ever elections for National Council (Upper House) of Bhutan that were held on December 31, 2007 for 15 Dzongkhags.

2. This is indeed a great moment in Bhutan's history and an important step in Bhutan's transition into a new system of governance. India is committed to extending full support in the establishment of institutions required for the consolidation of Democratic Constitutional Monarchy in Bhutan².

1. In the elections held on December 29, after a hiatus of two years, Sheikh Hasina's Awami League swept the elections winning 230 seats out of 299 in the national parliament. Its allies won another 32 seats making a total of 262 for the alliance. The other alliance led by Begum Khaleda Zia of the Nationalist Party could get only 30 seats (BNP 27+ Jatiya Party 1+ Jamaat-i-Islami 2).

2. Bhutan on January 1 received its New Year gift - 15 elected representatives to its National Council or upper house following the first parliamentary elections as the country neared its aim of embracing democracy. Chief Election Commissioner Kunzang Wangdi termed the election as historic and a huge success. "We are pleased to say that the NC elections were a success. We are confident that our switchover to a democratic set up will be smooth and according to our plans," Wangdi said. International observers, including from India and the UN, monitored the polls. "Bhutanese people are still not fully aware of the small details of parliamentary elections. But they are soon learning. The response this time was much more than the previous rounds of mock elections (held in April and May last year)," he said. Bhutan's transition to democracy began in 2001 when former king Jigme Singye Wangchuk handed over the powers of daily governance to a council of ministers.

3. India and Bhutan share uniquely warm and cordial relations. These relations are characterized by close consultations, maturity, complete trust and mutual understanding and are based on the foundation of shared interests and mutually beneficial cooperation. They are an exemplary model of good-neighbourly relations.
4. India has been privileged to share its resources and experience with Bhutan during its period of transition to a democratic constitutional monarchy, and has reiterated its commitment to provide all possible assistance within its resources to the Royal Government of Bhutan. India is assisting Bhutan by supplying EVMs and deepening linkages between the Election Commissions of both the countries in conduct of elections. The Election Commission of India had deputed three election observers who witnessed the polling for National Council elections in Bhutan. Indian security agencies have been cooperating with their Bhutanese counterparts in maintaining law and order in the border areas.
5. Elections for the remaining 5 Dzongkhags will be held on January 29, 2008.



221. Statement by Official Spokesperson on the successful conduct of first ever elections to the National Assembly in Bhutan.

New Delhi, March 24, 2008.

Government of India congratulates the Royal Government of Bhutan for the successful conduct of the first-ever elections to the National Assembly (Lower House) of Bhutan that were held on March 24, 2008.

2. This is indeed a great moment in Bhutan's history. His Majesty's personal guidance, meticulous planning and constant support through out have contributed to the success of this historic enterprise. No less has been the determination of the people of Bhutan to fulfil His Majesty's vision of Bhutan's transition to a constitutional, democratic monarchy. Government and people of India join the Royal Government and the people of Bhutan in rejoicing this great achievement¹.
3. India remains committed to providing all possible assistance to the Royal Government of Bhutan during its period of transition.



¹ It will be recalled that the elections to the 15-member Upper House, the National Council were held on December 31, 2007.

222. Media Briefing by Foreign Secretary Shivshankar Menon on the visit of Prime Minister Dr. Manmohan Singh to Bhutan.

New Delhi, May 14, 2008.

Official Spokesperson (Shri Navtej Sarna): Good afternoon everybody and welcome to this briefing by the Foreign Secretary on Prime Minister's visit to Bhutan. I request FS to make his statement.

Foreign Secretary (Shri Shivshankar Menon): Good afternoon. We thought we would brief you about Prime Minister's visit to Bhutan on the 16th and 17th of May.

As you know, PM will be visiting Bhutan. He will arrive in Paro and go to Thimphu where he will be meeting both the Kings separately - the former King and the present King - of Bhutan. He would also be meeting the Prime Minister and will be addressing a joint session of the new Bhutanese Parliament on the 17th morning.

He will also be dedicating Tala, the new hydroelectric power plant which generates 1020 MW of electricity and laying the foundation stone of the new Punatsangchhu, the new hydroelectric plant that we will be constructing in the next few years in Bhutan.

This is a special year for India-Bhutan relations. For Bhutan itself it is the centenary of the Wangchuk dynasty. It is also the year of Coronation of the new King of Bhutan. It is the year when democracy has been ushered in; Parliament has been elected; and Bhutan is going through an internal transition; so also when Bhutan's Tenth Plan begins. For India and Bhutan it is also the fiftieth anniversary of Pandit Jawaharlal Nehru's visit to Bhutan in 1958, which in a sense laid the foundations of all that we have seen since in this relationship which is uniquely warm, close and friendly.

I think it is interesting that when Panditji went for a month to Bhutan he went on horseback and yakback. Now, Prime Minister flies into Paro. It shows how things have changed; how much development has taken place; and how connectivity is something that we have worked on; economic integration; and we have a steady tradition of high-level visits between the two countries and of high-level exchanges of views, which are characterized by deep trust and mutual understanding between us both.

During this visit once again you will be looking at the entire relationship; how to carry it forward at a time of transition within Bhutan and in the world; and at how we can enhance our relationship in various ways. As you know, we revised the India-Bhutan Friendship Treaty in February, 2007 when His Majesty, the present King of Bhutan visited India as Crown Prince. That, for the first time, reflects and articulates the desire of both sides to enhance our economic cooperation. Over time I think we have had an excellent identity of views and an engagement with Bhutan in the economic field which has borne results in various ways.

In hydro power for instance, Bhutan has an estimated capacity of 30,000 MW. We have so far tapped into a little over a 1400 MW. Our goal is to try and to do 5,000 MW together by 2020. That process continues. But more than that I think we have also been involved in other aspects of Bhutan's development, of roads, schools, education, health, etc. Our commitment to continuing this sort of relationship remains very firm and Prime Minister's visit will be one more chance to underscore that commitment, also at a time when Bhutan is undergoing her own transition.

We share an open border with Bhutan of about 700 kilometres. The understanding between both our countries is complete, and has enabled us to keep this border open as a link between us. We are both working on improving our connectivity at border infrastructure along the border. We have cooperated with each other very closely in keeping this area safe and secure.

I think I will stop there and maybe answer any questions that you might have.

Question: After the talks in Bhutan, are there going to be any agreements signed between India and Bhutan during this visit?

Foreign Secretary: I think not in this visit itself. I do not know if we will be signing agreements, no. But we have been signing steadily. As you know, that is an ongoing process.

Question: How much power are we getting from Bhutan right now? You said that we are tapping into about 1400 MW.

Foreign Secretary: It is the installed hydel capacity today in Chukha, Kurichu and Tala. Tala is actually the biggest project that has just started producing last year of a capacity of 1020 MW. Kurichu is 60 MW. The balance is Chukha which is the first hydel project that we did together.

Question: There was an operation conducted in 2003. What is the present situation there in Bhutan?

Foreign Secretary: Bhutan has cooperated with us steadily. In 2003-04, the operation that you have mentioned helped to clear some of the insurgent groups which had tried to establish camps on the Bhutanese side. We continue to work very closely with Bhutan; and Bhutan continues to ensure that that area remains clear and to the extent possible secure. We will continue to work together towards this end.

Question: Will there be any assistance for Bhutan's 10th Five-Year Plan?

Foreign Secretary: There will certainly be. We have been in discussions with the Government of Bhutan about the 10th Five-Year Plan and our involvement in it; what sort of engagement we will have. Certainly there will be a substantial Indian contribution to the 10th Five-Year Plan in Bhutan. PM will discuss developments generally - economic integration and also Bhutan's 10th Five-Year Plan when he is there.

Question: There have been some reports about Bhutan talking to China on some border issue. Is that something that we know about?

Foreign Secretary: Bhutan has had talks with China for quite some time, since 1984, about their boundary which is still unsettled. As far as we know, those talks are continuing. I think maybe you should ask the Bhutanese this question.

Question: Are you going to discuss the SAARC goals?

Foreign Secretary: Certainly. We will also talk about SAARC, SAARC's future and what SAARC can do. This we will do, certainly. But I do not want to prejudge what all is going to be discussed. So, let me tell you all that after the discussion.

Question: Can you give an idea of what India is doing to help with Bhutan's promotion of democracy?

Foreign Secretary: To an extent, our facilities have been available to Bhutan. For instance, the Parliamentary Training Institute. The Election Commission has also helped in setting up their counterpart in Bhutan and has supplied some Electronic Voting Machines. At various stages depending on what Bhutan feels they need, we have made available our experience. All that, including the mistakes that we have made, we have

told them honestly so that they can learn from our experience. As very close friends, I think that is the least we can do. We welcome Bhutan's decision to make this transition to democracy and we will support it in any way that they feel comfortable with and they require.

Question: Mr. Menon, there is an area where India, China and Bhutan's borders meet near Sikkim. Last December, the Chief of Army Staff announced that a division would be moved from Jammu and Kashmir area because of Chinese movement into Bhutan in the Chhumbi valley. What is the situation now?

Foreign Secretary: I think you will have to ask the Chief of Army Staff, I am sorry.

* * * *

Question: Will there be any discussion of the Bhutanese refugee issue?

Foreign Secretary: As I said, I will answer that after the discussion. I do not want to tell you now what will be discussed. That would be guessing. So, after the discussions I will tell you that.

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223. Speech of Prime Minister Dr. Manmohan Singh at the National Assembly of Bhutan.

Thimpu, May 17, 2008.

It is a great privilege for me to address the Joint Session of the National Assembly and the National Council of Bhutan. I bring to you the warmest greetings and felicitations of the Government and people of India.

I am delighted to be in your beautiful country at this historic time, and to celebrate with the people of Bhutan their towering achievements.

This is the centenary year of the Wangchuck Dynasty, the year of the coronation of His Majesty Jigme Khesar Namgyel Wangchuck as the King of Bhutan and of Bhutan's transition to a democratic constitutional monarchy.

It is a tribute to the enlightened leadership and statesmanship provided by His Majesty Jigme Singye Wangchuck that Bhutan has succeeded in reaching these milestones in an atmosphere of utmost peace and stability while steadily improving the welfare of her people. During His Majesty's reign, Bhutan has witnessed unprecedented social and economic development. He is the architect of Bhutan's constitution and polity. Today His Majesty's vision of vesting sovereignty in the people of Bhutan has borne fruit.

As Bhutan enters a new era in its history, you can continue to count on India, as a friend and - may I say - an admirer of Bhutan. India will stand by you as a factor of stability and support in your quest for greater prosperity and happiness.

As the first ever elected representatives of your people, you bear a special responsibility, and have a unique opportunity, to translate the aspirations of your people into reality.

While we in India have considerable experience in attempting to bring about socio-economic transformation within the framework of a democratic polity, we do not claim a monopoly of wisdom and knowledge.

But we do know that democracy is not merely about holding elections. Democracy requires sustained commitment to tolerance and the judicious exercise of power as a societal trust to be used for public good. It requires a deep commitment to the rule of law. It requires the building of strong institutions of governance and respect for the other's viewpoint.

I can assure you that you have our wholehearted support as you enter this new and exciting phase in your country's history. We will work with you to realize your full potential, in a manner and pace that suits your own chosen path of development and your priorities.

India is proud of its exemplary relations with Bhutan. Our bilateral relationship is no artificial political construct. It draws its strength from geography, from history, scholarship, religion and culture and ancient commercial and people-to-people contacts. The shared aspirations of our common destiny have been given expression by contemporary statesmanship.

Just as strands of many colours are woven together to make a beautiful kira, so the many and varied strands that constitute the tapestry of our relationship come together.

Guru Padmasambhava and many learned Buddhist thinkers carried Lord Buddha's wisdom and learning from the great universities of India to these mountains. But no less have the Himalayas been a source of inspiration for India over the centuries. Our sages and thinkers have sought enlightenment here.

In the modern era, the foundations of our relations were laid by the late King Jigme Dorji Wangchuck and Pandit Jawaharlal Nehru. 50 years ago Pandit Nehru travelled to Bhutan and witnessed the love and affection showered upon him by the men, women and children of Bhutan. Pandit Nehru's visit left an indelible impression on him and convinced him of the potential and richness of India-Bhutan relations. He said at that time, and I quote :

"Our only wish is that you should remain an independent country choosing your own way of life and taking the path of progress according to your will. At the same time, we two should live with mutual goodwill." (unquote).

Based on this vision, India and Bhutan have created a unique, unparalleled and time-tested partnership of peace and friendship.

Today our relations are a model of how two neighbouring countries, uneven in physical size and attributes, can coexist in perfect harmony and understanding. Both our countries have a vital stake in each other's well-being and prosperity.

We have evolved a comprehensive framework for economic, commercial and trade linkages. Our development cooperation encompasses varied areas such as health, education, infrastructure, culture, urban development, human resource development, media and telecommunications.

Time has, however, moved on, and so have our two countries. As we enter a new era in our ties and a new century, I come to seek and reinforce the same meeting of minds, the same depth of understanding and the same confluence of thoughts and aspirations that have characterized our relations thus far, to guide us in the future. As partners, confident in our friendship and mutual security, we will work together to make our friendship gain added strength with the passage of time.

The signing of the India-Bhutan Friendship Treaty in February 2007 was a watershed event. The Treaty enshrines the principles that continue to underpin our relations. It has laid the basis for a relationship that is responsive to each other's national interests, a relationship that is consultative, and a relationship that ensures mutually beneficial cooperation. The Treaty symbolizes our conviction that stability, peace and economic advancement are the most durable guarantors of peaceful co-existence and mutual respect for each other.

We applaud the vision for Bhutan that has been laid down by His Majesty Jigme Khesar Namgyel Wangchuck. His Majesty's deep concern for the people of Bhutan and determination to create a policy framework that maximizes their potential holds great promise for Bhutan.

In the coming years, the challenge before both Bhutan and India will be to evolve a model of sustainable, inclusive and equitable development. We would like you to know that we remain at your disposal to share our experiences, including in those areas where we have had some success.

Bhutan is a shining example of an industrious people blessed with a wise leadership. We have much to learn from you on how to pursue economic development that is neither at the expense of a fragile eco-system nor a country's social and cultural traditions. The concept of Gross National Happiness has particular resonance in today's world of unbridled materialism and consumerism.

An India-Bhutan partnership for the future must harness our mutual strengths and complementarities. Our desire is to create a framework that puts people at the heart of our cooperation. The young profile of our two

populations makes it incumbent upon us to meet their aspirations. Economic strategies would need to be employment friendly. We have to invest much more in the area of human resource development, skill generation and education.

The Indian market offers vast opportunities for Bhutan's agriculture, industry and services sectors. We will work towards the further improvement of connectivity between our two countries so that our borders become the gateways for mutually beneficial undertakings. There is vast scope for the further expansion of people-to-people contacts, exchange of scholars and experts.

We should evolve a development and economic cooperation strategy that complements our mutual resource endowments. We know we are on the right path when electricity generated in the mountains and valleys of Chukha, Kurichhu and Tala lights homes in Bihar, West Bengal and Delhi and generates wealth for Bhutan.

India and Bhutan are well placed to create a new paradigm for inter-governmental cooperation in the areas of water security and environmental integrity. The Himalayan glaciers are our common asset and we can do much more together to devise strategies to combat global warming.

Over the past four decades and more our two countries have worked closely in the process of Bhutan's planned development. We remain committed to working with Bhutan in support of the 10th Five-Year Plan. This period will lay the building blocks for Bhutan's development and support your vision for tomorrow. We will develop our cooperation during the 10th Plan with imagination and flexibility, in accordance with your priorities in human resource development, education, Information and Communication Technologies, health, infrastructure and numerous other fields.

We also look forward to strengthening institutional linkages with the Bhutanese judiciary, the Election Commission and other constitutional bodies. Our parliamentary resources and facilities remain available to you to draw upon.

In the area of hydropower development, we will work with Bhutan to develop two new mega hydropower projects, Punatsangchhu-II and Mangdechhu. We will commence the preparation of detailed project reports for four new projects. Implementation of these projects will help us achieve the target of export of at least 5000 megawatts of electricity from Bhutan to India by

2020, in a manner that is environmentally sustainable.

I am particularly happy to inform this august House that we will begin construction of the first ever rail link between India and Bhutan, connecting Hashimara to Phuentsholing, called the "Golden Jubilee Rail Line". This link will connect Bhutan to the entire railway network of India.

We will also institute a Nehru-Wangchuck Scholarship to encourage students from Bhutan to study in leading Indian universities and institutions.

As we draw all these threads together, our bilateral economic engagement with Bhutan over the next five years will be of the order of Rs. 100 billion. My audience with His Majesty the King and my discussions with His Excellency Prime Minister Lyonchhen Jigmi Thinley have convinced me that the future of our relationship is bright. In this great hall of democracy, I sense an air of optimism and self-confidence. You stand on the threshold of change, and you have our best wishes for your success.

India desires to see a South Asia which is at peace with itself. We wish to contribute to ever widening circles of security, peace and prosperity in our region.

It is with this objective that we look towards working further with Bhutan, in both the bilateral and regional context. A Bhutan that is sovereign, prosperous and secure is central to our vision for the future.

I thank you for your attention and Tashi Delek.



224. Media Briefing Points by Official Spokesperson on the visit of the Prime Minister of Bhutan.

New Delhi, July 16, 2008.

The Prime Minister of Bhutan, his excellency Lyonchen Jigmi Y. Thinley, is on a State visit to India from July 14-17, 2008. He is accompanied by Mrs. Thinley and a high-level delegation that includes H.E. Lyonpo Khandu Wangchuck, Minister for Economic Affairs, H.E. Lyonpo Ugyen Tshering, Minister for Foreign Affairs, H.E. Lyonpo Wangdi Norbu, Finance Minister, and other senior officials from the Royal Government of Bhutan. This is his first visit outside the country, after being elected Prime Minister of the first democratically elected Government in Bhutan.

Bhutanese Prime Minister called on President and Vice President and met Chairperson UPA, leader of the opposition, EAM, Home Minister, Minister for Power, Health Minister, Minister for Tourism and Culture and Deputy Chairman, Planning Commission. He also met NSA and Foreign Secretary. Ministers accompanying the prime minister have also held extremely useful meetings with their counterparts in diverse areas of mutual Interest and cooperation. All meetings were held in an extremely friendly, warm and cordial atmosphere, reflecting the spirit of, trust, cooperation and mutual understanding that marks our bilateral relations. The visit has provided a useful opportunity to continue the tradition of highest level exchanges and further the initiatives announced during Prime Minister visit to Bhutan in May 2008. Areas of mutual interest discussed during the visit included our exemplary cooperation in the hydropower sector and india's economic engagement in Bhutan's development programmes during its 10th Five year Plan period.

The main outcomes of the discussions include:

- (1) Gol has decided to revitalize the standby credit facility for Bhutan enhancing the amount to Rs 400 Crores. The credit would be drawn on favorable terms by RGoB, as and when necessary, to ensure stability of its currency reserves and to meet its obligations. An agreement to this effect will be finalized shortly.
- (2) Gol reiterated its commitment to assist RGoB in its socio-economic development programmes and reaffirmed its full support to Bhutan's 10th Five Year Plan(FYP). Gol has committed to double its 10th FYP assistance over the revised outlay assistance in the 9th Plan

period. Project-tied assistance of the Gol would be implemented as per the existing implementation mechanism. Small development projects in rural areas will be implemented according to mutually agreed modalities. Actual assistance would be determined by implementation of agreed programmes and priorities.

- (3) Gol is committed to enhancing its development assistance and cooperation. To this end, Gol and RGoB will undertake mid-term reviews on a rolling basis, of the plan to enhance the allocation of resources as required. Experts from both sides would examine and work on identify sectors of cooperation based on RGoB's priorities. These would include the establishment of a medical college in Bhutan and capacity building in health sector, education, rural development and agriculture. These projects would be taken up for execution with assistance from Gol outside Bhutan's 10th Five Year Plan.
- (4) Gol is committed to developing 10000 MW of hydropower in Bhutan for export to India by the year 2020. This would be done through direct assistance and in collaboration with Indian public sector undertakings. In the course of developing hydropower projects, Gol will also undertake capacity building and skill enhancement by establishing specialised Industrial Training Institutes in Bhutan, to generate employment opportunities for the local population.
- (5) Gol is committed to developing the human resource within Bhutan including through various scholarship schemes such as the Nehru-Wangchuck scholarship. In addition it is committed to developing infrastructure within Bhutan including roads and a rail line from Hashimara to Phuentsholing.
- (6) Gol has exempted Bhutan from the ban on export of essential commodities. Gol also agreed to positively consider RGoB's request for removal of export duty on the supply of industrial raw material including coal and steel billets to Bhutan.



**225. Statement of President Shrimati Pratibha Devisingh Patil
on her visit to Bhutan.**

New Delhi, November 7, 2008.

I am deeply privileged and honoured to be here to rejoice with the people of Bhutan on the Coronation. The enthusiasm with which the people of Bhutan have participated reflects their respect and reverence for the Monarchy. It is not often that a father has the opportunity to confer his blessings on a son in the manner I witnessed at the Coronation. It exalts both.

The Ceremonies at the Dzong were marked by solemnity, piety and grace and I was deeply touched. The ceremonies elsewhere were colourful and full of gaiety.

With democratic elections earlier this year, His Majesty the Fourth King has ushered in democracy in Bhutan, reposing his faith and trust in his people to continue Bhutan on its path of peace, progress and prosperity. A new youthful generation will now guide Bhutan towards a brilliant future under the able leadership of the young King. I see, at the same time, how deeply rooted the people are in the tradition and culture that quintessentially define Bhutan. I am deeply impressed.

This year has been an historic year with the Coronation of His Majesty, the celebration of the centenary of the Wangchuck Dynasty and the establishment of a democratically-elected Government. By a happy coincidence, it is also the golden jubilee of Pt. Jawaharlal Nehru's visit to Bhutan in 1958, a landmark year for our bilateral relations. We are delighted that this extraordinary convergence has been celebrated by the visits of the Prime Minister of India Dr. Manmohan Singh to Bhutan, and the Prime Minister of Bhutan H. E. Lyonchhen Jigme Y. Thinley, to India which have laid the foundation for taking our relations to a new high. I am confident that our bilateral ties will become deeper and even more fruitful over the coming years.

This is my first visit to Bhutan and I am delighted that it takes place on such an auspicious occasion. The warmth and spontaneity with which we have been received in this beautiful country is truly touching. It is an experience that I will cherish forever. I extend my warm felicitations to His Majesty the King and wish him a long, peaceful and bountiful reign. To the friendly people of Bhutan, I send my best wishes for their happiness and continued progress. I have extended an invitation to His Majesty the King to visit India at his earliest convenience. We look forward to welcoming him.



226. Statement by President Shrimati Pratibha Devisingh Patil on the conclusion of her visit to Bhutan to attend the Coronation of the fourth King of the Wangchuck Dynasty.

New Delhi, November 7, 2008.

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King and wish him a long, peaceful and bountiful reign. To the friendly people of Bhutan, I send my best wishes for their happiness and continued progress. I have extended an invitation to His Majesty the King to visit India at his earliest convenience. We look forward to welcoming him."



MALDIVES

227. Press Release of the Ministry of External Affairs on the State Visit of Maldivian President Maumoon Abdul Gayoom.

New Delhi, February 11, 2008.

H.E. Mr. Maumoon Abdul Gayoom, President of the Republic of Maldives accompanied by Madam Nasreena M.A. Gayoom paid a State visit to India from February 6-12, 2008. The Maldivian delegation included H.E. Mr. Abdulla Shahid, Minister of Foreign Affairs of Maldives and other senior officials.

India and Maldives have traditionally enjoyed close and friendly relations given the historical, ethnic and cultural ties. Over the years this relationship has blossomed into a multi-faceted one encompassing a range of areas. India is committed to enhancing these ties and assisting Maldives in its various developmental efforts.

President Gayoom was accorded a ceremonial reception at the Rashtrapati Bhavan on 11th February, 2008 where he inspected the Guard of Honour. Hon'ble President of India hosted a Banquet dinner in honour of the distinguished guest on 11th February, 2008. During President Gayoom's call on President, both leaders expressed satisfaction at the excellent state of relations between the two countries. They also expressed satisfaction at the conclusion of the Air Services Agreement between the two countries in December 2007 and the signing of the Agreement on Cooperation in Science & Technology during this visit. Hon'ble President congratulated Gayoom on the Sustainable Development Leadership Award conferred on him by TERI.

In his meeting with President Gayoom on 11 February, 2008, the Prime

Minister expressed happiness at the depth and multi-dimensional nature of our relations. He thanked Maldives for its consistent support to Indian candidature in the international fora. He welcomed the political and constitutional reform process currently underway in Maldives. President Gayoom thanked Prime Minister for India's consistent support to Maldives in its all-around development. Both leaders expressed concern at the increase in extremism and fundamentalism in the region and the need to combat them resolutely and jointly. They also emphasized the challenges facing developing countries, especially small island States, from climate change and agreed to cooperate further in addressing this issue.

Hon'ble Vice President, External Affairs Minister, Raksha Mantri, Leader of Opposition in the Lok Sabha and Smt. Sonia Gandhi, Chairperson, UPA also called on President Gayoom.

India and the Maldives signed an Agreement on Cooperation in Science & Technology on 11 February, 2008. The Agreement provides for identification of joint opportunities and projects and cooperation through exchanges of experts and information, workshops, training and joint projects. Further, the two countries agreed to conclude a new Memorandum of Understanding on the Indira Gandhi Memorial Hospital (IGMH), Male, established earlier in 1995 with the Indian assistance. It was also agreed to set up an India-Maldives Foundation.



**228. Speech by President Shrimati Pratibha Devisingh Patil
at a Banquet in honour of Maldivian President Maumoon
Abdul Gayoom.**

New Delhi, February 11, 2008.

Excellency President Gayoom,

Madam Nasreena Gayoom,

Distinguished Guests from Maldives,

Ladies and Gentlemen,

It is with great pleasure that I welcome you and Madam Nasreena Gayoom on your State Visit to India. We welcome you as a close friend of India, as the architect of India-Maldives relations, as a distinguished leader of SAARC and as a great statesman.

Allow me at the outset to felicitate you on the presentation of the Sustainable Development Leadership Award by TERI. You have indeed been an outstanding spokesman for sustainable development and have taken purposeful initiatives in pursuit of this goal. Your consistent campaign to highlight the dangers of global climate change has contributed to the awakening of people across the world to this danger. It is only fitting that your contribution is acknowledged by the conferment of this prestigious award.

Excellency, your presence amongst us today on a State visit is an affirmation of the close and lasting friendship that exists between our two countries. India and Maldives are inextricably linked by historical, ethnic, linguistic and cultural ties. As our countries develop economically, our relationship is increasingly becoming multi-dimensional and we are finding innovative ways of further cementing the ties between our two countries. The signing of the Agreement on Science and Technology earlier this morning is one such important linkage. The conclusion of the Air Services Agreement last December is another development providing for increased connectivity between our two nations. The dynamism in our relations bodes well for our future - a future where India and Maldives would be strong voices for peace and development in the region and, certainly, in the world¹.

Our relations in a range of areas are set to expand. India and Maldives have concrete and visible symbols of cooperation. The Indira Gandhi Memorial

¹ A few weeks earlier when Minister of State for Commerce Jairam Ramesh visited Male a fervent desire on the part of India to lift the traditional assistance and trade-driven

Hospital is the flagship of India-Maldives relations and we are happy that it continues to cater to the medical needs of the people of Maldives. We would be willing to continue to support its manpower requirements and be associated with its future. Another project of importance is the new Faculty of Hospitality and Tourism Studies being built by India. We hope that this institute will contribute to the thriving tourism industry of Maldives. Our cooperation in the areas of security has also grown steadily given the fresh challenges, especially maritime security, in the region. We value the strong support of Maldives to our candidatures in the international fora.

Your Excellency has indeed taken a sagacious and farsighted initiative in undertaking a political and constitutional reform process to change the Maldivian polity in line with changing times. The fact that this process is being done in an open, transparent and democratic manner speaks volumes for the maturity of your leaders and the people of Maldives, and the strong backing you have given them. We assure you of India's support in this endeavour. The Republic of Maldives has made great strides under your leadership and the conclusion of this reform process will be yet another milestone in your country's history.

Excellency,

We view with concern the rising tide of extremism and fundamentalism in our region. The attempt on your life came as a great shock to me, personally, and to all of us in India. The fact that you escaped unharmed is indeed providential and we pray for your long life. The recent bomb blasts in Male reinforce our belief that terrorism is unacceptable in whatever guise and whatever pretext. India and the Maldives will tackle this phenomenon jointly and resolutely.

Before I conclude, I would reiterate that India is committed to a relationship of abiding friendship with Maldives, founded on mutual trust, mutual respect

cooperation with Maldives to a comprehensive relationship structure comprising economic and academic cooperation and a healthy two-way trade regime was in evidence. Mr. Ramesh, on a three-day visit to Maldives as part of his drive to expand trade and investment ties within the SAARC countries, said on January 29 in Male that the time had come for India to take a hard look at its economic cooperation with Maldives and make it more proactive and even unilateral when it came to responding to the aspirations of a rich and young society that was trying to achieve its political and economic aspirations in a changing world. "We have to send a signal that India's perspective vis-a-vis SAARC countries was changing; that we were no longer prisoners of reciprocity and that we were sensitive to the concerns of our partners," Mr. Ramesh said. Pointing out that Maldives was one of the outstanding economic success stories of the past three decades with 7 per cent GDP growth and a per capita income in the region of \$3000, the minister said India had to see how it could go beyond trade to

and goodwill. We wish the Maldives well and we will continue to stand by you.

Distinguished Guests, may I request you join me in a toast to:-

- The good health and personal well being and safety of President Gayoom and Madam Nasreena Gayoom;
- The continued progress and prosperity of the people of Maldives; and
- The lasting friendship between the people of India and the Maldives.



229. Statement by External Affairs Minister Pranab Mukherjee on Presidential Elections in Maldives.

New Delhi, October 16, 2008.

We are heartened by the peaceful and fair manner in which the first round of multiparty Presidential elections in Maldives took place recently. The fact of the election under the new Constitution, and the manner of their conduct, are tribute to the sagacity and foresight of President Gayoom who had led the Maldives in its steady progress towards democratization and all round social development. The elections saw a high turn out of voters (85.5%). It is for the people of Maldives to take necessary decisions about their future in the next round of elections which will be held soon. India and Maldives have close and friendly relations and we stand ready to continue to assist the friendly people of the Maldives in their democratic transition and in their march towards prosperity.



investment and cooperation in diverse areas. The minister felt that the present level of trade and investment interaction between the two countries was not commensurate with the potential. He identified expansion of the list of items traded between the countries, making the annual assessment of Maldives' import requirements automatic, cooperation in the fisheries sector (particularly in tuna fishing), and greater Indian engagement in Maldives' higher education needs as some of the areas where the two countries could have fruitful joint initiatives. While India's exports to Maldives during 2006 were worth Rs. 384 crore, imports were worth less than Rs. 6 crore. "We must import more items and quantities from Maldives," he said. India has already announced major plans to develop its tuna resources, particularly on the Andaman and Nicobar Islands. Fisheries in Maldives faces a challenge as from 2011, the country will lose its duty-free benefits in Europe.

**230. Statement by External Affairs Minister Pranab Mukherjee
on Presidential elections in the Maldives.**

New Delhi, October 29, 2008.

We welcome the election of His Excellency Mr Mohamed Nasheed as the new President of the Republic of Maldives¹. This is an important milestone in the history of Maldives and marks the ushering in of a new era in democracy and political reform. We express our appreciation at the free and fair nature of the elections wherein the people of Maldives turned up in large numbers and made their choice.

India and Maldives have traditionally enjoyed excellent bonds of friendship and cooperation. We are confident that the new democratically elected government will strengthen these links and build on the close and multi-faceted engagement between the two countries.



¹ The elections resulted in the ouster of President Maumoon Abdul Gayoom who held the office of the President for a record 30 years. Mohammed "Anni" Nasheed of the Maldivian Democratic Party (MDP) won 54.25 per cent of the votes cast in the presidential run-off as against 45.75 per cent by 71-year-old Gayoom. Conceding defeat to Nasheed, a prominent face of the pro-democracy protests in the country who has been in and out of jail, the long-time President Gayoom said "I congratulate Anni". "I thank the people of the Maldives for allowing me to serve them for 30 years," Gayoom said. Nasheed said he would like to promote pluralism in Maldivian society and not be "vindictive". The 41-year-old new leader is a maritime engineer by profession. The victory of Nasheed marks a watershed in the history of Maldives where a ban on opposition parties was effective till 2004. Gayoom had won the six previous presidential elections but never before faced an opponent.

**231. Speech of President Shrimati Pratibha Devisingh Patil
at a Banquet in honour of the Maldivian President
Mohamed Nasheed.**

New Delhi, December 24, 2008.

Your Excellency President Mohamed Nasheed,

Madam Laila Ali,

Distinguished Guests,

Ladies and Gentlemen,

It is with immense pleasure that I welcome Your Excellency President Nasheed, Madam Laila Ali and the distinguished members of your delegation to India. We feel greatly privileged to have you amongst us today.

The dawn of democracy has broken over Maldives. As your country enters a new era of democratic change, political and constitutional reform, I remember what Mahatma Gandhi once said, "The spirit of democracy cannot be imposed from without. It has to come from within." In Maldives, the impetus for change has truly come from within. It has come from the desire of your people for greater openness and their yearning for a greater voice in governance. Your Excellency yourself have been the vanguard of hope and change.

Democracy is not just about holding elections, important as they are. It is about nurturing a democratic polity in the protective sheath of a vibrant Constitution, strong institutions of governance, rule of law and a polity designed to ensure development with social justice for the people. Your Parliamentarians have worked hard to adopt a new Constitution for the Maldives in August this year. The culmination was the holding of the first multi-party Presidential elections in October, which witnessed a large turnout of your citizens. Your victory attests to the fact that democracy has taken root in your country. The transition has been orderly and peaceful reflecting the sagacity of your leaders. We, in India, wish you all success in your country's purposeful strides towards democracy.

As your country charts out a new path, India will be with you, as a true and steadfast friend. As close neighbours, India and the Maldives share deep historical bonds of friendship, goodwill and mutual understanding. Our

destinies, prosperity, security and futures are linked. These bonds have become stronger over the last decades and our relations are now truly multi-faceted. Your Excellency's decision to make India as your first destination after assuming office is a reaffirmation of the lasting friendship that exists between our two countries.

India remains committed to the development of Maldives. Our countries have been cooperating in a range of areas, foremost amongst which have been public health, human resource development, training and tourism. We had, just recently in September this year, signed a new MOU to upgrade the Indira Gandhi Memorial Hospital - a hospital that has for more than thirteen years symbolized our strong bonds of friendship. The Faculty of Hospitality and Tourism Studies is an effort to contribute to the bustling tourism industry of Maldives.

New opportunities are opening up where our businessmen can gainfully collaborate. I welcome your decision to bring with you a business delegation and address our apex Chambers of Commerce and Industry. The signing of the Air Service Agreement earlier today bodes well for enhanced connectivity between our two nations. The setting up of the India-Maldives Foundation is another manifestation of our desire to enhance people-to-people contacts.

Given the close synergy of views, India and Maldives have also worked in close cooperation at the international and regional fora. Before I conclude, allow me to reiterate our strong and unqualified commitment to abiding friendship with Maldives.

Excellencies, Ladies and Gentlemen, may I request you to join me in a toast: -

- to the good health and personal well being of His Excellency Mohamed Nasheed and Madam Laila Ali;
- to the progress, prosperity and well-being of the people of Maldives; and
- to the ever growing cooperation and trust between India and Maldives.



232. Joint Statement issued at the end of the visit of the Maldivian President Mohamed Nasheed.

New Delhi, December 25, 2008.

1. His Excellency Mr Mohamed Nasheed, the President of the Republic of Maldives paid a State Visit to India from 23 to 25 December 2008 at the invitation of Smt. Pratibha Devisingh Patil, President of the Republic of India. He was accompanied by his wife Mrs. Laila Ali and a high-level delegation, including businessmen. This was His Excellency President Mohamed Nasheed's first visit to India after assuming the office of the President of the Republic of Maldives in November 2008.
2. His Excellency President Mohamed Nasheed called on President Smt. Pratibha Devisingh Patil, who also hosted a banquet in his honour. The Vice President of India Shri Mohammed Hamid Ansari, the External Affairs Minister Shri Pranab Mukherjee, the Chairperson of the United Progressive Alliance Smt. Sonia Gandhi and the Leader of Opposition Shri L. K. Advani called on H.E. President Nasheed. His Excellency President Mohamed Nasheed and Prime Minister Dr. Manmohan Singh held official level discussions.
3. The bilateral discussions were held in an atmosphere of friendship, warmth and close understanding. The two sides recalled the historic and traditionally close and friendly relations and expressed complete satisfaction at the excellent state of bilateral relations. They reaffirmed the importance attached by both countries to further strengthen bilateral cooperation in a wide range of areas.
4. The two sides agreed to work together for the further enhancement of their multifaceted relationship based on shared democratic values, commitment to economic development and social welfare, mutual understanding and cooperation and shared views on major international issues. The Indian side welcomed the establishment of the first multi-party democracy in the Maldives and the smooth transition of power.
5. The two sides discussed a wide range of issues of bilateral interest covering defence and security, trade and investment, health, tourism, information and communications technology, science and technology, transportation and air services, higher education, non-

conventional energy, fisheries, culture, education and training. The leaders also exchanged views on regional and international issues of mutual interest.

6. The following agreements were signed during the visit:
 - (i) Agreement on extending a Standby Credit Facility of US\$100 million to Maldives
 - (ii) Air Services Agreement
7. The two sides noted that there was great potential to increase trade and investment between the two countries. In this connection, they agreed to revive the Sub Group on Trade under the India-Maldives Joint Commission to recommend ways and means to enhance trade and investment. The two sides noted that the Joint Commission has proved to be a useful mechanism in giving direction to enhance India-Maldives cooperation in diverse areas.
8. The two sides identified a range of areas for enhancing investment cooperation, including information technology, higher education, fisheries, transport, tourism and infrastructure. They also agreed to expedite the construction of the Faculty of Hospitality and Tourism Studies, being set up in Male through Indian assistance.
9. The two sides welcomed the signing of the new MOU on the Indira Gandhi Memorial Hospital in Male in September 2008 and agreed to convene the Joint Committee envisaged under the MOU. The hospital stands as a shining symbol of India-Maldives cooperation in the health sector and both sides agreed to explore ways of strengthening health care services in Maldives, including through capacity building.
10. The two sides expressed their commitment to enhance their defence and security relations based on shared maritime threats and other security concerns. They expressed their satisfaction at the on-going DOSTI exercises between the Coast guards of both countries. They also agreed to strengthen cooperation in other areas as well, including police training. They agreed that drug transit and control are important issues, which require joint efforts of the two countries for effective prevention.

11. The two sides stressed that terrorism constitutes one of the gravest threats to international peace and security. They strongly condemned terrorism in all its forms and manifestations, and stressed that there can be no justification, whatsoever, for any acts of terrorism. The Maldives side condemned the recent terrorist attacks in Mumbai and expressed its deep sympathies for the affected people. The two sides emphasised the need for concerted and coordinated action by the international community both at regional and international levels to realise the objective of preventing, combating and eradicating terrorism in all its forms and manifestations.
12. His Excellency President Mohamed Nasheed addressed a meeting of Indian and Maldivian businessmen and industrialists organised jointly by Association of Chambers of Commerce and Industry (ASSOCHAM), the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Confederation of Indian Industry (CII). He presented the economic policy and the privatisation programmes of the Government and invited the Indian entrepreneurs to participate in these programmes.
13. Both sides welcomed the signing in September 2008 of the MOU to set up the India-Maldives Foundation to foster India-Maldives relations through the enhancement of economic, scientific, educational, technical, and cultural cooperation between India and Maldives and the promotion of greater understanding between the peoples of the two countries.
14. The Maldives side conveyed its appreciation to India for the scholarships provided by the latter for short term and long term training as well as scholarships for higher education and professional courses for its nationals in various institutes and universities in India. The Indian side agreed to conduct a professional course for Maldivian diplomats in the Foreign Service Institute in New Delhi in 2009.
15. The Indian side thanked Maldives for its support to various Indian candidatures in international organisations. In particular, India expressed appreciation to the Maldives side for its support to India's candidature for a permanent seat in the expanded Security Council and for its candidature to the non permanent member seat of the UN Security Council for the year 2011-2012. Maldives also thanked

India for its supports for its candidature to the non-permanent seat of U.N Security Council for the year 2019-20. The two sides agree on the need for a comprehensive reform of the international financial and economic architecture and improved global economic governance to ensure that the adverse impact of the ongoing global financial crisis, especially on developing countries, is minimised.

16. Both leaders expressed satisfaction with the outcome of the State Visit and concluded that it had contributed positively to the strengthening of the existing friendly ties between the two countries.
17. The President of Republic of Maldives invited the President of India and the Prime Minister to pay a visit to the Maldives. The invitations were accepted.
18. His Excellency Mr Mohamed Nasheed, President of the Republic of Maldives expressed deep gratitude to President Smt. Pratibha Devisingh Patil and Prime Minister Dr. Manmohan Singh for the kind reception and warm hospitality extended to him and his delegation.



NEPAL

233. Statement by Official Spokesperson on recent developments in Nepal.

New Delhi, February 28, 2008.

We welcome the fact that the Seven Party Alliance Government of Nepal and the United Madhesi Democratic Front have reached an agreement paving the way for elections to the Constituent Assembly as scheduled. It was signed by PM Girija Prasad Koirala and Madhesi leaders in the presence of the leaders of the Seven Party Alliance¹.

It is our hope that all parties would honour and implement this agreement and their previous understandings. It is for the people of Nepal to choose their representatives, their future and the manner in which they wish to be governed. As always, India will continue to support Nepal in every way possible to achieve the goal of a democratic, stable and prosperous Nepal.



¹ On February 28 the Nepal government and the United Democratic Madhesi Front (UDMF) signed an eight-point agreement, ending the 16-day-long Madhesh movement and clearing the way for the April 10 Constituent Assembly (CA) elections. The people of Nepal's Terai were agitating for the formation of a state in the Terai for the people of Madhesh, who they said were discriminated in the past in every manner. The UDMF while withdrawing the Terai strike said it would take part in the Constituent Assembly poll. The agreement said autonomous Madhesh states, along with other autonomous states, will be formed after the CA election. It also recognised all the dead during the Madhesh movement as martyrs and pledges compensation. The agreement also ensured proportional representation for all ethnic and marginalised groups in state organs and entry in the national army. Addressing the agreement signing ceremony, Prime Minister Girija Prasad Koirala urged all to participate in the Constituent Assembly poll to make it a grand success.

234. Extract relevant to Nepal from External Affairs Minister Pranab Mukherjee's statement in the Lok Sabha on recent developments in India's foreign relations.

New Delhi, March 3, 2008.

Nepal is undergoing a critical transition. After two postponements, Constituent Assembly elections are scheduled to be held on April 10, 2008. The elections will offer all Nepalese, including those in the terai, a chance to have a say in their own future. Government is committed to assist in every possible way Nepal's transition to a democratic, stable, peaceful and prosperous State.

On March 19 replying to the Short Duration Discussion in the Rajya Sabha on his above Statement made on March 3, the External Affairs Minister said¹ :

However, Sir, at the end, I would like to clarify one more small point because the impression should not go that we are responsible for causing chaos in Nepal. Most respectfully, I would like to submit that not by intervention, not interference, but with our suggestions, with our advice to the political parties, it has been possible to bring a hardcore militant, believer in violence, organisation in the mainstream of the democratic politics of Nepal. They are participating today in the Constituent Assembly elections. The elections are going to be held under the supervision of the United Nations. The people are going to exercise their rights. They are going to constitute the Constituent Assembly, which will frame their Constitution. I do feel that this is the most important right, a democratic right of any people of any country to have their own Constitution and to have their own Government through the process of elections. All-party alliances have taken place, seven-party alliances, including, the Marxists. They have given up violence. Yes, there may be some problem here, some problem there; there may be some teething problems; but, we have not contributed in creating chaos in Nepal. We have tried to defuse the chaos and tension which was prevailing there by bringing the political parties together, not by -- I am repeating -- intervention or interference, but by our counsel and that is the approach which we are having. Our approach is, we neither believe in exporting our ideologies nor we have any territorial ambition. We are only interested in moving together for peace, prosperity and development and making our own contribution in that process.



1 For full text of the above two Statements of the External Affairs Minister Please see Document Nos.19 and 23.

235. Statement by Official Spokesperson on Constituent Assembly elections in Nepal.

New Delhi, April 10, 2008.

The successful Constituent Assembly elections in Nepal today are a welcome and historic step towards realizing the aspirations of the people of Nepal for a democratic future. This happy outcome is a product of the determination of the people of Nepal, with significant contributions by the political parties and the Election Commission of Nepal.

The Constituent Assembly provides a platform for the people of Nepal to determine the manner of their governance and their future. As always, India will stand by the people of Nepal in the major tasks of democratization and development that lie ahead while building a stable, prosperous and peaceful Nepal¹.



1 In the elections the Maoist emerged as the single largest party. India by extending its welcome sent a signal to the people of Nepal that India was not only satisfied at the peaceful and happy conclusions of the elections but indeed welcomed them. Observers noted that India's policy towards Nepal since the emergence of new forces was not only the strengthening of democracy but also mainstreaming the Maoists. As for democracy, the elections had finally brought into place a structure with greater legitimacy than the outgoing parliament which was elected nine years ago. Media quoted an unnamed official of the MEA to say that India rejected the view that the Maoist victory was the product of 'fear'. "You do not get a 67 per cent turnout with fear. The electorate has spoken clearly." India, he said, saw the elections as "a clear, solid vote for change, and, ultimately, this is also what we want." India perceived the results a "clean break" from the past and this offered India an opportunity to also re-examine the bilateral relationship to see how it could be taken forward, the official was quoted by the media to suggest. That India had played a positive role in promoting the new democratic order was acknowledged by no less a person, than Prachanda himself. The elections would make it easier for India to work with them, since the Maoists were now a "normal, legitimate party" democratically and legitimately swept into power. Denying India was a 'status quoist' power, the official said the "Old Nepal was not working for us either so why should we be attached to it?" On April 15 External Affairs Minister Pranab Mukherjee spoke to Maoist leader Prachanda over the phone and conveyed India's willingness to work with his party towards building a stable Nepal. He assured him of India's support and congratulated him on the victory. The call underlined India's willingness to abide by the democratic verdict and take the relationship forward so that the next important steps towards drawing up a constitution for Nepal could be achieved through consensus in the Constituent Assembly. India has played a key role in ensuring that the political consensus for elections to the Constituent Assembly was not broken and that polls were conducted despite occasions when the process seemed to be falling apart due to inter-party rivalries. Meanwhile on April 20th Maoist chief Prachanda met Indian

236. Inaugural Speech by Chief Minister of Bihar Nitish Kumar at a Seminar¹ on Emerging Trends in India - Nepal Relations.

Patna, April 26, 2008.

The Chairperson of the inaugural session of the seminar on Emerging Trends in India-Nepal Relations Mr. Deb Mukherjee, Hon'ble Minister of State for Commerce and Power Mr. Jairam Ramesh, Hon'ble Minister of Nepal Government, Smt. Hisila Yami, M.P., Mr. N.K. Singh, Special Envoy at the Prime Minister Mr. Shyam Saran and delegates from Nepal and India.

Let me first of all accord you all a very warm welcome to Patna and to this Seminar on 'Emerging Trends in India Nepal Relations'. I feel it a privilege to be amidst such distinguished and eminent persons as present here today.

2. To our friends from Nepal, I would like to accord a very warm and special welcome. I would also like to congratulate and compliment them, and to the friendly people of Nepal, on reaching an important landmark in the journey of their country to peace and prosperity, in the form of the Constituent Assembly elections and consolidating multiparty democracy. This is indeed a turning point in Nepal's history.
3. Nepal enters today a new era of empowering its people for growth and prosperity, of building a new nation on the principles of inclusive democracy. It provides, to my mind, a perfect backdrop for us to discuss the state of Nepal's relations with India, where we stand today, and where we shall arrive tomorrow.
4. India-Nepal relations flow from the logic of geography, the streams of history, the reality of economic ties and the sheer force of strong

Ambassador to Nepal Shiv Shanker Mukherjee apparently to discuss a "graceful exit" for King Gyanendra. Media reports said that during the meeting, Mr. Mukherjee assured India's continued support to Nepal after the Maoists stunning victory in the April 10 polls. A Kathmandu based paper *Kantipur* reported that Mr. Mukherjee and Mr. Prachanda discussed the "King's graceful exit for the implementation of republic declaration through the first sitting of the Constituent Assembly." Media quoted CPN-Maoist sources to say that Mr. Prachanda discussed with the Ambassador the emerging political situation in Nepal, including matters relating to government formation. It was their second meeting after the historic polls and the first since the Maoist leader and External Affairs Minister Pranab Mukherjee spoke over phone.

1. The Seminar was organised by the Public Diplomacy Division of the Ministry of External Affairs.

cultural links and people to people relations. Innumerable threads of myths and legends, cultures and customs, languages and literatures, opportunities and challenges, triumphs and tribulations, aspirations and goals- in short, threads weaving the entire tapestry of life- have tied our peoples together since time immemorial. The people of Bihar, in particular, share these close bonds even more strongly, given nearly 700 kms. of open, porous border with Nepal. These bonds have grown from strength to strength and acquired ever new dimensions in the past few decades, especially after India gained its independence. We are all aware of the contribution of Nepali leaders to India's National Movement and the support of India and its leaders to the democratic aspirations of the people of Nepal.

5. The people-centred interconnectedness has rendered Nepal not a land-locked country, but one which is land-linked to India through an open border. India, one of the world's largest and fastest growing economies, is Nepal's largest trade partner, source of foreign investments and tourist arrivals. As a close friend and neighbour, we remain committed to supporting the people of Nepal in their pursuit of achieving economic recovery, development and growth. In this we will be guided by Nepal's interests and priorities.
6. An important element of our support to Nepal is to make trade more efficient by developing trade- related infrastructure. Creation of Integrated Check Posts at the four border checkpoints on the Indo-Nepal border is an endeavour in this direction. In Bihar also, at Raxaul and Jogbani these check posts are coming up. It envisages world-class infrastructure at these points for smooth flow of people and goods across our border.
7. In addition, India is undertaking projects for development of over 1500 km. of road network that would provide easy access to the East-West. Highway from the border regions. Similarly, a project presently on anvil for cross-border rail links at five locations at the Indo-Nepal border will significantly boost cross border linkage and will be of immense value in promoting trade and commerce between the two countries.
8. An important area of India-Nepal cooperation is in the field of water resources, which offers multitude of benefits to the people of two countries. Two countries share immense water resources, which if properly harnessed could wipe out poverty, boost economic growth

and employment and even create a more egalitarian society. Indo-Nepal cooperation in the field of water resources would help create irrigation facilities, moderate floods, generate hydro- electricity, and provide all important navigation facilities to land locked Nepal. Indo-Nepal cooperation is of paramount importance for the optimum utilization of water and overall development of the region.

9. We see that there is some progress in jointly working at the government- level in extension of embankments on some of the rivers flowing from Nepal into India. Sapta kosi High Dam, Kamla Reservoir Project, and Bagmati Reservoir Project are three important Projects which need mutual cooperation.
10. For Water Resources Development Nepal needs India's investments, expertise, hydro-electric market. Nepal needs to increase its income and water is its prime resource. Long term cooperation between India and Nepal is highly desirable and has potential to change the economic profile of the region. Indo-Nepal agreements on Kosi and Gandak projects provide the precedence for future endeavours and joint ventures by the two countries.
11. There has been some forward movement in regard to the private sector involvement from India in the development of hydropower sector in Nepal, which is welcome. We are ready to further encourage Indian private and public sector institutions to be Nepal's partners in the process, firstly for Nepal's own domestic consumption and the huge surplus likely to be available, for revenue' generating exports to India, which can effectively address the problem of its trade deficit.
12. I would like to reiterate that the Construction of High dams to harness the irrigation and hydro electric potential of rivers emanating from Nepal has multiplier and complimentary mutuality of benefits. From Nepal's point of view- clear advantages are - first, credible management of the ecosystem and environmental management; second, harnessing the huge irrigation potential for improving agricultural potential and productivity; third, abundant availability of assured hydro electric energy at affordable prices with minimum maintenance will improve the competitiveness to attract investment in industry and also value added agriculture. The assured energy availability will give a momentum to the services sector, as well. The sale of vast quantity of surplus hydro electric energy to us after saturating its own energy needs will create huge revenue gains for Nepal.

13. Just as Oil producing countries have become rich by selling their 'black gold', Nepal too can experience a quick rise in its GDP and per capita income through sale of surplus energy. A long term contract embedded in a purchase agreement will make the project eminently suitable for financing and meeting commercial viability.
14. From our point of view, it will dramatically improve our agriculture and industry. The annual destruction of life and properties due to floods will be reversed. Surplus energy will contribute to all round development of industry, agriculture and services. There can be no better example of a win-win situation for all; a shining example of how cooperation between neighboring countries can transform lives, raise income and usher a better future.
15. India is also a major source for tourist arrivals to Nepal, but the share is gradually declining despite Indians travelling abroad in ever-increasing numbers. Nepal would perhaps need to be more creative to lure the growing Indian outbound tourists.
16. Another area, equally central to India-Nepal relations is the development cooperation between the two countries. Since the emergence of our two countries as new nations, India has contributed significantly towards the development of infrastructure and human resources in Nepal. India's economic assistance to Nepal has grown manifold in the past two-three years, particularly since the restoration of multiparty democracy in Nepal. Our development cooperation engagement with Nepal has emerged as a cornerstone of India-Nepal relations. The importance of this cooperation grows even more today as Nepal enters a historic phase of new nation-building based on inclusive democracy, peace and stability.
17. A strong, stable and peaceful Nepal is in India's interest. We will therefore, support everything that contributes to achieve this. After the signing of the Comprehensive Peace Agreement (CPA) in November 2006, India redoubled its commitment to assist Nepal's transition to peace, democracy and prosperity. With the dawn of a new era in Nepal's history, India remains steadfast in its commitment to assist Nepal's economic rehabilitation and political stabilization. We proceed from the conviction that while the process of political stabilization through the Constituent Assembly is of overreaching importance for Nepal, it is equally critical to ensure that economic deliverables, particularly in the areas of education, health and infrastructure; India's assistance programme in Nepal is guided by this vision.

18. India and Nepal share a destiny, in which our two peoples are tied together in addressing their developmental challenges, in seeking the realization of their aspirations for peace and prosperity, which, as we know are indivisible. It is to working together with the people and the Government of Nepal for continuing this legacy and discharging this responsibility for our future generations that we in India look forward to.
19. I would like to conclude by stressing that this interaction is an opportunity for us to discuss how best we could progress towards a new future by shaping the India-Nepal relationship in the best interests of those who are its prime movers- the people of our two countries. The partnership between India and Nepal will both gain from our complementarities and our cultural and civilisational affinities. We certainly hope and believe that the enduring friendship between India and Nepal, resting on the foundation of the interconnected lives of our peoples, will contribute to the prosperity of both the countries. We see in our vision a day, hopefully not too far in the future, when the rest of the world will take lessons in friendship and trust from our relationship.
20. I would like to thank the Ministry of External Affairs for this initiative, and also the participants for honouring and enriching this Seminar with their presence. I do hope that the eminent experts gathered here will have a most stimulating and useful deliberations over the next two days. The consensus which will emerge could be new pillars in reinforcing our historical relationship in the 21st century. I earnestly hope that this constructive dialogue, which in the new context has commenced in Bihar will be followed up at multiple levels. At the end, I wish all our guests a pleasant and memorable stay in Patna. With these words, I inaugurate this seminar.

Thank you.



237. Keynote address by Special Envoy of Prime Minister Shyam Saran on Nepal's Political Transformation and Future of India-Nepal Relations at the India - Nepal Seminar.

Patna, April 26, 2008.

Mr. Chairman, distinguished guests from both India and Nepal, friends, ladies and gentlemen. It is honour for me to be invited to give the keynote address at this political segment of the Indo-Nepal Seminar¹. It is appropriate that Patna is the venue for this seminar, since the region of Bihar has long-standing historical, cultural, religious, ethnic and kinship ties with Nepal. Even in contemporary times, several leaders of Nepal's democratic movement made Bihar their home and several generations of Nepali friends have graduated from Bihar's educational institutions. Thus, there is an easy familiarity which the people of Bihar enjoy with the people of Nepal and being from Bihar myself, I was deeply conscious of this valuable asset when I served as India's Ambassador to Nepal a few years back. It is against this backdrop that we gather here today to look at the dramatic political events that have recently taken place in Nepal and consider how we can take forward the already close and friendly relations between our two countries in the context of Nepal's political transformation.

Let me begin by saying that the people of Nepal deserve to be congratulated for having carried out a remarkably successful electoral exercise to re-establish democracy in their country. The political parties, irrespective of gains and losses they registered in the recent elections, also deserve to be commended. Against all odds and I must say, against the cynical expectations of most observers, they maintained the Seven-Party alliance as a united political and democratic force. They also worked together to keep the peace process on track - this is no mean achievement. This record encourages us to believe that in confronting the many ensuing challenges of political reform and restructuring, economic reconstructions and economic reform and in consolidating a truly inclusive and responsive democracy, Nepal's newly elected political leadership will not be found wanting. India is proud to have been a modest part of this historic transformation in a friendly neighbouring country and stands ready to assist in whatever manner it is called upon to assist the continuing process of political and economic transformation in Nepal.

¹ The Seminar was organized by the Public Diplomacy Division of the Ministry of External Affairs as part of its Outreach programme.

Several people in India have asked whether the government was not caught by surprise by the election results and whether these do not constitute a setback for India's Nepal policy. I am surprised by these comments, not because we were not surprised at the results but because people seem to think that our surprise was an unpleasant one. There seems to be an assumption that the Indian Government had a preferred electoral outcome and put its bets, much like a punter, on different horses. Let me make it clear. Throughout the peace process in Nepal, India has not played favourites with this or that political party. Our stand has been that it is for the people of Nepal to deliver, through free and fair elections, their verdict on who should govern them and in what manner. Our approach has been to engage with all key political actors in Nepal, with whom we have managed to establish, in my opinion, a relationship of trust and confidence. We are, therefore, comfortable with whatever, political permutation or combination which emerges from the exercise of democratic rights by the people of Nepal. This approach gives us the confidence that we can do business with the new political dispensation in Nepal.

It is my view that Nepal is in the midst of a major political transformation because of certain underlying factors. The country is witnessing a generational transition. If India has more than 50% of its population under 25, Nepal has an even higher percentage. This new, vibrant and young Nepal has a mindset very different from those representing an earlier generation. Their outlook is different, their aspirations are different. They are also exposed to what is happening in the world around them. After all, many of them have migrated in search of jobs and livelihood to neighbouring India and to many other countries beyond. They come back to Nepal with a very different perspective. No political structure will be enduring unless it is in tune with this generational change.

The new Nepal is also a very diverse Nepal. Even the more limited democracy of the 90s opening the space for the reassertion of ethnic identities and cultural particularities and a growing demand for a more inclusive and egalitarian political structure. These trends became much stronger as part of the Jan Andolan, in particular, with respect to the Madhesi and other ethnic groups in the Terai. The Nepal of the future will be a more diverse, more complex but also a more culturally enriching and enriched society. A plural democracy like India has learnt to celebrate its diversity and counts this as one of the pillars of its democracy. It is my hope that Nepal will do so, too, because only a more inclusive, a more accommodative approach is required for a stable and enduring democracy.

The economic challenge will be a daunting one. But I for one, have always believed that Nepal has the prospect for becoming the richest nation in South Asia. It has both tangible and intangible assets. Its hydro-power resources are estimated at over 85,000 MW of which only a miniscale percentage has been utilized. Even a modest utilization of these resources and the sale of power to energy-hungry India could quickly transform Nepal's economic prospects.

There are other assets. Nepal, with its natural beauty and pleasant climatic conditions can be transformed into a Health Centre as well as an Education Centre for our entire region. This has the added advantage of also helping meet the educational and health requirements of a growing Nepal's population.

Tourism, of course, is already Nepal's forte. However, the entire mid-hills region of the country could be home to several potential Simlas, Mussoories and Ranikhets, catering to several thousand tourists from the hot plains of India. All you need is good, cross border highways and why not, rail connections.

I hope that finally Nepal and its people will look upon India as an opportunity - you are not India-locked as you think. You are India-open - open to an India that is economically dynamic, a vast and growing market and a source of skills and technology that is not always so easy to access. Yet, you have an open border with India. You have free access to our market. Please make use of it, and we could establish a very mutually rewarding economic partnership between our two countries.

Let me conclude by welcoming our Nepali guests. Many are familiar faces. Many of you are close friends. I take this opportunity to congratulate you on your remarkable success and tell you that the transformation of Nepal is as much a reason for celebration in India as it is in Nepal.

Thank you.



238. Extract from the Press Conference¹ of Foreign Secretary Shivshankar Menon.

New Delhi, April 29, 2008.

Question: About Nepal, what is your comment about Communists' plan to abolish the 1950 treaty?

Foreign Secretary: We have said consistently for many years now that we would be quite happy to discuss with Nepal new arrangements to govern the relationship. We have held discussions with Nepal in the past with previous Governments. In 1994, I remember participating in discussions with Nepal on how to either modernize or upgrade or replace the 1950 treaty. We are quite happy to do that exercise. We like the fact that everybody who has spoken about it recently has spoken about replacing it or changing it in order to bring the relationship to a new and higher level. I think that is always a good ambition, and we will be happy to work with Nepal to that end.



¹ Foreign Secretary was briefing the media on the Iranian President's visit, when this question was asked. For full text of the Press Conference please see Document No.433.

239. Briefing points by Official Spokesperson on letters sent by President and Vice President to President and Vice President of Nepal on their election.

New Delhi, July 23, 2008.

- In a letter to H.E. Dr. Ram Baran Yadav, President of the Republic of Nepal, Hon'ble President Smt. Pratibha Devisingh Patil extended warm felicitations on his election as the first President of Nepal.
- The President said that the election represented a new chapter in Nepal's historic democratic transition and expressed confidence that Nepal would progress further on the path of peace, democracy and development. India attaches the highest priority to further developing closed and multi-faceted relationship with Nepal and she looked forward to working to further strengthening the understanding and cooperation between the two countries.
- In his letter to H.E. Mr. Parmanand Jha, Vice President of the Republic of Nepal, Hon'ble Vice President Shri M. Hamid Ansari conveyed warm felicitations on his historic elections. He expressed India's continued support and assistance in the transition to a democratic, inclusive, stable and prosperous Nepal and looked forward to working closely with his counterpart in further strengthening the bonds of friendship between the two countries.



240. Media Briefing by Foreign Secretary Shivshankar Menon on the official visit of Prime Minister of Nepal.

New Delhi, September 16, 2008.

Official Spokesperson (Shri Vishnu Prakash): A very good evening to you and welcome to Foreign Secretary's press conference. My name is Vishnu Prakash. I have just taken over as Joint Secretary (XP).

As you know, the Prime Minister of Nepal is currently visiting India. Foreign Secretary would brief you about the visit and then he would be happy to answer a few questions. Let me also introduce - you know them very well - Ambassador Rakesh Sood, our Ambassador in Kathmandu; and Joint Secretary (North) Preeti Saran.

Foreign Secretary (Shri Shivshankar Menon): Good evening ladies and gentlemen, I thought we would brief you about the visit of the Prime Minister of Nepal, Prime Minister Dahal, also known as Prachanda, who is in India. He arrived on Sunday evening, was in Delhi yesterday and today, will be going to Bangalore tomorrow before he returns to Nepal on the 18th of September.

While in Delhi he has had talks with the Prime Minister, who also gave him a banquet yesterday evening, and has met with the entire leadership. He called on the President, Vice-President, met with the Chairperson of UPA, Leader of the Opposition. The Ministry of External Affairs called on him, as did the Minister for Water Resources. He has had a full range of meetings also with several segments of Indian political opinion, leaders of various political parties. I think this is a reflection of the sort of close and unique relationship that we enjoy between India and Nepal.

The visit was particularly important because it is really the first visit of the elected Prime Minister of the Republic of Nepal. As you know, Nepal has gone through historic changes in the recent past and, therefore, this was an opportunity not only to discuss our bilateral relations and how we would take them forward in the new situation but also for Nepal to tell us how they see the future and to describe the changes that they see at home.

Naturally, in the talks with the Indian leadership they reviewed the new situation in Nepal and told us about their plans. But I think this is really for the Nepalese side to brief you about. I believe you will have an opportunity later this evening to ask about that.

On the bilateral relationship, as I said, we have a unique and a very close relationship with Nepal. We have an open boundary; we have a relationship where there are large numbers of Nepalese living and working in India. In most respects I think Nepalese enjoy national treatment, the same treatment that Indians do in Nepal. Because of, I think, Nepal's preoccupation with developments at home in the last few years, we thought this was - now that they have gone through the process of election, they have elected a Constituent Assembly; there is an elected government in place - a useful opportunity to look forward and to see where we take our relationship.

Both sides agreed that we would reactivate the bilateral mechanisms that we have for our relationship. So, we will now very rapidly, in the next month or so, be reactivating these mechanisms. Among these will be the Foreign Secretaries' talks, the Home Secretaries will meet, Water Resources Secretaries as well, and the Commerce Secretaries will also be meeting very soon. We will be covering various aspects of the relationship.

At the Foreign Secretaries' level we normally exchange views on the entire gamut of the relationship. The Nepalese side has been keen for many years that we look at the 1950 Treaty and update it. We have said, again for many years, that we are ready to do so, to review it and to update the Treaty. We hope to do that between the Foreign Secretaries.

In Water Resources, as you know, there are two aspects to this. One, of course, is the immediate problem that we both face because of the flooding in the Kosi. Flood control is an issue. Prime Minister extended his sympathy to the Nepalese side for the damage on their side and also promised Rs.20 crore as immediate flood relief to the Nepalese side for use to help the victims of the recent floods.

We also have larger issues of hydel power which we have been discussing for several years. We hope to rationalize the existing mechanisms and to hasten progress on the development of hydel power projects in Nepal. As you know, Nepal has a potential of something like 84000 MW of electricity of hydel power. There are several large projects which we have been discussing, which are in various stages of readiness. We hope to take those forward.

The Commerce Secretaries will also be meeting very soon to look at various trade, transit related issues, whether it is existing impediments to trade or whether it is ways of increasing the trade. Both sides I think feel the need to do so since it has been quite sometime since we have sat and done this.

As I said, many of these mechanisms are existing mechanisms, have not met for some time because, I think, of other preoccupations on their side.

There were also considerable discussions of the kind of economic support that India could give to the democratic transition and the peace process within Nepal, and this will continue. This is a commitment that we have maintained consistently which the Nepalese side was happy to recognize saying that they would not have come to this stage if it were not for the support that they had enjoyed. We indicated that we intend to continue to support the democratic transition and the peace process within Nepal which, as far as we can see, is really an unprecedented process when you see an insurgent movement moving into the political mainstream in a democratic fashion and being integrated into a democratic polity, at the same time as the country itself is developing an entirely new polity. It is something that we have supported, will continue to support in the years to come.

The Nepalese side also asked for a continuation of the kinds of commodity and other supports that we have offered in the past, whether it is POL supplies or wheat, rice, sugar; and we will be doing that. We will continue to help especially before the festive season. I think that is important.

All in all, it was a very successful and constructive visit. It is the first visit really in a long time where we sat down and concentrated on the bilateral relationship and how we could take it forward; and we are very satisfied with the results of the visit.

We have a lot of follow-up to do after this and we are looking forward to continuing to do that work with the Government of Nepal in the years to come.

I will be happy to answer questions on the visit.

Question: Now that India has agreed to review the Treaty, what areas is India exactly looking at in terms of change? Is it security or other issues?

Foreign Secretary: I think we have actually had discussions with Nepal in the past about the review of the Treaty. We did this in the early 90s, in mid 90s; we have discussed this at various stages. It has always been our position that the Treaty really reflects the nature of our relationship. Both Nepal and India have changed; so has the nature of the relationship over time so that it is necessary for us to look at the Treaty and see how we can update it. Our general approach is to see how we can actually build on and improve upon what we have and to see how much more we can do. But I cannot predict today where we will come

to at the end of a review where both of us sit and look at this and see. So, we will have to see what we agree; what we find necessary to change, Nepalese side and us. So, to give you a precise 'yes or no' answer to your question is very difficult right now.

Question: How would you characterize Indo-Nepal relations in the wake of Nepalese Prime Minister's recent visit to China? Nepal has been known to be playing (the) China card for decades. Secondly, have we raised the issue of raising the embankment of Kosi river in Nepal at our cost? If so, what is their response?

Foreign Secretary: I think India-Nepal relations, as I said before, are unique and special. They are so because of history, geography, culture, you name it. The nature of this relationship is unique because there is no other relationship like this. It is not a relationship which depends on or is determined by any third country or any external factor. This is intrinsic to the nature of where we are and what we are, both of us as countries. Quite frankly, whatever Nepal's relationships with other countries is Nepal's business. That is between Nepal and the other countries to sort out. Our relationship is certainly in our interest and has been in Nepal's interest also. That is what the Nepalese leaders have been telling us. For us it is hard to think of a prosperous South Asia, of our own prosperity and security, without thinking of the prosperity and security of our neighbours. I think we have discussed this before about how a peaceful periphery is in India's interest. I think that is the approach that really guides this relationship.

You asked about the Kosi embankment. We ourselves are still studying the issue technically. I believe there is work going on. Nepal is ready to cooperate with us in that effort to try and repair the embankment, get the river back in its bed. That is something that we will do together. But there will be technical discussions and once we have gone through the technical process we will then do this together. But both sides will work together to try and solve this problem.

Question: India had also proposed construction of a dam on Kosi river....

Foreign Secretary: That is a separate issue, the issue of the Kosi High dam. We hope that when we hold these meetings with this new mechanism for water resources discussions that is one of the issues that we will take up very quickly.

Question: They have not been willing?

Foreign Secretary: I think that question you should address to them.

Question: Just a clarification on Indo-Nepal Treaty. Are you insisting on only updating the Treaty or is it a complete, basic change of the structure of the Treaty?

Foreign Secretary: You want a thesaurus? Updating is a pretty big word. I mean it can include various things. I do not think we are closing options here. By saying updating what we are saying is we will both sit; review the Treaty; see how to bring it up to date to reflect today's reality and what we want to do in the future. And then what we choose to do thereafter frankly is up to us, between India and Nepal. So, by saying updating I am not trying to limit our options.

Question: Have they brought a draft treaty along with them?

Foreign Secretary: No. Not that I know of. I mean I have not seen it.

Question: A couple of quick questions, Sir. Whether the Prime Minister Dahal extended an invitation to Prime Minister Singh to visit Nepal? We have had Prime Minister Koirala visit India in 2006 and we have not had a reciprocal visit and we have had the Nepalese Foreign Minister also here. So, are there any visits planned from the Indian side? The second question is about the situation in Terai which has been seeing increasing lawlessness and the Nepali side has often complained that these Madhesi armed groups were operating from Bihar. Whether the Nepalese side raised this and whether there was any discussion? Whether there was any discussion on the issue of integration which is the big issue left in the peace process? The Indian Army has enjoyed fraternal links with the Nepal Army. Whether there was any discussion on the issue of integration?

Foreign Secretary: Yes, Prime Minister Dahal invited Prime Minister Manmohan Singh to visit Nepal; he accepted the invitation with pleasure. We will have to set dates through diplomatic channels for the visit. One of the reasons why we are holding the Home Secretaries' talks so soon is because we want to discuss issues such as security in that belt and criminal activity. Many of these issues affect both of us on both sides of the boundary. We have a common interest actually in making sure that that area is peaceful. So, that is one of the reasons why we will be holding the Home Secretaries' talks very soon and that is a subject that we will discuss. Army integration and so on was mentioned by the Nepalese side when they described their plans for the future and how they will proceed in their internal affairs.

Question: Hydropower generation has been a relatively untapped area in India-Nepal relations and I believe there are some issues that are holding it up. Are we looking at new projects? And what are these issues really?

Foreign Secretary: I think this was a visit where we were picking up the threads with a new government who have just come to power; where we are trying to bring the relationship back up to speed because for a long time I think on both sides there have been other preoccupations and other concerns and doing the normal business of the relationship. And that is why I think we have decided to have this new mechanism on water resources which will discuss hydropower; will discuss flood control; will discuss all these issues. Whether there is inundation issue, embankments, we will discuss all these issues and try and find a way forward. There are several projects which are on the table, have been discussed between the two countries. There are agreements that have been signed for some projects, for Pancheshwar, for instance. We will now see how we can move forward towards implementing them. Both the Nepalese side and our side expressed a very strong interest in moving very rapidly towards this. I believe that the Government of Nepal has announced a target of 10000 MW of hydropower by 2020 - they are on their own - and that this will largely be through very large dams on these rivers in Nepal and which would also involve the export of power to India. But I do not want to get into the details because this is not the occasion where we would have worked out all the details. That is what the mechanism is for.

Question: This is addressed mainly to the Ambassador. Do you think there is security for Indian investors in Nepal? Secondly, when Prime Minister Prachanda went to China, many commentators in Nepalese papers had written that China might invest in a big way in Nepal and then manufacture goods there for Indian market.

Foreign Secretary: He is the Ambassador of India, not the Ambassador of China, not the Ambassador of Nepal...

Question: I said that. I am asking as to what is the security for Indian investor? Do you find while in Nepal the Chinese and Indian businessmen will have competition in that market?

Ambassador of India to Nepal (Shri Rakesh Sood): As you know, yesterday Prime Minister Prachanda addressed an event which was hosted by CII, FICCI and ASSOCHAM. In addition, the Indian investors who are currently present in Nepal had a separate meeting with him to convey their

concerns on some of the issues, the problems that they are facing. That was a separate meeting. In his meeting organized by CII, FICCI he spoke at length to address some of the concerns that were raised by CII and FICCI and other business representatives. In the bilateral meetings certainly the issue of providing a conducive environment in which additional Indian investment could be attracted to Nepal was highlighted and emphasized in the official talks when the External Affairs Minister called on Prime Minister Prachanda and also in the talks between the two Prime Ministers themselves. So, it has been registered, he is sensitive to it, the Indian business community has taken it up, the Indian investors there have taken it up; and in his interaction with CII, FICCI also he has responded to it.

Question: In an interview to IBN7, Mr. Prachanda said that he would be willing to have some sort of a dialogue with the Maoists and Naxalites in India to engage them in the political mainstream. Would the Government of India like to engage him actively in any such negotiation? Is there a proposal? Also, he said that he would not like to propose a unilateral draft revision for the Indo-Nepal Treaty but that there should be a special task force or some sort of a review committee. Has any such proposal been made on the table?

Foreign Secretary: I think we deal with our own citizens as equals just as they deal with their own citizens. On the Treaty, the idea is to have a high-level committee headed by the Foreign Secretaries which will look into how we can update it, how we can revise it, review it.

Question: What did you say when you answered the question about the army integration?

Foreign Secretary: I said that they briefed us about their plans. As part of their description of their internal affairs, they told us what they plan to do.

Question: Mr. Menon, apart from the talk about the 1950 Treaty which they asked for review, was there any reference to Mahakali Treaty also because there is a demand for that review also?

Foreign Secretary: Not directly. But when we review cooperation in water resources, in the hydel projects, we will then see how we will deal with that issue. There was no direct mention saying this Treaty needs to be changed in this manner about the Mahakali Treaty.

Question: When the Kosi broke its embankments a few weeks ago the Indian Embassy in Nepal had issued a Press Release which said that Indian

engineers were not allowed to go to the site and carry out their work. What is the latest on that? Has anything happened on that? On the flooding itself, was the Chief Minister of Bihar, did you have a conversation where all parties had their points of view? Is there anything being done in immediate term on this issue?

Foreign Secretary: In terms of access, after that Press Release was issued there was access granted and there was work done together on the Nepalese side. Indian engineers did come in and do their work.

About the integrated approach, we do have an integrated approach to this. Ultimately, this is a problem that affects them, us, all of us in India. It is not a question of the Government of Bihar or the Central Government, or one Department or another Department. This is a question that affects Indians. So, I do not think it is a question of do you have any integrated approach. When we speak on these issues, we speak as India. And we spoke to the Nepalese side; the Nepalese side has the same interest as us in trying to minimize not just the immediate consequences for human beings in terms of relief, rehabilitation but also in terms of finding a long-term solution to this problem, which we will have to work out together, and we will do that. That is why it is so important that we both expressed this commitment and said we want to do so in this new mechanism.

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Thank you.



241. Joint Press Statement issued on the official visit of Nepalese Prime Minister Pushpa Kamal Dahal 'Prachanda'.

New Delhi, September 17, 2008.

The Rt. Hon'ble Pushpa Kamal Dahal 'Prachanda', Prime Minister of Nepal, is on an official visit to India from September 14-18, 2008 at the invitation of H.E. Dr. Manmohan Singh, Prime Minister of India. The Prime Minister of Nepal is accompanied by Hon'ble Mr. Upendra Yadav, Minister for Foreign Affairs, Hon'ble Mr. Krishna Bahadur Mahara, Minister for Information and Communication, Hon'ble Mr. Bishnu Prasad Poudel, Minister for Water Resources and Hon'ble Mr. Rajendra Mahato, Minister for Commerce and Supplies. The delegation includes four members of the Constituent Assembly, senior officials of the Government of Nepal, a business delegation and a delegation of media representatives.

2. During his visit, the Prime Minister of Nepal called on H.E. Smt. Pratibha Devisingh Patil, the President of India, and on H.E. Shri Mohammad Hamid Ansari, the Vice President of India. The Prime Minister of Nepal had a meeting with the Prime Minister of India, which was followed by delegation level talks, led by the two Prime Ministers, on issues of mutual interest and concern. The Prime Minister of India hosted a banquet in honour of the Prime Minister of Nepal. Shri Pranab Mukherjee, Minister of External Affairs, Prof. Saif-u-Din-Soz, Minister of Water Resources and Shri L.K. Advani, Leader of Opposition in the Lok Sabha called on the Prime Minister of Nepal. The Prime Minister of Nepal had a meeting with Smt. Sonia Gandhi, Chairperson of the United Progressive Alliance (UPA) and the President of Indian National Congress. The Prime Minister of Nepal also visited Rajghat and paid homage to the memory of Mahatma Gandhi. An interaction with the Indian business community was jointly hosted by ASSOCHAM, CII and FICCI in honour of the visiting dignitary. During his stay in India, the Prime Minister is visiting Bangalore from September 17-18, 2008.
3. The Prime Minister of India extended a warm welcome to the Prime Minister of Nepal as the first Prime Minister of Federal Democratic Republic of Nepal. The two Prime Ministers expressed satisfaction at the age-old close, cordial and extensive relationships existing

between Nepal and India. Both Prime Ministers expressed their support and cooperation to further consolidate the relationship in the days ahead.

4. The talks were held in an atmosphere of utmost cordiality and warmth. They shared their views and assessment of the situation. The two Prime Ministers acclaimed the importance of peaceful, political, democratic transformation of historic significance in Nepal.
5. The Prime Minister of Nepal appreciated the positive support extended by the people and Government of India throughout the peaceful political democratic transformation in the country.
6. The Government of India expressed full support to the peaceful, political, democratic transition in Nepal.
7. Both leaders recognized the historic changes that have taken place in Nepal with the elections to the Constituent Assembly and the declaration of the Federal Democratic Republic of Nepal according to the wishes of the people of Nepal.
8. The Prime Minister of Nepal stressed that following the Constituent Assembly elections, bringing the peace process to a logical conclusion, writing a new Constitution and accelerating the pace of economic development are the main priorities of the Government of Nepal in the days ahead.
9. The two sides felt the need to inject new dynamism into the relations between the two countries for a forward looking change in tune with the realities of the time as well as the wishes and aspirations of the people of both the countries.
10. Both sides agreed to reactivate the existing bilateral mechanisms in the evolving context.
11. Both sides noted that the multi-faceted and deep-rooted relationships between the two countries needed further consolidation and expansion in a forward-looking manner to better reflect the current realities. It was in this broader context that the two Prime Ministers agreed to review, adjust and update the 1950 Treaty of Peace and Friendship and other agreements, while giving due recognition to the special features of the bilateral relationship. A High-Level Committee at the level of Foreign Secretaries will be set up for this purpose.

12. The Nepalese side informed that Government of Nepal will take further necessary measures for the promotion of investor friendly, enabling business environment to encourage Indian public and private sector investments in Nepal.
13. Both sides agreed to enhance cooperation in handling cross-border crime and security concerns. Home Secretaries will meet soon to implement this decision.
14. Government of India will continue to assist the Government and people of Nepal in its peaceful, democratic transition; its economic development and reconstruction. The areas of assistance would include infrastructure, human resource development, health and education.
15. Both sides expressed concern over the large-scale damage caused by the breach of embankment by the river in the Kosi barrage area and decided to launch relief and rehabilitation measures for the victims and the reconstruction of the damaged infrastructure, and other measures as per the agreements, immediately, and take up preventive measures to avoid the recurrence of such events in the long term. They decided to take up preventive measures for the Gandak and other barrages under existing bilateral arrangements. Likewise, the two sides also discussed the problem of inundation in the border areas between Nepal and India and agreed to take up necessary work for its effective prevention on the basis of bilateral consultation.
16. Government of India will provide Rs. 20 crores as immediate flood relief to the people in Nepal. Government of India will also rebuild the segments of the East-West Highway, damaged in the recent Kosi floods.
17. Both sides agreed that Government of India will set up a camp office in Biratnagar for facilitating movement of Nepali vehicular traffic through Bihar for improved access to other parts of Nepal till the Highway is repaired.
18. A three-tier mechanism at the level of Ministerial, Secretary and technical levels will be established to rationalize and raise the efficacy of the existing bilateral mechanisms in order to push forward discussions on the development of water resources in a

comprehensive manner, including hydro-power generation, irrigation, flood control and other water related cooperation. The Secretaries will meet in two weeks.

19. The two Prime Ministers directed the Inter-Governmental Committee (IGC) at the level of Commerce Secretaries to meet in one month to initiate a comprehensive review of the existing trade and transit arrangements with a view to promoting industrialization in Nepal, expanding complementarities of bilateral trade on a sustainable basis and removing the barriers to trade.
20. Both sides agreed to further enhance the pace of economic development between the two countries by extending support for the preparation and execution of mega projects, including infrastructure development such as road, rail and hydel-power projects. As a gesture of goodwill of the Government and people of India, Government of India agreed to implement the Naumure Hydro-electric Project on Rapti river.
21. In view of the shortages felt in Nepal for the essential commodities, Government of India will remove bans on the export of rice, wheat, maize, sugar and sucrose for quantities agreed with Nepal. Government of India will also provide a credit of up to Rs. 150 crores to Government of Nepal for the next three months to ensure uninterrupted POL supplies to Nepal.
22. The Prime Minister of Nepal extended an invitation to the Prime Minister of India to pay an official visit to Nepal at an early date. The Prime Minister of India accepted it with pleasure. The date of the visit will be decided through the diplomatic channel.



242. Keynote address by External Affairs Minister Pranab Mukherjee at a Seminar on 'India and Nepal: Partners for Democracy and Development'.

Varanasi, September 27, 2008.

Mr. Chairman,

Hon'ble Shri Dev Gurung, Minister of Law, Justice and Constituent Assembly of Nepal,

Hon'ble Shri Jay Prakash Prasad Gupta, Minister for Agriculture and Cooperative,

Excellencies,

Distinguished participants,

Ladies and Gentlemen,

Let me first of all warmly welcome you all, especially our friends from Nepal. Exactly five months ago, our Ministry of External Affairs had organised a seminar on 'Emerging Trends in India-Nepal Relations' in Patna. Much as I had wished to be present in that important interaction between senior leaders and experts of the two countries, due to other exigencies I could not. It is, therefore, a matter of great happiness for me to be amidst you all today at the inauguration of this Seminar, which dwells on the partnership between India and Nepal for democracy and development.

2. Today we meet here at another historic city on the banks of the sacred Ganges - Varanasi, which has cradled relations between the peoples of India and Nepal through centuries, and indeed millennia. This ancient, heritage city is the centre for learning, spirituality and knowledge since times immemorial. I understand yesterday Shri Kamal Mani Dixit made a scintillating presentation on the role of this city in nurturing the multi-dimensional ties between India and Nepal linking the land of Pashupatinath and Lumbini to the city of Vishwanath and Buddha. The presence here today of representatives of a thriving Nepali community and of experts from the Banaras Hindu University's Centre for Nepal Studies is a glowing tribute to the central place Varanasi continues to occupy in India-Nepal relations.

3. Our relationship with Nepal is unique and special. Our centuries old social-cultural, historical, geographic linkages and extensive people-to-people contacts permeate all aspects of our lives, particularly of those living closer to the border. Few other sovereign states in the world can take pride in a relationship as wide-ranging and multi-faceted as that shared between our two countries. It transcends borders and of course the governments. Our destinies are intertwined. Welfare of the people of our two countries is interlinked. Developments in one country invariably have an impact on the other.
4. The people-centred inter-connectedness has rendered Nepal not a land-locked country, but one, which is land linked to India through an open border. India is Nepal's largest trade partner, source of foreign investments and tourist arrivals and home to a significant Nepalese community.
5. The official visit of the first elected Prime Minister of the Democratic Federal Republic of Nepal Mr. Pushpa Kamal Dahal 'Prachanda' to India last week on September 14-18, 2008 was a reaffirmation of this unique and special relationship. It provided the leadership of both our countries the opportunity to have free and frank discussions and review our extensive bilateral cooperation. Several key decisions were taken to impart momentum and dynamism to our bilateral relations. We have decided to reactivate our bilateral mechanisms in all sectors - water resources, trade and transit, security issues etc. that have been lying dormant for some time. We have also agreed to review, adjust and update the 1950 Treaty of Peace and Friendship to align it with the changing times. As a gesture of goodwill, the Government of India has agreed to implement the Naumure Hydro-electric Project on Rapti river. For ensuring expeditious relief and rehabilitation to those adversely affected in Nepal by the Kosi floods, we are providing IRs. 20 crores of assistance and will repair the damaged segments of the East-West Highway. We are also extending credit of upto Rs. 150 crores to the Government of Nepal for ensuring uninterrupted POL supplies for the next three months during the festive season.
6. This visit of Prime Minister 'Prachanda' and the seminal political developments that have taken place in Nepal provides a perfect backdrop for this seminar. I am confident that the wide range of

issues being covered in this Seminar would spring up new ideas and engender new thoughts for deepening our bilateral relationship.

7. The democratic transition in Nepal has passed several key milestones. Against all odds and I must say, against the cynical expectations of many observers, the ongoing transition has come a long way. The elections to the Constituent Assembly, abolition of monarchy, declaration of Nepal a Federal Democratic Republic and formation of a new elected government are momentous developments. The courage and sacrifice of the people of Nepal and the foresight of its political leadership has made this happen.
8. This encourages us to believe that Nepal will be able to handle the several challenges it now faces in writing a new constitution, and thereby institutionalizing multiparty competitive democracy, inclusiveness, a federal structure, protection and promotion of human rights and fundamental freedoms and rule of law.
9. These challenges are essentially a confluence of three conditions of harmonious and dignified human existence equality, liberty and fraternity. Dr. Bhim Rao Ambedkar, among the chief architects of the Indian Constitution, had said, in his address on November 25, 1949 - the day of the adoption of the Constitution of India, and I quote, "These principles of liberty, equality and fraternity form a union of trinity. Without equality, liberty would produce the supremacy of few over many. Equality without liberty would kill individual initiative. Without fraternity, liberty and equality could not become a natural course of things." Unquote.
10. It is also important to note here that lasting democracy and true development are intrinsically interlinked. Democracy is not merely a form of government, but is a way of life. It is a framework for freedom: freedom to progress and prosper, freedom to do better. Our own experience demonstrates that democracy is not something which solves all problems for all times, but provides legitimate means and ways to address issues that plural societies like India and Nepal face.
11. As a close friend and neighbour, India remains strongly committed to the success of the peace process and the institutionalization of democracy in Nepal in a constitutional multi-party framework. As always, India stands ready to provide any assistance or support, if

required by the Government of Nepal. Nepal's political stability and economic progress is in India's interest. I am convinced that the successful culmination of the peace process would put Nepal firmly on path to peace, stability and development.

Ladies and Gentlemen,

12. The developmental challenges confronting Nepal, like India, are indeed daunting. The optimum and sustainable utilization of the bountiful natural resources that Nepal is bestowed with, has the potential for Nepal to emerge as the richest nation in South Asia. Development of Hydropower, Tourism, Health and Education are the key sectors that have the potential to transform the landscape of Nepal. This necessitates strengthening of cross-border infrastructure roads, rail-links and transmission highways.
13. We are acutely conscious of the need to bring about qualitative transformation in cross-border infrastructure between India and Nepal. A number of mega infrastructure projects amounting to IRs. 16 billion are under various stages of implementation. Creation of four Integrated Check Posts on the Indo-Nepal border envisages world class infrastructure at these border points for smooth flow of people and goods across the border. Government of India is also undertaking projects for development of over 1500 km of road network in Nepal's Terai region that would provide easy access between the Indo-Nepal border areas and Nepal's East-West Highway. Similarly, a project presently on the anvil for cross-border rail links at five locations at the Indo-Nepal border will significantly boost cross-border linkage and will be of immense value in promoting trade and commerce between the two countries.

Ladies and Gentlemen,

14. Every country has to evolve its own model of governance and development. No one model is perfect and fits everyone. Nor can it be transplanted into another matrix. That said, the Indian democracy and its socio-economic development processes may hold some significance for Nepal, especially given our very similar social, cultural and geographic conditions and developmental levels and challenges. In my view, this seminar would have served its purpose if its deliberations and discussions on aspects related to consolidation of Nepal's ongoing peace process and constitution making are able to

generate a constructive and useful dialogue. The Indian experience in Constitution drafting could be a valuable one for all.

15. I would like to end by stressing that this interaction is an opportunity for us to discuss how best we could progress towards a new future by shaping the India-Nepal relationship in the best interests of those who are its prime drivers and constituents - the people of our two countries, especially at this juncture when Nepal has crossed the threshold into another era of history.
16. I would like to thank the organisers, the Government of Uttar Pradesh for their support, and also the participants for honouring and enriching this Seminar with their presence. I do hope that the dignitaries and eminent experts gathered here will have a most stimulating and useful interaction over the next two days. I wish all our guests a pleasant and memorable stay. I also wish our Nepali and Indian friends a very enjoyable festival of *Dassain* or *Dussehra* and *Tihar* or *Deepawali*, which are round the corner.

Thank you.



243. Press Release issued by the Ministry of Commerce on the meeting of the Indo-Nepal Inter-Governmental Committee on Trade, Transit and Cooperation to Control Unauthorized Trade.

New Delhi, October 21, 2008.

India-Nepal Inter Governmental Committee on Trade, Transit and Cooperation to Control Unauthorized Trade, met here on 19-20 October, 2008. Shri G.K. Pillai, Commerce Secretary, and Mr. Purushottam Ojha, Secretary, Ministry of Commerce & Supplies, Government of Nepal, led the respective delegations. The two sides have agreed to work towards further strengthening of economic ties between the two countries and to help generate employment opportunities and enhance industrialization in Nepal. Reiterating India's commitment to continue to provide preferential access to Nepalese goods and products to the Indian market, Shri Pillai urged Nepal to work towards creating an investor-friendly and enabling business environment with a view to attract Indian investments. Towards this end, both sides agreed to conclude Bilateral Investment Promotion and Protection Agreement, Motor Vehicles Agreement and revised Double Taxation Avoidance Agreement at an early date.

India also agreed to support a project for technical capacity building of Nepalese labs so that they can conform to Indian standards and certification requirements, in respect to major products of their export interest. India also agreed to exempt Nepal from export restrictions up to 10000 Ton of wheat and 15000 Ton of non-basmati rice. Both sides made considerable progress on the modification and revision of the India-Nepal Treaty of Trade so as to make it a more effective instrument of bilateral trade between the two countries. The two sides will again meet at Joint Secretary level within three months to finalize the modifications. The meeting took place as a follow up to the decision taken during the visit of the Prime Minister of Nepal to India in September, 2008.

The visiting Nepalese Secretary for Commerce & Supplies also called on the Minister of State for Commerce and Power Shri Jairam Ramesh.



244. Press Release issued by the Ministry of Home Affairs on Home Secretary level talks with Nepal.**New Delhi, November 1, 2008.**

The two day Home Secretary level talks between India and Nepal concluded at New Delhi today. The 16-Member Nepalese delegation was led by Dr. Gobinda Prasad Kusum, Secretary, Ministry of Home, Government of Nepal while the Union Home Secretary, Shri Madhukar Gupta led the Indian team.

During the meeting, both sides reviewed the implementation of the decisions taken at the previous meeting and held focused discussion of the issues relating to (i) Security (ii) Border Management, and (iii) Training, Provisioning and Capacity Building.

The discussions on security related issues centered around effective cooperation in combating terrorist activities including activities of Insurgent Groups, circulation of Fake Currency Notes, and institutionalizing the mechanism for real-time exchange of security related information between the two countries. The Indian side also raised the issue of security of Indian aircrafts. The Nepal side conveyed its solidarity with India in the fight against terrorist/insurgent groups and also placed on record its condemnation of the recent bomb blasts in Assam as also its condolences for those bereaved/affected.

With reference to Border Management, discussions in the meeting covered issues relating to review of the Nepalganj-Rupaidiha Pilot Project; effective cooperation for combating trans-border crimes including arms smuggling, trafficking of narcotics & psychotropic substances and human trafficking; institutionalizing the mechanism for regular meetings of the Border District Coordination Committees; and coordination and exchange of ground level/operational information between SSB and its counterpart police and security agencies in Nepal. It was also decided that a meeting of the Joint Working Group on various other Border related issues would be convened in early 2009.

India further offered its support and cooperation in matters relating to training and strengthening of Nepal Police, Armed Police Force, other officials, etc., and in the setting up of a Nepal Police Academy. It also emphasized the need to expedite formalization of bi-lateral agreements initiated at official levels.

It was recalled that during the first visit of the newly elected Prime Minister of Nepal, Mr. Pushpa Kamal Dahal 'Prachanda' to India in September 2008, it had, inter alia, been specifically highlighted and mandated that mutual cooperation in respect of security and border related issues should be expeditiously and substantively addressed. Coming in this background, the Talks, which were held in a warm and cordial atmosphere, will provide further impetus to the existing mutual cooperation between India and Nepal, both at the Government to Government level, and at the ground/operational levels between the agencies of both countries. Following elections and formation of the new Government in Nepal, this was the first HS level talks, the previous having been held in Kathmandu in September 2007.



245. Statements by External Affairs Minister Pranab Mukherjee and Nepalese Foreign Minister Upendra Yadav at the Joint Press Conference.

Kathmandu, November 26, 2008.

My colleague Hon'ble Foreign Minister of Nepal,

Friends from media,

I am very happy to interact with you at the end of my visit to Nepal, a country close to my heart. I feel privileged to be the first Union Minister of India to visit Nepal after the elections to the Constituent Assembly. As you know, the purpose of my visit was to continue the process of regular high level exchanges between our two friendly countries, review the progress on bilateral cooperation, meet with political leaders of Nepal and take forward the process of strengthening our bilateral relations.

I called on the President, the Vice President and the Chairman of the Constituent Assembly and met with a wide section of leaders of Nepal. I also called on the Prime Minister and had discussions with Foreign Minister Upendra Yadav. In each of these meetings I found a strong mutual desire to carry forward the unique relationship that our two countries enjoy.

During my call on President Dr. Ram Baran Yadav, I conveyed to him invitation from our President to visit India at mutually convenient dates.

During my call on the Prime Minister, we reviewed the progress on the decisions taken during his visit to India in September this year and exchanged views on other important issues. As you know, since Prime Minister Prachanda's visit, bilateral mechanisms have been activated and Water Resources, Commerce and Home Secretary level talks have taken place. We intend to take the required follow up measures to ensure continued progress.

I also held detailed discussions with my colleague, the Foreign Minister of Nepal with whom this was my fifth meeting in the last three months.

I was also able to interact with a number of leaders from a cross section of political parties. One such occasion, a joint Interactive session with members of the Constituent Assembly, was an opportunity to understand their perspectives on the ongoing efforts to institutionalize multi-party democracy in Nepal. I conveyed to them our best wishes for the successful and timely

completion of the process to draft a new Constitution which will reflect the aspirations of all the people of Nepal. I reiterated India's commitment to support the government and the people of Nepal in their quest to build multi-party democracy.

I met with leaders from the Madhesi parties. I assured them of our support for the economic and social development of the Terai area, including through better infrastructure and connectivity with India.

We discussed security concerns and agreed to address these effectively by strengthening bilateral mechanisms in this area.

As you know the Government of Nepal has set a target of generating 10,000 MW of power over the next ten years. We discussed how to expedite mutually beneficial cooperation in this important sector.

All my discussions with dignitaries in Nepal have been marked by cordiality and warmth. We will continue our efforts to impart new dynamism to our close, friendly and long standing bilateral ties with Nepal and to further strengthen our wide-ranging cooperation for mutual benefit.

Representatives of the Indian business community in Nepal, who are contributing to Nepal's economic development, brought out some concerns. We have again taken these up with the Nepalese government which has assured action.

This morning I undertook an aerial survey of the Kosi area and paid a short visit to Birgunj. We are working closely with Nepal to ensure work on Kosi breach is completed by March, 2009. Progress is being monitored closely. During my visit to Birgunj, I was given a presentation on a project to provide world-class infrastructure to facilitate movement of goods and people across the border through a modern Integrated Check Post.

I leave Nepal satisfied with my visit. It was a timely opportunity to meet the leadership of Nepal, a country with which we have unique and close bonds of friendship and fraternity. I am deeply touched by the warmth and affection with which I was received.

I sincerely thank my distinguished colleague the Hon'ble Foreign Minister of Nepal and his colleagues for the warm and generous hospitality extended to me and my delegation. Thank you.

Statement of Nepalese Foreign Minister Upendra Yadav:

His Excellency the External Affairs Minister of India

Dear representatives of the media,

Minister of External Affairs of India, His Excellency Pranab Mukherjee is completing his official visit to Nepal, who arrived here at my invitation on November 24. There have been high level visits, and frequent high-level interactions between our two countries in the recent months. These interactions have given fresh momentum to our relations and many bilateral mechanisms have been reactivated. This visit provided, both to His Excellency Mukherjee and myself, an excellent opportunity to review the progress so far made in various aspects of our relationship. We discussed all these issues in a cordial atmosphere.

As we all know, Nepal and India enjoy strong bonds of friendship. Our friendship is based upon shared values, culture and common aspirations. We enjoy extensive and multi-dimensional relations with India. I would like to stress that our relationship has been further enriched by equally extensive interactions at people to people level. It is against this background, the visit of His Excellency Mukherjee will contribute to further enhancing this relationship so happily subsisting between our two countries. This is the first visit of its level from India after the elections to the Constituent Assembly in Nepal. During this visit, we held bilateral talks at the Ministry of Foreign Affairs yesterday. India has always expressed its support for peace process and democratic transition. His Excellency reaffirmed that during the talks.

During the bilateral talks, we looked into various issues taken up by the Commerce Secretaries, Home Secretaries and Water Resources Secretaries during their recent meetings. We are happy at the progress they have made in their respective areas. We discussed the ways to further consolidate the cooperation in those areas.

Both His Excellency Mukherjee and myself have stressed and agreed that Kosi embankment has to be reconstructed and Kosi River brought to its original alignment by March 2009. We also discussed issues related to inundation problem, and construction of 400 KV transmissions line. In view of our national vision of developing 10,000 megawatts of hydro-electricity in ten years and also implementing other mega-projects in Nepal, we agreed to further encourage investments in Nepal from Indian private and public sectors.

We shared our views on the issues of Nepal India border and cross border crimes.

It is a matter of great satisfaction to note that development projects like Terai road project, which includes our Hulaki Road, is ready for implementation. We stressed on their speedy implementation to improve connectivity and enhance economic opportunities of the people through this project. We also discussed the upgradation and extension of the Jayanagar-Janakpur railway and the study of the East-West Railway.

His Excellency Mukherjee also met senior political leaders. His Excellency Mukherjee also had an aerial overview of the breached section of Koshi embankment today.

In conclusion, I would like to reiterate that the present visit of His Excellency the Minister of External Affairs of India have contributed in further enhancing the multi-dimensional relationship between our two countries. I am confident that this process would continue in the days ahead.

Thank you!



246. Joint Press Statement issued at the end of the Official Visit of External Affairs Minister Pranab Mukherjee to Nepal.

Kathmandu, November 26, 2008.

1. The Minister of External Affairs of India His Excellency Mr. Pranab Mukherjee paid an official visit to Nepal from November 24-26, 2008 at the invitation of Hon. Mr. Upendra Yadav, Minister for Foreign Affairs of Nepal.
2. During his visit, the Minister of External Affairs of India called on Rt. Hon. Dr. Ram Baran Yadav, the President of Nepal, Rt. Hon. Mr. Parmananda Jha, the Vice President of Nepal, and Rt. Hon. Mr. Pushpa Kamal Dahal 'Prachanda', the Prime Minister of Nepal. The Minister of External Affairs of India also called on the Rt. Hon. Chairman of the Constituent Assembly, Mr. Subas Chandra Nembang and held an interactive session with leaders of parties in the Constituent Assembly. During his visit, the Minister of External Affairs of India held official talks with the Minister for Foreign Affairs of Nepal on all issues of mutual interest. The Minister for Foreign Affairs of Nepal hosted a dinner in honor of the Minister of External Affairs of India. The Minister of External Affairs of India undertook an aerial overview of the Kosi area and also visited Birgunj.
3. The Minister for Foreign Affairs of Nepal extended a warm welcome to the Minister of External Affairs of India. The two Foreign Ministers shared views on aspects of the bilateral relationship, which is characterized by close, cordial and extensive interactions at the government as well as at the people to people levels. They expressed their commitment to further consolidate the relationship in future.
4. The Minister of External Affairs of India noted that this was the first high level visit from India to Nepal after the elections to the Constituent Assembly of Nepal and expressed India's continued support to Nepal in its transition to multiparty democracy.
5. The two Foreign Ministers recalled the official visit by the Rt. Hon. Prime Minister of Nepal Mr. Pushpa Kamal Dahal 'Prachanda' to India in September 2008 as well as the bilateral meeting between the two Prime Ministers earlier this month on the margins of the BIMSTEC Summit in New Delhi. The two Foreign Ministers also noted with satisfaction that this was their fifth meeting after the assumption

of office by a new government in Nepal in August 2008. They recognized that bilateral interactions at high levels have imparted new dynamism to the relationship between the two countries in tune with the changing realities of the time as well as the wishes and aspirations of the peoples of both countries.

6. The Ministers reviewed implementation of actionable points in the Joint Press Statement on the official visit of the Rt. Hon. Prime Minister of Nepal to India from September 14-18, 2008. It was noted with satisfaction that several decisions had been implemented, such as:
 - (i) Meeting of Home Secretaries of the two countries in New Delhi on October 31-November 1, 2008 which agreed on further steps to enhance cooperation in dealing with cross-border crimes and addressing shared security concerns.
 - (ii) The Joint Committee on Water Resources at the level of Water Resources Secretaries of the two countries met in Kathmandu from 29 September- 1 October 2008 and reviewed all aspects of bilateral cooperation in the field of water resources in a forward looking and mutually beneficial framework.
 - (iii) The Inter-Governmental Committee (IGC) at the level of Commerce Secretaries met in Delhi on 19-20 October 2008 and discussed steps to bolster and develop bilateral trade and to conclude the revision of the Treaty of Trade at the earliest.
7. It was acknowledged that the recent high-level meetings of existing bilateral mechanisms have reactivated bilateral relations in key areas. The two Foreign Ministers stressed the need to continue this process and implement relevant decisions taken at these meetings.
8. Both Ministers discussed steps to promote cooperation in the hydro-power sector. With a view to work towards realisation of Government of Nepal's target of generating 10000 MW over the next 10 years, both Ministers agreed that existing and future projects in this area should be pursued expeditiously.
9. The two Ministers reviewed ongoing works to rehabilitate the breached portion of the Kosi embankment and stressed the need to expedite work so that it is concluded by March 2009.
10. The Nepalese side appreciated the removal of ban on the export of

some essential commodities to Nepal by the Government of India. The two sides agreed to review Nepal's requirements from time to time. While taking note of the removal of some of the barriers to trade, both Ministers agreed to hold regular discussions to further facilitate bilateral trade between the two countries.

11. The Minister of External Affairs of India pointed out that concerns remain about the business environment in Nepal affecting existing Indian investments and joint ventures. He requested that these issues be addressed urgently and effectively. The Nepalese side reiterated the commitment of the Government of Nepal to take necessary measures for the promotion of an investor-friendly business environment to encourage Indian public and private sector investments in Nepal.
12. The two Ministers discussed issues relating to management of the open border between the two countries. It was agreed that necessary steps would be taken to have effective institutional and other mechanisms to address cross-border crimes and shared security concerns based on agreements reached at the recent Home Secretary level talks.
13. The two Ministers noted that Joint Technical Committee on the boundary had completed scientific strip mapping of about 98% of Nepal-India border and agreed to take further necessary steps for signature of the agreed strip maps at an early date. They also directed the officials concerned to expeditiously resolve the outstanding issues relating to the boundary.
14. The Nepalese side expressed its sincere appreciation to the Government and people of India for the generous assistance that India has been providing over the years in various fields of development activities in Nepal. In continuation of this process, both sides would study the feasibility of railway projects in Nepal. The Nepalese side appreciated Government of India's support for Terai Roads Project. It was decided that necessary preparatory work for undertaking this project would be expedited.
15. The Indian side reiterated the commitment of the Government of India to continue assisting the Government and people of Nepal in its democratic transition and economic development.
16. The External Affairs Minister of India handed over a formal invitation

from the President of India Smt. Pratibha Devisingh Patil to Rt. Hon. President of Nepal Dr. Ram Baran Yadav to visit India at an early, mutually convenient date¹.



PAKISTAN

247. Press Release of the Ministry of External Affairs regarding exchange of lists of Nuclear Installations and Facilities between India and Pakistan.

New Delhi, January 1, 2008.

India and Pakistan today (1 January 2008), through diplomatic channels simultaneously at New Delhi and Islamabad, exchanged lists of nuclear installations and facilities covered under the Agreement on the Prohibition of Attack against Nuclear Installations and Facilities between India and Pakistan. This agreement was signed on 31 December 1988 and entered into force on 27 January 1991.

Under the Agreement, the two countries, on first January of every calendar year, are to inform each other of Nuclear Installations and Facilities to be covered by the Agreement. The first such exchange of lists took place on 1 January 1992. This is the seventeenth consecutive time that both countries have exchanged such a list.



¹ External Affairs Minister on November 26 "reiterated India's commitment to supporting the government and the people of Nepal in their quest to build multi-party democracy." Speaking in connection with an interactive discussion with members of the Nepalese Constituent Assembly, Mr. Mukherjee said political consensus was needed to achieve "the ultimate objective" of multi-party democracy and to draft a new constitution. He said his visit to the country was satisfying and timely. Before flying to New Delhi, Mr. Mukherjee undertook an aerial visit of the Kosi region. "We are working closely with Nepal to ensure work on the Kosi breach was completed by March, 2009," he told journalists at the Tribhuvan International Airport. Nepal's Foreign Minister Upendra Yadav said the Ministers also discussed the issues related to inundation problems and building of a transmission line. A day earlier on November 25, he handed over a formal invitation from the President of India to Nepal's President, Ram Baran Yadav, to visit India at an early date. Mr. Mukherjee said a new extradition treaty and the treaty on mutual legal assistance would be soon signed. The two countries were also undertaking a mechanism for "better border management." He noted that concerns remained about the business environment in Nepal.

248. Extract from the T. V. Interview of External Affairs Minister Pranab Mukherjee with Karan Thapar for CNN-IBN.

New Delhi, January 13, 2008.

(External Affairs Minister Pranab Mukherjee has "tremendous faith" in Pakistan's people that they would resolve the crisis in their country, but says India has to deal with whoever is in power there. In an interview to Karan Thapar on Devil's Advocate, he spoke about Chinese "incursions" in Indian territory and hinted that Sri Lanka was free to deal with the LTTE as it liked).

Karan Thapar: Foreign Minister, there is a widespread belief that Pakistan faces the gravest threat to its unity in 60 years, at a time when the government in Islamabad has lost all credibility with the people. How do you view the state of affairs in Pakistan?

Pranab Mukherjee: There is a problem, no doubt, but at the same time I am quite confident that the resilience of the system and the people of Pakistan-I do hope-will overcome this crisis. After all we shall have to keep in mind that in different phases there have been different kinds of problems in the history of Pakistan, but somehow or the other the people of Pakistan and the system there have managed the situation.

So let us hope, because in our interest we want a stable, peaceful and prosperous Pakistan. It is an important neighbour of ours, and in our neighbourhood we would like to have peace, stability and development.

Karan Thapar: You are talking about the resilience of Pakistan and its people, does that mean you don't share the fear-many experts have it-that Pakistan could be breaking up.

Pranab Mukherjee: I am not coming to any such conclusion. Experts have the liberty to pass their judgment, make analysis-that is the privilege of analysts and journalists. But as a representative of the Government, my job is to deal with the representative of Pakistan.

Karan Thapar: Let me quote to you what American scholar Stephen Cohen wrote on December 27, 2007, the day Benazir Bhutto was assassinated. He wrote, "I fear for Pakistan, its further decay will affect all its neighbours in unpredictable and unpleasant ways." Do you share that concern?

Pranab Mukherjee: Of course the problem is that whenever there is instability in the neighbourhood it has its impact on the other countries. It goes without saying.

Karan Thapar: So instability in Pakistan will have an impact on the neighbourhood?

Pranab Mukherjee: Instability in Pakistan will naturally have an adverse impact on us and other neighbours of Pakistan, but I am not coming to the definitive conclusion and let us hope that Pakistan would be able to address the problems in the way they want to. Let us hope stability will be brought back and peace, prosperity and development will take place.

Karan Thapar: Do you have a special committee or special monitors watching the situation for you carefully? Have you put in place mechanisms to watch what is happening carefully?

Pranab Mukherjee: There is a mechanism to share information...

Karan Thapar: To watch Pakistan for you?

Pranab Mukherjee: There is no group of experts as such to watch developments in Pakistan but we are watching, we are getting reports from our mission and also we are analysing the information coming from different sources and trying to share our perceptions.

Karan Thapar: You say that you are getting regular reports from your mission in Islamabad. Does your mission view General Pervez Musharraf as part of the problem or does it see him as part of the solution?

Pranab Mukherjee: Your question is like the leading question of a criminal lawyer. If I say yes there is one set of problems and if I say no there is another set of problems.

Karan Thapar: You have to grant it that it is better than a misleading question.

Pranab Mukherjee: First of all we are interested in the peace, stability and development of Pakistan. As I responded to an earlier question that we are to deal with whoever is in office in Pakistan. Therefore, we do not make any value judgment of any individual.

Karan Thapar: Don't make a value judgment, but the people of India look upon you as Foreign Minister for some sort of understanding, for some

sense of guidance on what is happening in Pakistan. In that light let me ask then that do you believe General Musharraf is stable at the moment or is he in danger of being removed, perhaps by the army or perhaps overtaken by political developments?

Pranab Mukherjee: Only future events will show what course of action will be taken by the establishment in Pakistan or the people of Pakistan. From the past history we have seen that developments have taken a particular turn at a particular point of time but it is not always predictable.

Karan Thapar: So unpredictability is the key word for Pakistan at the moment?

Pranab Mukherjee: I am not saying that unpredictability is there, but an element of unpredictability is there though I can't say that the situation will not turn around in a positive manner. As I started my observations by saying that I have tremendous faith in the resilience of the Pakistani people to manage their crisis.

Karan Thapar: Now it was reported in the Indian papers that the government wanted to send you as Foreign Minister to attend Benazir Bhutto's funeral but you were advised by the Pakistani government that it might be better if you were not to come. Is that correct?

Pranab Mukherjee: It is correct, because it is merely not respect of me but in respect of all other countries. Various countries showed interest but they were advised not to come because firstly it was not declared as some sort of state mourning-state mourning was there but it was not a state funeral as such and arrangements were not made to that extent.

Secondly, the law and order situation at the place where the burial took place was not conducive to receive representatives of foreign governments. Therefore, in this hour of difficulty, we did not want to embarrass the authorities and we listened to their advice.

Karan Thapar: As you assess Benazir Bhutto, do you see her as a friend of India?

Pranab Mukherjee: In fact when she was in government earlier, she was the Prime Minister and I was Foreign Minister. Several times at the margin of several international events outside India or Pakistan I had interacted with her and it appeared to me that she had a sincere desire to improve the relationship between India and Pakistan.

Karan Thapar: So her death is in a sense a setback to the improvement of Delhi-Islamabad relation?

Pranab Mukherjee: You know if a tall leader dies, particularly in our neighbourhood, we naturally feel sad because he or she might have contributed to the relationship between our two countries.

Karan Thapar: And in Benazir Bhutto's case that was a real prospect, the improvement.

Pranab Mukherjee: Her coming back to Pakistan after a long time had kindled hopes for the restoration of normal democratic process to a considerable extent in Pakistan.

Karan Thapar: Now 'The Hindu' on January 5, 2008 reports that as the turmoil in Pakistan gets worse groups such as the Lashkar have begun to replenish their cadre and rebuild their operational capability. Are you worried that you could see a sharp increase in infiltration as well as jihadi activity targeted at India?

Pranab Mukherjee: We shall have to wait till the snow melts and the paths are cleared, particularly in Jammu and Kashmir. But infiltration has never stopped completely, sometimes the number has increased and sometimes it has decreased, therefore our advice to the security forces has always been be on alert and maintain vigil.

Karan Thapar: But once again you are keeping yourself alert to the possibility that infiltration and jihadi activity could build up because of the turmoil in Pakistan.

Pranab Mukherjee: As I said that let us not link it with the turmoil in the country, because terrorist activities from the other side of the border have never completely stopped.

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249. Extract from the Media Briefing of Official Spokesperson relevant to the India - Pakistan Civil Aviation Talks.

New Delhi, February 15, 2008.

Some of you may have already seen the Joint Press Statement¹ that has been issued in Rawalpindi on talks between India and Pakistan on civil aviation.

The delegations of India and Pakistan met in Rawalpindi on 14-15 February, 2008 for consultations on air services matters. The Pakistan delegation was headed by Major General Mir Haider Ali Khan, Additional Secretary, Ministry of Defence, and the Indian side was led by Mr. Kanu Gohain, Director General Civil Aviation. The consultations were held in a friendly and cordial atmosphere.

Both delegations recognized that in the wake of developments which have taken place in the aviation industry during the past few years, the existing Air Services Agreement needs to be reviewed and updated.

It was agreed that each country shall henceforth be entitled to designate three airlines each to operate the agreed services on the specified routes. Presently, as you know, only one airline each operates between India and Pakistan. It was also agreed to increase the frequency of flights per week from 12 to 28 for each side.

Against the two destinations presently available to the designated airlines in each other's territory, it was agreed to add Chennai for the designated airlines of Pakistan and Islamabad for the designated airlines of India, as third destination. This will enable direct air connectivity between the capitals of the two countries.

These elements were contained in an MOU that was signed by the leaders of the two delegations.

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Question: On India-Pakistan civil aviation talks and the decision to add three carriers, by what time that becomes effective?

1 Please see Document No.250.

Official Spokesperson: There is no specific on which this becomes operational. It is contained in the joint press statement. Perhaps all it needs is working arrangements to be finalised. They have said that they will meet again within the year to review the capacity and frequency framework and additional destinations in each other's territory keeping in view the market demand. So, that is a review of the new arrangement. So, those would obviously be done faster. But we will try and see if there is a date in the MoU. I do not see it in the statement.

Question: The frequency of flights from 12 to 28, what airlines will use which routes?

Official Spokesperson: A decision has to be taken which are the airlines which want to use this route. The airlines have to get into the act. They have to decide when they want to go. These are commercial and technical details which are not done at this level.

Thank you.



250. Joint Press Statement issued after India-Pakistan meeting on air services.**Rawalpindi, February 15, 2008.**

The delegation representing the Government of the Islamic Republic of Pakistan and the Government of the Republic of India met in Rawalpindi on 14-15 February 2008 for consultation on air services matters. The Pakistan delegation was headed by Major General Mir Haider Ali Khan, Additional Secretary, Ministry of Defence, whereas the Indian side was led by Mr. Kanu Gohain, Director General Civil Aviation. The consultations were held in a friendly and cordial atmosphere.

2. Both delegations recognized that in the wake of developments which have taken place in the aviation industry during the past few years, the existing Air Services Agreement needs to be reviewed and updated.
3. It was agreed that each country shall henceforth be entitled to designate three airlines each to operate the agreed services on the specified routes. Presently only one airline each operates between India and Pakistan.
4. It was also agreed to increase the frequency of flights per week from 12 to 28 for each side.
5. Against the two destinations presently available to the designated airlines in each other's territory, it was agreed to add Chennai for the designated airlines of Pakistan and Islamabad for the designated airlines of India as third destination. This also enables direct air connectivity between the capitals of the two countries.
6. Both delegations also agreed to meet again at a mutually convenient date within one year to review the capacity/frequency framework and additional destinations in each others territory, keeping in view the market demand.
7. A Memorandum of Understanding (MoU) was signed by the leaders of the two delegations today containing the above agreed elements.
8. Both sides expressed satisfaction that the new arrangement would further the objective of facilitating people to people contact, business and trade activities between the two countries.



251. Response of Official Spokesperson to questions on the elections in Pakistan.**New Delhi, February 20, 2008.**

The recent elections¹ in Pakistan are Pakistan's internal affair. Since you have asked, the Government of India welcome the fact that the people of Pakistan have been able to express themselves clearly and in a democratic manner on their own future.

As ever, the Government of India stands ready to resume the composite dialogue process as soon as a duly constituted government is in place in Pakistan. It remains our hope that we will be able to resolve outstanding issues and build a mutually beneficial relationship with Pakistan in an atmosphere free of violence and terrorism.

India wishes to see Pakistan develop and prosper within a stable democratic order.



¹ The spokesman was responding to the election results in Pakistan which gave overwhelming victories to the opposition candidates of the PPP and Pakistan Muslim League (Nawaz).

252. Joint Statement issued on the conclusion of the first meeting of the India-Pakistan Standing Committee on Bus Services.

New Delhi, February 21, 2008.

The first meeting of the India-Pakistan Standing Committee on Delhi-Lahore, Amritsar-Lahore and Amritsar-Nankana Sahib Bus Services was held in New Delhi on February 21, 2008. The Indian delegation was led by Mr. Saroj Kumar Dash, Joint Secretary (Transport), Ministry of Shipping, Road Transport and Highways and the Pakistan delegation was led by Mr. Mohammad Abbas, Additional Secretary, Ministry of Communications.

2. Both sides noted with satisfaction the continuing operations of the bus services and discussed further measures for its improvement. It has been decided to increase the frequency of Delhi - Lahore bus service from two trips per week to three trips per week from each side. It was also decided to rationalise the bus fare. In addition, the quota for the return tickets would be increased from the existing 6 (six) seats to 10 (ten) seats.
3. The two sides agreed that enroute, the Amritsar - Nankana Sahib bus service would make a halt at Lahore to enable the passengers to disembark/embark whereas, Lahore-Amritsar bus service would continue to operate as per existing arrangement.
4. It was decided that the concerned financial officials of the two sides would meet every year, alternately in Delhi and Lahore, in July for reconciliation of accounts.
5. The new arrangements will come into effect from March 17, 2008.
6. The meeting was held in a friendly and cordial atmosphere.



253. Joint Press Statement issued after the first meeting of the India-Pakistan Joint Judicial Committee on Prisoners.

New Delhi, February 27, 2008.

The first meeting of the India-Pakistan Joint Judicial Committee on Prisoners was held in New Delhi on 26th February 2008. The Committee was formed in January 2007 by the External Affairs Minister of India and the Foreign Minister of Pakistan to recommend steps for humane treatment and expeditious release of prisoners of the respective countries in each other's jails.

The members of the Committee are Justice (Retd) Mr. Nagendra Rai, Justice (Retd) Mr. Amarjeet Choudhary, Justice (Retd) Mr. A.S. Gill and Justice (Retd) Mr. M.A. Khan from the Indian side and Justice (Retd) Mr. Abdul Qadeer Chaudhary, Justice (Retd) Mr. Fazal Karim, Justice (Retd) Mr. Nasir Aslam Zahid, and Justice (Retd) Mr. Mian Muhammad Ajmal from the Pakistan side.

The Committee recommended to the two Governments that:

- a) A consolidated list with full particulars and their present status of nationals in each others' jails be exchanged on 31st March 2008;
- b) Prisoners who have completed their sentences and whose national status has been verified be released forthwith;
- c) Special consideration, on compassionate and humanitarian basis, be accorded to women, juvenile and disabled prisoners for their repatriation;

1 The Committee which met second time in June in Pakistan after visiting the Pakistani prison in Karachi, Adialal Jail in Rawalpindi and Kot Lakhpat jail in Lahore from June 9 to 13, made recommendations for the humane treatment for the prisoners. Among the committee's wide-ranging recommendations was the institution of procedures by both governments to ensure that when a national of the other country died in custody, his or her High Commission was immediately informed and the body sent back at the earliest and not later than three weeks. The Committee said a copy of the inquest or inquiry report into the death, if any, and of the post mortem should be handed over to the respective High Commission. The Committee also asked the Pakistan government to immediately free all Indian fishermen in jails, recommending that their prosecution be withdrawn and they be granted remission of sentences. The judges recommended that on compassionate grounds, cases against visa violators - those caught for overstaying or going to places other than allowed by the visa - as well as women prisoners, juveniles, the terminally ill or ailing, physically or mentally disabled prisoners be

- d) As agreed between the two Governments, those fishermen in custody whose nationality status is confirmed be released forthwith and in remaining cases, Consular Access be provided by 31st March 2008;
- e) All efforts be made to arrange early release of all those prisoners, accused or convicted of minor offences, once their nationality status is confirmed; and
- f) Each country may immediately notify the other of the arrest of its nationals and provide Consular Access expeditiously.

The Committee also agreed to visit jails in Pakistan in April 2008 on dates agreed through diplomatic channels. This would be followed by a return visit to Indian jails.



withdrawn, to facilitate their release and repatriation at the "earliest." For those serving sentences, the judges recommended a remission. The committee also recommended that the benefit of remission be extended to "security" prisoners. Further, the committee wanted the two governments to identify prisoners from both sides who could be considered for early release and expedite their repatriation. It wanted all prisoners whose national identity had been verified to be released immediately, and asked the two governments to complete verification of the others before the committee met again in India in July. The committee recommended that in all cases, the governments must provide consular access to the other's nationals within a month, and the verification process to be expedited. The judges said they would tour Indian prisons from July 20-27 and asked both the governments to prepare full lists of each other's national presently in their custody, so that when the lists were exchanged on July 1 as scheduled, they would be complete. The Judges Committee which met again in August in India and visited Indian prisons in Amritsar, Delhi and Jaipur urged both countries to release by September 30 each other's prisoners with valid travel documents and who had completed their sentences. All others must be provided consular access by that date. The panel asked the two governments to ensure that courts speedily disposed of their cases. The committee particularly recommended early release of women, juvenile prisoners, terminally ill inmates, the mentally disabled and those accused of inadvertent border crossing, overstaying or visiting cities not covered by their visa.

254. Extract relevant to Pakistan from the Statement of External Affairs Minister Pranab Mukherjee in Parliament on "Foreign Policy Related Developments".

New Delhi, March 3, 2008.

The Minister of External Affairs (Shri Pranab Mukherjee):

* * * *

The hon. Members would also have followed the significant developments in Pakistan. India shared the anguish of the people of Pakistan at the tragic assassination of former Prime Minister, Mrs. Benazir Bhutto in a despicable terrorist act. We are gratified that, in the recent elections in Pakistan, the people of Pakistan were able to express their wishes clearly and in a democratic manner on their own future. India wishes to see Pakistan develop and prosper in a stable democratic order. The Government stands ready to resume the Composite Dialogue process as soon as a duly constituted Government is in place in Pakistan. It remains our hope that we would be able to resolve outstanding issues and build a mutually beneficial relationship with Pakistan in an atmosphere free of violence and terrorism.

On March 19, the External Affairs Minister replied to a Short Duration Discussion in the Rajya Sabha on the above statement made on March 3 and said:

Sir. In respect of liberalisation of visas, in respect of the Prisoners of War, in respect of certain other issues, yes, we have moved. We have moved forward. The composite dialogue began. Before the visit of the then Prime Minister, Shri Atal Bihari Vajpayeeji, in January, 2004 to Pakistan in connection with the SAARC, an assurance by the then President, President Musharaff was given to the then Prime Minister that land of Pakistan will not be allowed to be used by terrorists and we are keeping our faith on it. Please fulfil your commitment. Please don't allow your land to be used by the terrorists.

The composite dialogue process is going on. The next round of talks will be initiated. For obvious reasons, we have to be a little slow because of the unsettled situation there. When the tragic assassination of Benazir

Bhutto took place, I myself expressed my desire to go and pay my respect but we could not do so. Even the Congress President, Shrimati Sonia Gandhi, had also expressed her desire to visit that country to express her condolences to the family, but because of the situation the Pakistan Government advised us not to go; so, we adhered to that. We are now waiting. As soon as the new Government is in place, we shall begin our composite dialogue. We are all in favour of liberalising visas. We are all in favour of expanding trade and SAPTA is basically aimed at that.

For full text of the two statements please see Document Nos.19 and 23.



255. Extract relevant to Pakistan from the speech of Prime Minister Dr. Manmohan Singh while replying to the debate on Motion of Thanks to the President for her Address to the Parliament.

New Delhi, March 5, 2008.

* * * * *

Mr. Speaker, Sir, I should say a few words about our policies towards our neighbourhood. Our top priority remains our neighbourhood. We want peace, stability and prosperity in South Asia.

I want to begin by congratulating the people of Pakistan who have shown that, like us, they want to choose the democratic path. I am sure, the House will join me in conveying to them our warmest good wishes as they consolidate democracy in that country.

The great daughter of Pakistan had to sacrifice her life in the process. We mourn with profound sadness, the death of Benazir Bhutto. The people of Pakistan have paid their tribute to her memory in their own way.

Sir, I would like to assure the newly elected leadership in Pakistan that we seek good relations with Pakistan. India wants to live in peace with Pakistan. The destinies of our two nations, I have often said, are closely inter-linked. We need to put the past behind us; we need to think about our collective destiny, our collective security and our collective prosperity.

In their first pronouncements after the elections, the leaders of the main political parties in Pakistan have also spoken of their interest in developing close relations and working with us to bring about a durable peace. Indeed, the dialogue that we have resumed with the Government of Pakistan over the last few years was started when the late Benazir Bhutto and Shri Rajiv Gandhi were the Prime Ministers.

The most courageous steps to build peace were taken by Prime Ministers Nawaz Sharief and Atal Bihari Vajpayee. We have continued the process with President Musharraf. I have said before that I have a vision for the future of India and Pakistan. I believe that in both countries, there is a consensus that we must have close and cooperative relations and a framework for enduring peace.

I hope that the newly elected leaders in Pakistan can quickly move forward with us on this. I am sure that this House will want me to say that we would welcome this and meet them half-way.



256. Response of Official Spokesperson on comments relating to India in the documents of the OIC Summit held in Dakar

New Delhi, March 16, 2008.

We note with regret, that the OIC in the documents issued following the OIC Summit held in Dakar, Senegal on 13-14 March 2008 has once again chosen to comment upon Jammu & Kashmir and issues internal to India. The OIC has no locus standi in matters concerning India's internal affairs including Jammu & Kashmir which is an integral part of India. We strongly reject all such comments.



1 The OIC Contact Group on Jammu and Kashmir also met on the sidelines of the 11th OIC Summit held in Dakar, Senegal on 14 March 2008. The meeting was co-chaired by the OIC Secretary General, Mr. Ekmeleddin Ihsanoglu, and Mr. Inam-ul Haque Foreign Minister of Pakistan. Ali Babacan, the Foreign Minister of Turkey, Dr. Nizar Obeid Madani, Minister of State for Foreign Affairs of Saudi Arabia and representatives of Niger and Senegal attended the meeting. Mirwaiz Omar Farooq, Chairman, All Parties Hurriyet Conference also attended the meeting. Secretary General described the question of Jammu and Kashmir as one of the oldest unresolved issues on the agenda of the OIC. Interestingly the Foreign Minister of Turkey stressed the need to resolve the issue through peaceful dialogue between Pakistan, India and the Kashmiris. The Secretary General of the 57-member organisation, Ekmeleddin Ihsanoglu, described Kashmir as a pressing and burning political dispute. It was unfortunate that the OIC's observations come at a time when violence was at a lower level than five years ago and the State was gearing for Assembly polls. India was also displeased with a resolution that said New Delhi was "maligning" the "legitimate" Kashmiri freedom struggle by "denigrating" it as terrorism. A resolution at the summit, however, welcomed the composite dialogue between India and Pakistan as also the opening of the bus service between Srinagar and Muzaffarabad. It also welcomed the fact that leaders of both countries agreed to build on convergences and narrow down the divergences in the joint search for mutually acceptable options for a negotiated peaceful settlement of issues, including Jammu and Kashmir, in a sincere and purposeful manner.

257. Suo Motu Statement by External Affairs Minister in the Lok Sabha regarding Sarabjit Singh.**New Delhi, March 18, 2008.**

I rise to inform Hon'ble members of the issue of Sarabjit Singh, an Indian national in Pakistani custody facing a death sentence. The media have reported that his mercy petition has been turned down by the President of Pakistan. We have received no formal intimation of this from the Government of Pakistan. But according to press reports, the black warrant has been issued and the sentence will be carried out on 1st April 2008. Our High Commission in Islamabad has sought details from the Government of Pakistan.

2. The Supreme Court of Pakistan, in a judgement on 18 August 2005 had upheld award of death sentence to Sarabjit Singh for causing explosions at various places in Pakistan. At our instance, Consular access to Sarabjit Singh was provided by Government of Pakistan for the first time on August 30, 2005 to the Indian High Commission. Thereafter his national status was confirmed. A review petition against the death sentence was also filed in the Supreme Court of Pakistan. The petition was dismissed by the Supreme Court in March 2006. A mercy petition was thereafter filed with the President of Pakistan which now, according to news reports, has been turned down. Throughout this period, Government of India have continued to urge the Government of Pakistan to take a sympathetic and humanitarian view of this case.
3. Hon'ble Members are aware that since my January 2007 visit to Pakistan, both Governments have put in place certain institutional arrangements, including a new Agreement on Consular Access and a

1 When the Foreign Secretary later in May visited Islamabad when asked whether he discussed the case of Sarabjit Singh with the Pakistani authorities as part of the issue of prisoners, he replied: "We discussed the issue of all prisoners and of the release of all prisoners. We have already appreciated the fact that Pakistan has deferred action in Sarabjit case. Frankly, this is larger humanitarian problem and not one person. This one case has attracted attention. But we do feel that all these prisoners need to be dealt with humanitarian manner to the extent possible. We were informed that Pakistan is releasing our fishermen soon. We informed the Pakistani side that we have released all the Pakistani fishermen who were in our custody last week. They are now back in Pakistan. We discussed what the Judicial committee is doing. The judges will soon be visiting Pakistan. We need to try and move along with this issue and deal with it in a humanitarian way."

joint Judicial Committee, in order to facilitate the resolution of consular issues. A delegation of family members of missing Indian defence personnel was also able to visit Pakistan last year. These initiatives may lead to an improvement of the situation for our prisoners.

4. It is in this context and in the same spirit that we appeal to the Government of Pakistan to treat Sarabjit Singh's case with clemency on humanitarian grounds.



258. Letter of Prime Minister Dr. Manmohan Singh felicitating the newly appointed Prime Minister of Pakistan Syed Yousuf Raza Gilani.

New Delhi, March 25, 2008.

To

H.E. Syed Yousuf Raza Gilani

Prime Minister of the Islamic Republic of Pakistan

Islamabad

Excellency,

Please accept my warm felicitations¹ on your assumption of office as the Prime Minister of the Islamic Republic of Pakistan. On this occasion, I re-affirm the Government of India's commitment to strengthening friendship and cooperation with Pakistan. We see a stable, prosperous and democratic Pakistan as being in the interest of India and the region.

There is a strong public sentiment in both our countries in favour of accelerating the peace process and establishing a cooperative framework for our bilateral relations². There is a common desire to establish a

¹ Prime Minister Dr Manmohan Singh also telephoned Pakistan Prime Minister on the same day and personally greeted him on his assumption of office and expressed the hope that India-Pakistan relations can evolve to become the "best ever". He also hoped Mr Gilani would build on the initiatives taken by his predecessors, former Prime Ministers Benazir Bhutto and Nawaz Shariff and also that of President Pervez Musharaf to improve bilateral relations.

neighbourhood of peace and progress based on greater linkages between our two people, trust and mutual understanding. Leading personalities of the coalition that will form your government have been strong advocates of friendly ties between our two countries and have made important contributions to the peace process. I hope very much that we can build upon the progress already achieved and work expeditiously, through the dialogue process, towards agreed solutions of pending issues.

We have an opportunity to transform our relationship into the close, cooperative and mutually beneficial partnership that should be normal between neighbours like India and Pakistan. I look forward to working closely with you towards an objective that I am confident you share. Please accept, Excellency, the assurances of my highest consideration.

Manmohan Singh

Prime Minister of India



2 Responding to the Prime Minister's message Pakistan on March 26 said it welcomed India's "reiteration" that it wanted the "best ever" relations between the countries. Pakistan Foreign Ministry spokesman Mohammed Sadiq said Prime Minister Manmohan Singh's remarks were "noted." "We are happy that India has reiterated its position on bilateral relations," the spokesman said at a weekly Foreign Office media briefing. Mr. Sadiq said Islamabad and New Delhi were "already in the process of fixing dates for the next meetings" between the two countries.

259. Statement by Official Spokesperson on External Affairs Minister's tele-conversation with Foreign Minister of Pakistan.

New Delhi, April 3, 2008.

External Affairs Minister has spoken over the telephone to Mr. Shah Mehmood Qureshi, Foreign Minister of Pakistan to congratulate him on his election and appointment as Foreign Minister of the Islamic Republic of Pakistan. In their telephonic conversation last night, it was agreed that meetings under the Composite Dialogue framework would resume at an early date¹.



¹ A press release of the Pakistan Foreign Ministry issued on the same day said besides felicitating the Minister Mr. Mukherjee also expressed "condolences on the *shahadat* of *Mohtarama* Benazir Bhutto". He stressed to Mr. Mukherjee "the need and importance of peace and stability in the region for the common benefit of the peoples of the two countries," and noting the improvement in bilateral relations and confidence building, said that "Pakistan was proposing dates for holding the review meetings of the fourth round of the ongoing composite dialogue between the two countries. It may be recalled that the two sides concluded talks on respective eight issues under the fourth round of composite dialogue in August last year. However, the Foreign Secretary-level talks to wrap up the fourth round of talks and launch the fifth round could not take place due to political turmoil in Pakistan.

260. Question in the Lok Sabha: "Observation of OIC regarding Kashmir".**New Delhi, April 16, 2008.**

Will the Minister of External Affairs be pleased to state:

- (a) whether the Organisation of Islamic Conference (OIC) has made any observation regarding Kashmir issue as reported in "The Times of India" dated March 17, 2008;
- (b) if so, the details thereof along with the reaction of the Government thereto; and
- (c) the action taken/proposed to be taken by the Government in this regard?

The Minister of State in the Ministry of External Affairs (Shri E. Ahamed):

(a) & (b) Yes, OIC made observation on the issue of Jammu & Kashmir in its final communiqué and passed a resolution on the dispute at its 11th Summit held in Dakar, Senegal from March 13-14, 2008. The excerpts of the OIC communiqué are enclosed as an annexure.

The Government of India has issued rebuttal¹ (March 16, 2008) on the observation of OIC on Jammu & Kashmir, which states "We note with regret, that the OIC in the documents issued following the OIC Summit held in Dakar, Senegal on 13-14 March, 2008 has once again chosen to comment upon Jammu & Kashmir and issues internal to India. The OIC has no locus standi in matters concerning India's internal affairs including Jammu & Kashmir which is an integral part of India. We strongly reject all such comments."

- (c) India is neither a member nor an observer in the OIC. The Government of India has consistently maintained its stand that OIC has no locus standi in matters concerning India's internal affairs including Jammu & Kashmir and this has been taken up bilaterally with the member countries of the OIC.

ANNEXURE**Excerpts related to Jammu and Kashmir and India from the Final Communiqué of the Eleventh session of the Islamic Summit Conference****DAKAR - REPUBLIC OF SENEGAL****(13-14 MARCH 2008)**

56. The Summit Conference reaffirmed its support for the people of Jammu and Kashmir for their legitimate right to self-determination,

1. Please see Document No.256.

in accordance with the relevant UN resolutions. It called for the full implementation of the recommendations contained in the report of the OIC Mission led by the Secretary-General's Special Representative on Jammu and Kashmir to Pakistan and Azad Kashmir. It called for the respect of the human rights of the Kashmiri people and the withdrawal of security forces from Indian occupied Kashmir. It urged India to allow the visit of an OIC fact-finding mission to the Indian-occupied Jammu and Kashmir as well as other international human rights organizations in order to verify human rights conditions in Indian-occupied Kashmir.

57. The Conference endorsed the recommendations of the OIC Contact Group on Jammu and Kashmir. It took note of the Memorandum presented by the True Representatives of the Kashmiri people and reaffirmed the OIC's commitment to promote the just and peaceful solution of the Jammu and Kashmir dispute, in accordance with the wishes and aspirations of the Kashmiri people.
58. The Conference appreciated Pakistan's commitment to the ongoing Composite Dialogue with India and the flexibility shown by Pakistan in moving forward towards the resolution of Jammu and Kashmir dispute through sincerity, flexibility and courage. It called on India to positively reciprocate in order to arrive at a just and final settlement of the Jammu and Kashmir dispute as the core issue of their conflict. The Conference commended Pakistan for its continuing efforts to create and sustain an enabling environment for the Composite Dialogue with India.
59. The Conference expressed deep sympathy with the people of Jammu and Kashmir who have suffered great human, material, social, economic, and environmental losses as a result of the disastrous earthquake of October 8, 2005. It expressed gratitude for the contributions made by the international community, especially the OIC Member States, for relief and rehabilitation of the earthquake victims and encouraged them to continue to provide necessary assistance in future. It appealed to the Member States and Muslim institutions to grant scholarships to the Kashmiri students in different universities and institutions in OIC countries.



**261. Press Release of the Ministry of Petroleum and Natural Gas
on Turkmenistan-Afghan-Pakistan-India Gas pipeline.**

New Delhi, April 24, 2008.

Please see Document No.490.



**262. Joint Statement issued at the end of the meeting between
Pakistani and Indian Ministers of Petroleum and Natural
Gas for discussion on the Iran-Pakistan-India Gas
Pipeline Project.**

Islamabad, April 25, 2008.

The Ministers of Petroleum of the Government of Pakistan and the Government of India met today along with their delegations to discuss the bilateral issues pertaining to the Iran-Pakistan-India (IPI) Gas Pipeline Project. The meeting was held in an atmosphere of cordiality and mutual understanding. The Ministers acknowledged that this Project is of immense economic and strategic value for both countries, will add a new dimension to their bilateral relationship and go a long way in improving the quality of life of the peoples of the two countries.

¹ On April 27, soon after his return from Islamabad Petroleum Minister Murli Deora had indicated that the \$7.4 billion Iran-Pakistan-India (IPI) pipeline deal would be "clinched soon." Stating that India and Pakistan had almost worked out a general agreement on the "transit fee," he said that the visit of Iranian President Mahamoud Ahmedinejad would be utilised to pave way for trilateral talks on the deal. Giving a broad resume of his talks with the Pakistani leaders, Mr. Deora said "The talks with the Pakistan leadership were very cordial and assuring. I will be updating the Prime Minister on all the issues, including the IPI pipeline, and also the \$7.3 billion Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline that India has formally joined this time," he said. "I am very optimistic about the IPI pipeline as it would go a long way in meeting India's energy requirements in the long run," Mr. Deora added. The 2,700-km-long pipeline is scheduled to be completed by 2011 and would initially carry 600 million cubic metres of gas per day. Mr. Deora said he had also met the political leadership of Pakistan, including the People's Party of Pakistan (PPP) Co-Chairman, Asif Ali Zardari, and Pakistan Muslim League (Nawaz) president Nawaz Sharif during his recent visit to Islamabad. He said Mr. Sharif had strongly favoured increasing people-to-people contacts and doing away with visa restrictions for travel between India and Pakistan.

Three bilateral issues pertaining to the Project were discussed:

- the structure of the Pipeline Company, which will execute and manage the Project,
- Transportation Tariff and
- Transit Fee

Consensus was arrived at on the principles on which the bilateral agreement will be concluded. The two Ministers agreed to consult with their respective Governments for an early conclusion of the agreement on the above issues.



263. Extract from the Remarks of Prime Minister Dr. Manmohan Singh at the inauguration of a bridge on the river Chenab in the Indian State of Jammu and Kashmir.

Akhnoor, April 25, 2008.

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In the past few years, there has been a change in our relationship with Pakistan. There is a growing sentiment among the people in both countries that misunderstanding and problems between them should be resolved through dialogue. Taking advantage of this new climate, the people of the two countries can move forward to build a permanent friendship.

Last year we issued nearly 1,15,000 visas to Pakistanis wishing to visit India, nearly double the figure three years ago. Bilateral trade has also trebled during this period and will soon reach an annual figure of US\$ 2 billion. The people of J&K should also be part of this expansion in trade and travel.

When we launched the bus service from Srinagar to Muzaffarabad, those who did not favour peace and prosperity in this region tried to sabotage it. Despite the terrorist attack, the brave people of Srinagar came out in large numbers to welcome this initiative. Since then we have taken other steps to improve cross- LOC connectivity.

We hope to see the same kind of traffic and commerce in Srinagar-Muzaffarabad, Poonch-Rawalakot and elsewhere in the State as there is in Attari-Wagah or Khokrapar-Munabao.

We are, therefore planning to liberalize the system bringing in features like triple entry permits and completion of the verification process within six weeks. We have discussed early operationalisation of Kargil-Skardu and Jammu-Sialkot routes. We want to increase the frequency of the Srinagar-Muzaffarabad and Poonch-Rawalakot bus services to weekly from the present fortnightly. For convenience of travelers, applications for entry permit can be made at each District Passport Collection Centre.

These measures will expand travel across the LoC and also enable wider cultural, academic, students and other exchanges.

However, none of these steps will be effective unless there is a sustained climate of peace. We are pleased that there has been some improvement in the situation but full normalcy has not returned to this beautiful State.

We have had a friendly dialogue with Pakistan on all issues that affect the lives of the people of J&K. We were making progress but internal developments in Pakistan over the last one-year have prevented us from moving forward.

I hope that we can continue to deepen our dialogue with the democratically elected government in Pakistan. I have been heartened by the positive statements made by the new leaders.

We face common economic and social challenges of enormous magnitude. These days the whole world is grappling with the problem of rising prices which is affecting the common man. It makes so much sense to work together to face common challenges. After all, for all democratic governments, the highest responsibility is to meet the needs and aspirations of their people.

I compliment the Chief Minister, Ghulam Nabi Azad Saheb, and all his colleagues for the good work that they are doing in Jammu & Kashmir. I call upon the people of the State to come together to realise this shared dream of a Naya Jammu & Kashmir. Let us build new bridges across rivers and between communities and between regions, and between nations.

Jai Hind.



264. Extract relevant to Pakistan from the Media briefing by Foreign Secretary on Prime Minister's visit to Bhutan.

New Delhi, May 14, 2008.

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Question: There has been a sudden spurt in terrorist activities. Will the blasts in Jaipur be featuring on the agenda with Pakistan?

Foreign Secretary: In the talks with Pakistan, the Composite Dialogue, what I will go for first is for the review of the fourth round. The Foreign Secretaries are tasked to discuss Peace and Security and Jammu and Kashmir, apart from the overall Composite Dialogue, all the other six subjects. So, under Peace and Security certainly this is very high on our agenda. As you know, we have always said that an absence of violence, that stopping cross-border terrorism is a very high priority; and it is necessary condition in many ways for what we are trying to achieve here in the relationship with Pakistan. So, certainly we will raise it and we look forward to discuss and then to dealing with it.

Question: Why are there all these terrorist attacks? Is it building up to something? What is your sense of it?

Foreign Secretary: I do not want to get into a hypothetical mind-reading exercise, quite frankly. I would rather deal with the facts as they are and then tell you after that where we are.

Question: Yesterday, the Defence Minister said he found a link between the increase in infiltration and the fact that we are going to have elections later this year. Also, Sir, now that the process has started, since there is an anti-terror mechanism, has that mechanism been activated since the blasts?

Foreign Secretary: There are two things here. One, as I said to her, I do not want to start speculating about motives and why there is infiltration, why now, why not day before yesterday, or why not day after tomorrow. I do not want to get into this. As I said, for us the fact of infiltration itself is the problem and we will deal with it on the ground but also bilaterally with Pakistan we will raise it with them. To the second question which you have raised, I think it is too early for me actually to respond. We will have to look at it, come to an assessment and then come back to you.

Question: Are we in talks with Bangladesh also because the name of

Bangladesh has come up in the case of blasts in Jaipur?

Foreign Secretary: I do not want to jump to conclusions here. All this happened yesterday. We are still in the process of investigating and then looking at it. Once we come to certain conclusions, then we will decide what we do, who we talk to, where we go; and we will tell you certainly.

Question: Just to clarify the nature of the anti-terror mechanism between India and Pakistan - do we share information? How does it work? Has it been activated since the Jaipur blasts?

Foreign Secretary: It has both functions. One is it is a mechanism through which you ask each other for things that you think might be helpful in combatting terrorism. The other is, when something occurs like this it is also an available channel which you can use to communicate information and so on. As I said, in this particular case, in the Jaipur case, we are still in the process of investigating. I do not want to start jumping to conclusions, saying all that at this stage. Let us look through it. When we come to some conclusions we will see where the sources are, where the roots are, where it has come from, how it has happened. Then we will decide what we do.

Question: The number of incidents which have taken place in the last one week has jumped up. First the firing at the border, then the Jammu incident, and then these blasts. The question is that were you taken by surprise by all this?

Foreign Secretary: Unfortunately, terrorism is a fact of life for us. We have lived with it for some time. So, it is not a question of surprise or not. It is a question of finding a way of dealing with it, combatting it, eliminating it. And we need to do that at every level. It is not just a question of doing it with somebody, with another country, with what we do at home. It is a complex problem.

Question: Any specific proposal that India is going to make to Pakistan?

Foreign Secretary: I will tell you when we get there because there is still a week to go. We are still doing our work.



265. Media Briefing by Foreign Secretary Shivshankar Menon.**Islamabad, May 20, 2008.**

Foreign Secretary: EAM has used the time after his arrival for meetings with political leaders. He called on the PML-N leader Nawaz Sharif. He just had a call on Asif Ali Zardari. He will be calling on Asfandiyar Wali Khan later. He will attend a dinner, which has very kindly been arranged by the High Commissioner to which he has also invited several leaders from Pakistan side. What has emerged so far and I will try sum up and then will answer a few questions. You must remember we are 24 hours into what is going to be 48 hours visit. So what I can tell you now is a work-in-progress. What has emerged so far very clearly is that both sides have the will and determination to carry forward the process of improving bilateral relations to move towards full normalization as rapidly as possible. When we reviewed the fourth round of composite dialogue with the Pakistani Foreign Secretary, we both expressed satisfaction at what we have achieved at various interactions during the fourth round. We feel the Composite Dialogue is very important for improving our relationship. I stress this because there has been a general impression that there was a hiatus in the dialogue process. I stress that determination has been very strong on both the sides, among the political leadership, among the governments and certainly there has been a popular support.

We both raised several issues that are of interest to us. The primary task of the Foreign Secretaries in the dialogue is to discuss Peace & Security and the Jammu & Kashmir and the look into the work of all the other six groups. So we did that. Both sides made proposals to see how we can proceed further in these areas. Several proposals were made by both the sides across the LOC CBMs, on making some of the CBMs already agreed in the past more effective. We also made other proposals for the economic and commercial relationship which also figured in some details in the conversations which Foreign Minister Shri Mukherjee had with the political leadership earlier this evening. There is great potential for improving commercial relations and we would like to take further steps into that direction. The reason I do not want to go further in listing all that is frankly, we are still working on all that. We will carry on our conversation during the rest of the day and tomorrow. Tomorrow, we are hoping that the Minister will call on the President and the Prime Minister. He will hold talks with his counterpart Mr. Qureshi and we hope that two have much more for you because both the ministers will meet you. I will leave it there.

Question: You discussed the issue of prisoners. Did you take up the clemency issue of Sarabjit Singh¹?

Foreign Secretary: We discussed the issue of all prisoners and of the release of all prisoners. We have already appreciated the fact that Pakistan has deferred action in Sarabjit case. Frankly, this is larger humanitarian problem and not one person. This one case has attracted attention. But we do feel that all these prisoners need to be dealt with humanitarian manner to the extent possible. We were informed that Pakistan is releasing our fishermen soon. We informed the Pakistani side that we have released all the Pakistani fishermen who were in our custody last week. They are now back in Pakistan. We discussed what the Judicial committee is doing. The judges will soon be visiting Pakistan. We need to try and move along with this issue and deal with it in a humanitarian way.

Question: What are the views of civilian leadership in Pakistan on Kashmir?

Foreign Secretary: I think both sides made several proposals on cross LOC measures to improve travel, to facilitate trade and even for the existing measures for some of the bus to increase the frequency, to make easier for the people to get permits. There is fair amount of overlap between our proposals and the Pakistani proposals. Both sides put proposals on the table.

Question: ...(inaudible).... Terrorism... and Dawood Ibrahim.

Foreign Secretary: Generally what we discussed is Peace and Security which includes both working against terrorism. It is a scourge for both of us. There is need for both of us to take effective actions. At this stage, it is not necessary for me to bring evidence against Dawood Ibrahim. I think there is an Interpol red corner notice, he is on UN Security Council list. I think everybody knows, who he is; what he has done and why he is wanted. But yes, we discussed how we can cooperate against terrorism effectively.

Question: Two questions. One on demilitarization of Kashmir and secondly, what about report of burning of Samjhauta Express.?

Foreign Secretary: We have an ongoing process of exchanging information on issues where we think either side has interest.. We have had two meetings of Joint Anti-Terror mechanism where this subject was discussed

1. Please see Document No.257.

at the larger extent. On the larger question on Jammu & Kashmir and various ideas on improving the situation, yes we discussed that. But we did not go into the level of details at this stage you are asking about.

Question: CBI Chief met Mr. Mukherjee and there was a list of 20 wanted people?

Foreign Secretary: There are a lists and lists. There was a list of 20, there was a list of 39 and so on. One of the people on the original list of 20 is dead. We need to deal with the issue. There are dangerous people out there who mean us harm and who have shown capacity to harm us.

Question: There are larger problems. You have responded to Kashmir issues but Siachen and Sir Creek are there. We were told that these two problems can be solved. What has been progress on these in the fourth round?

Foreign Secretary: You are right. All these problems are solvable. But the questions is have we found the solution which suits both the sides. As of now, I cannot confirm that we have. Both these two issues will continue to be discussed tomorrow and I do not want to prejudge what is going to happen tomorrow. But certainly we have made considerable progress in the three years of composite dialogue. We have narrowed down our differences in finding common grounds. On Sir Creek, we done a joint survey not only on the ground but also of the Creek. We have a common map and common understanding of what we are dealing here. We hope we are much much closer to settling it. On Siachen, we have two kinds of proposals on the table. One is to actually start dealing with the environmental consequences of the area together and to look at the possibility of allowing mountain climbing expeditions in the area. So that in a sense, there are environmental concerns which affect both of us in the area. The other is the issue of making it a mountain of peace. We still are looking for a way which works for both the sides. But we are both determined to do that.

Question: Issue of violation of ceasefire on LOC firing...

Foreign Secretary: We discussed the issues relevant to Peace and security which include the issue of cross border infiltration and every thing. The actual incidents that happened in the recent past have already been raised at other forums. There are direct conversations between DGMOs. There

are flag meetings when something happens. We have a way of dealing with that.

Question: Does India believe Jammu and Kashmir is unfinished agenda of partition. Secondly, whether India is a secure country for Pakistanis to visit?

Foreign Secretary: The answer to first question is no. Yes to the second question.

Question: Are you satisfied the ceasefire is holding well?

Foreign Secretary: Today in our discussion, both sides reiterated that they attach great value to the ceasefire that both sides want to ceasefire to hold. That is absolutely clear.

Question: Did the Pakistani side reiterated its visit for the Prime Minister Manmohan Singh to visit Pakistan?

Foreign Secretary: Ask me tomorrow.

Question: Whether some agreements are being signed tomorrow?

Foreign Secretary: We are close to several agreements. But after all we are meeting after some hiatus when there were no meetings. I am not sure whether we will be signing many agreements. What we will be doing is to bring them to a stage where they can be signed. There are several agreements. But at the end of this round, we will give you the details.

Question: Whether any discussion on India-Pakistan-Iran Gas pipeline?

Foreign Secretary: Yes, we discussed that. We are in serious need of natural gas. Both economies need that. We talked about how serious this project is. This conversation would continue.

Question: Tangible progress made on Kashmir?

Foreign Secretary: You have to take it over a longer tenure. From starting this round of dialogue from January 2004, there has been unparalleled discussion on J & K issue. That has certainly narrowed the difference and helped to produce the ways in which we can cooperate. Srinagar-Muzafarabad bus is an example. There are other things we have done so far. So at the end of tomorrow, we will tell you what we have achieved in this round.

Question: ...(inaudible)... internal affairs of Pakistan impact on talks between the two countries?

Foreign Secretary: Just to make it clear that Pakistan's internal affairs are Pakistan's internal affairs. But despite whatever you say, we conducted successful and productive fourth round of Composite Dialogue. That has been a useful round. Today what we heard from Pakistan's present political leadership was a commitment to carry forward the dialogue process and normalize relations. We have an interest in working together and solving the issues that divide us, and creating an atmosphere free of violence to do all that. We reiterated our commitment.

Question: ...(inaudible)..... Kashmir dispute to the next generation. Your comments?

Foreign Secretary: We also want that we should solve all disputes including the Kashmir issue. We are here for this purpose.

Question: Do you feel that you can solve the disputes?

Foreign Secretary: If we thought we could not do our jobs, we would not have been here.

Thank you.



266. Press Release of the High Commission of India in Islamabad on the meeting between Foreign Secretaries of India and Pakistan.

Islamabad, May 20, 2008.

The Foreign Secretaries of India and Pakistan met in Islamabad on 20 May 2008 to review the Fourth Round of Pakistan-India Composite Dialogue. Foreign Secretary of Pakistan, Mr. Salman Bashir, led the Pakistan delegation while the Indian delegation was led by Foreign Secretary of India, Mr. Shivshankar Menon.

2. They reviewed the progress made by the two sides in the Fourth Round on the eight segments of the Composite Dialogue: (i) Peace and Security including CBMs; (ii) Jammu and Kashmir; (iii) Siachen; (iv) Sir Creek; (v) Wullar Barrage/Tulbul Navigation Project; (vi) Terrorism and Drugs Trafficking; (vii) Economic and Commercial Cooperation; and (viii) Promotion of Friendly Exchanges in various fields.
3. The Foreign Secretaries expressed satisfaction at the progress made so far and exchanged views on carrying forward the Composite Dialogue process.
4. The talks were held in a friendly and constructive atmosphere.
5. The Foreign Minister level review of the Composite Dialogue will be conducted by the Foreign Minister of Pakistan, Makhdoom Shah Mahmood Qureshi, and External Affairs Minister of India, Mr. Pranab Mukherjee, in Islamabad on 21 May 2008¹.



1 A day earlier Pakistani Foreign Minister Shah Mahmood Qureshi told *The Hindu* in Islamabad that with a popularly elected government in place, "a great opportunity" had arisen for India and Pakistan to make rapid strides in their relations. He said that after studying the notes of the last four rounds of the composite dialogue process, his assessment was that the interaction had been "mutually beneficial" thus far. "Both sides came closer, both sides have developed a better understanding of each other's point of view, and in the process measures were taken that have improved [the lives of] Kashmiris, of divided families, it has improved confidence, and it has helped in promoting bilateral trade. These are all positives," Mr. Qureshi said. Describing Mr. Mukherjee as a "seasoned politician" who "represents a mature point of view", Mr. Qureshi said he looked forward to his first meeting with him. "Here we have a new government in place, a democratically elected government that has the mandate of the people. It is broad-based - all the major political forces of Pakistan are on board this government, so I feel this is a great opportunity as well to further improve our relations," the Minister said. An official press release in Islamabad said President Musharraf "has welcomed the resumption of the composite dialogue process" and "expressed optimism that the talks will lead to some positive conclusion on the outstanding issues between the two countries." He also "gave certain directives to the team about the outstanding issues between the two countries" according to the release.

**267. Statement by External Affairs Minister Pranab Mukherjee
on arrival in Islamabad.**

Islamabad, May 20, 2008.

I am happy to be here in Islamabad once again.

During my last visit, we had fruitful discussions with the Government of Pakistan and it had been our anticipation that the IVth Round of Composite Dialogue would be productive and fruitful. I am glad that our two countries indeed made considerable progress on various issues of mutual interest during the year 2007.

My present visit to Pakistan comes amidst a new democratic environment of great promise. We congratulate the people of Pakistan for successful conduct of the general election. The present environment, I am sure, will help us in addressing various issues related to peace, stability and economic development.

I am, therefore, looking forward to meeting the leadership of Pakistan. I am sure my meetings with the President, Prime Minister, my colleague the Foreign Minister and other leaders of Pakistan would be useful for furthering peace, stability, people-to-people contact and accelerated economic development of both our countries, as well as our entire region.

In my discussions with Foreign Minister Qureshi I hope to consolidate the progress made in our relationship, which provides a good basis for the 5th Round of the Composite Dialogue. Several proposals in the political, economic and regional fields are on the anvil for consideration and implementation. We approach the next round in a spirit of cooperation, trust and pragmatism. This predicated on an atmosphere free from terrorism, violence or the threat of it.

As we resume our high level dialogue, I cannot but reflect on the tragic assassination of *Mohtarma* Benazir Bhutto. Her loss is still a fresh wound. Not just Pakistan, but our entire region has lost a charismatic leader of great promise, foresight and capability. For the sake of our collective futures, we must work together to combat the menace of terrorism. That would be a fitting tribute to Mrs Bhutto's memory and her legacy.



268. Joint Statement issued on the conclusion of 4th round of review of Composite Dialogue between the Foreign Ministers of India and Pakistan.

Islamabad, May 21, 2008.

1. The Foreign Minister of Pakistan, Makhdoom Shah Mahmood Qureshi, and External Affairs Minister of India, Mr. Pranab Mukherjee, met in Islamabad on 21 May 2008 to review the progress made in the Fourth Round of Pakistan-India Composite Dialogue. This was preceded by a meeting between the Foreign Secretary of Pakistan, Mr. Salman Bashir and Foreign Secretary of India, Mr. Shivshankar Menon, on 20 May 2008.
2. The talks were held in a friendly and constructive atmosphere.
3. They reviewed the progress made in the Fourth Round of the Composite Dialogue encompassing (i) Peace and Security, including CBMs; (ii) Jammu and Kashmir; (iii) Siachen; (iv) Sir Creek; (v) Wullar Barrage/Tulbul Navigation Project; (vi) Terrorism and Drug Trafficking; (vii) Economic and Commercial Cooperation; and (viii) Promotion of Friendly Exchanges in Various Fields.
4. They noted the positive contribution to improvement of relations by the Composite Dialogue process since its resumption after the joint statement of 6 January 2004 and the subsequent Summit Statements of 25 September 2004, 18 April 2005, 14 September 2005 and 16 September 2006. The Ministers reaffirmed their determination not to let terrorism impede the peace process and take all necessary steps to eliminate this scourge against humanity. They further resolved to carry forward the peace process and to maintain its momentum.
5. The Ministers noted that in 2007 and over the course of the Fourth Round of Composite Dialogue there had been a number of important bilateral achievements, including:
 - MoU to increase the frequencies, designated airlines and points of call in either country.
 - Agreement for the trucks from one side to cross the border up to designated points on the other side at the Wagah-Attari border.

- Increase in frequency of Delhi- Lahore bus service from two to three trips per week.
 - Signing of Agreement on 'Reducing the Risk from Accidents relating to Nuclear Weapons'.
 - MoU between the Securities and Exchange Board of India (SEBI) and Securities and Exchange Commission of Pakistan (SECP) to facilitate the sharing of information between two agencies.
 - Completion of the Joint Survey of Sir Creek and adjoining areas.
 - Two meetings of the Joint Anti-Terrorism Mechanism.
6. The two sides signed the Agreement on Consular Access, which was finalised during the Fourth round of Composite Dialogue.
 7. They exchanged views on the issue of Jammu and Kashmir and agreed to continue discussions to build on convergences and narrow down divergences. They also agreed to continue with the implementation of Cross-LoC CBMs with a view to enhancing interaction and cooperation across the LoC. In this regard, they decided:
 - a) To increase the frequency of Muzaffarabad -Srinagar and Rawalkot-Poonch Bus service from a fortnightly to a weekly basis.
 - b) To finalize modalities for intra-Kashmir trade and truck service as early as possible.
 - c) To implement other measures to expand and facilitate travel a meeting of Working Group on Cross-LoC CBMs would be convened within two months.
 8. They reaffirmed the importance of ceasefire in place since November 2003 and the commitment of both sides to cooperate to safeguard it.
 9. They agreed that progress has been made under the Composite Dialogue process on promoting a stable environment of Peace and Security including CBMs. The Expert Groups on Nuclear and Conventional CBMs should consider existing and additional proposals by both sides with a view to developing further confidence building measures in the nuclear and conventional fields.

10. Both sides exchanged views on Siachen and reiterated their commitment to seeking an early amicable solution.
11. Both sides expressed satisfaction on the progress made on Sir Creek, with the completion of the joint survey, the exchange of maps, and the discussions thereafter. They agreed to further facilitate the process for an early resolution of this issue.
12. Both sides reiterated their commitment to fight terrorism in all its forms and manifestations, and re-emphasized the need for effective steps for the complete elimination of this menace. In this context, it was agreed to continue cooperation in the Joint Anti-Terrorism Mechanism whose next meeting would be held within two months. Both sides agreed to refrain from hostile propaganda.
13. Both sides emphasized the need for further strengthening cooperation to eliminate drug trafficking and welcomed the finalization of an MOU on Cooperation between Pakistan's Anti-Narcotics Force and Narcotics Control Board of India.
14. Both sides reiterated the importance of enhancing mutually beneficial economic and commercial cooperation¹ and agreed to discuss further steps for facilitating trade and redressing the trade imbalance. In this regard, Indian and Pakistan Railway officials would meet in June for resolving all technical issues to enable increase in to and fro freight movement. They also agreed to facilitate the process of early opening of bank branches in the two countries.

1 The impact of this decision was available when on July 18 Pakistan's Commerce Minister Chaudhary Ahmed Mukhtar announced country's trade policy for 2008-09. He announced that Pakistan had decided to import CNG buses from India besides, adding 135 new items to the Positive List that governs Pakistan's trade with India. With this, the number of items that the Pakistan permits for import from India went up to nearly 2,000. It was indicated that Pakistan had plans to import 8,000 CNG buses for public transport system in Karachi, Lahore and Islamabad. (Pakistan's official imports with India are based entirely on a restrictive positive list rather than the more conventional negative list that most trading countries use. No imports are allowed other than the items on the positive list.) Another notable development soon after the departure of External Affairs Minister was the visit to Pakistan of Ruia Brothers of the Essar Group who have worldwide investment of US \$ 40 million. They came exploring the possibilities of investment in Pakistan and met with the Pakistani Prime Minister Yusuf Raza Gilani on June 3. Though the visit did not lead to an immediate announcement of any investment decision by the Indian visitors, but their meeting with Prime Minister Gilani left the door open for future investments. For this, Pakistan would have to have a little more liberal approach to the Indian investors, even though Pakistan has a liberal and attractive package of incentives for foreign

15. Both sides appreciated the work being done by the Judicial Committee on Prisoners, which will meet in Pakistan shortly; welcomed the finalization of the Consular Access Agreement that will help addressing humanitarian aspects relating to persons under detention in each other's country and; agreed to provide on a regular basis updated and comprehensive list of prisoners in each other jails.
16. Both sides agreed to the need for promoting friendly exchanges between the two countries.
17. Both sides agreed to the early finalization of the Visa Agreement which will help liberalize the visa regime and facilitate people-to-people contacts.
18. The two Ministers reiterated their commitment to the Iran-Pakistan-India gas pipeline project and had a useful exchange of views in this regard.
19. The two Foreign Ministers also exchanged views on promoting the Pakistan-India peace process, reinvigoration of SAARC and agreed to work towards promoting regional cooperation for enabling South Asia to realize its full development potential. It was agreed to work for promoting sustainable development and food and energy security.
20. It was decided that the two Foreign Secretaries will launch the Fifth Round of the Composite Dialogue in New Delhi in July 2008.
21. The External Affairs Minister of India, Mr. Pranab Mukherjee, called on the President and the Prime Minister of Pakistan.



investor - as 100 percent equity is allowed and there are no restrictions on remittance of royalty, technical and franchise fee, capital, profits and dividends. The fact that Foreign Minister Qureshi was also present when Ruia Brothers met Prime Minister Gilani, was sufficient indication of Pakistani seriousness towards promoting investments from India. Officially, Pakistan has not announced any change to its economic policies with India, which are at the moment limited and restrictive. But the hope kindled by the Joint Statement is encouraging. According to media reports Mr. Mukherjee, devoted much of his meeting with the PPP leader Asif Ali Zardari to a discussion on possibilities of investment and joint ventures by industrialists and investors of both sides in each other's countries. One of the proposals they discussed was investment to develop the Thar coal power project.

269. Agreement between India and Pakistan on Consular Access.**Islamabad, May 21, 2008****The Government of India and the Government of Pakistan.**

Desirous of furthering the objective of humane treatment of nationals of either country arrested, detained or imprisoned in the other country.

Have agreed to reciprocal consular facilities as follows:

- (i) Each Government shall maintain a comprehensive list of the nationals of the other country under its arrest, detention or imprisonment. The lists shall be exchanged on 1 st January and 1st July each year.
- (ii) Immediate notification of any arrest, detention or imprisonment of any person of the other country shall be provided to the respective High Commission.
- (iii) Each Government undertakes to expeditiously inform the other of the sentences awarded to the convicted nationals of the other country.
- (iv) Each Government shall provide consular access within three months to nationals of one country, under arrest, detention or imprisonment in the other country.
- (v) Both Governments agree to release and repatriate persons within one month of confirmation of their national status and completion of sentences.
- (vi) In case of arrest, detention or sentence made on political or security grounds, each side may examine the case on its merits.
- (vii) In special cases, which call for or require compassionate and humanitarian considerations, each side may exercise its discretion subject to its laws and regulations to allow early release and repatriation of persons.

This agreement shall come into force on the date of its signing.

Done at Islamabad on 21 May, 2008 in two originals, In English language, each text being equally authentic.

Shahid Malik

High Commissioner of Pakistan
For the Government of the
Islamic Republic of Pakistan

Satyabrata Pal

High Commissioner of India
For the Government of the
Republic of India



270. Press Release of the Ministry of External Affairs on India-Pakistan Judicial Committee meeting.

New Delhi, June 10, 2008

The India-Pakistan Judicial Committee on Prisoners is meeting in Pakistan from the 9th to 14th June 2008. The Judges from India in the Committee are: Justice (Retd) Mr. Nagendra Rai; Justice (Retd) Mr. Amarjeet Chaudhary; Justice (Retd) Mr. A.S. Gill; and Justice (Retd) Mr. M.A. Khan. The Judicial Committee, you will recall, was formed following the visit of the External Affairs Minister Shri Pranab Mukherjee to Pakistan in January 2007. Its mandate is to recommend steps for humane treatment and expeditious release of prisoners of the respective countries in each other's jails. The first meeting of the Judicial Committee was held on the 26th of February 2008 in New Delhi.



271. Joint-Statement issued at the end of the Third Meeting of India-Pakistan Joint Anti-Terrorism Mechanism.

Islamabad, June 24, 2008.

The third meeting of Joint Anti-Terrorism Mechanism was held in Islamabad on 24 June, 2008. The Pakistan delegation was led by Mr. Masood Khalid, Additional Secretary (AP), Ministry of Foreign Affairs of Pakistan. The Indian delegation was headed by Mr. Vivek Katju, Additional Secretary (Political & International Organisations), Ministry of External Affairs of India.

2. The two sides reviewed the follow up step taken on the information shared during the earlier meeting of the Joint Anti-Terrorism Mechanism.
3. Both side shared fresh information on terrorist incidents. They agreed to continue to work to identify counter-terrorism measures, assist in investigations through exchange of specific information and for preventing violence and terrorist acts.
4. The Indian delegation also called on the Acting Foreign Secretary, Mr. Khalid Aziz Babar.



272. Press Release issued by the Ministry of External Affairs reacting to comments made by Council of Foreign Ministers of the Organisation of Islamic Conference.

New Delhi, June 26, 2008.

We note with regret that the OIC Council of Foreign Ministers has once again chosen to comment upon Jammu and Kashmir and India's internal affairs in the Declaration and Resolutions adopted by it at its 35th session held at Kampala during June 18-20, 2008. Jammu and Kashmir is an integral part of India and the OIC has no locus standi in this and other matters concerning India's internal affairs. We reject all such references/resolutions¹.



¹ The Spokesperson was referring to the OIC Contact Group meeting held on the sidelines of the 35th Council of Foreign Ministers meeting in Kampala on June 18, 2008 which was co-chaired by OIC Secretary General, Mr. Ekmeleddin Ihsanoglu, and Foreign Minister of Pakistan, Makhdoom Shah Mahmood Qureshi. It was attended by Ali Babacan, the Foreign Minister of Turkey, Dr. Nizar Obeid Madani, Minister of State for Foreign Affairs of Saudi Arabia, Sam Kutesa, Foreign Minister of Uganda and Ms. Aichatou Mindaoudou, Foreign Minister of Niger. The OIC Secretary General in his remarks had "reaffirmed OIC's commitment to the Kashmiri struggle and stressed the need to achieve a just and peaceful resolution of the long standing issue." In his address to the Contact Group, the Foreign Minister of Pakistan informed the meeting about the efforts of Pakistan for a "meaningful, constructive and result-oriented dialogue with India for the resolution of the Jammu and Kashmir dispute." He "emphasized that a final settlement of the Kashmir dispute must be acceptable to all parties -- Pakistan, India and the Kashmiri people."

273. Joint Press Conference of External Affairs Minister Pranab Mukherjee and Foreign Minister of Pakistan Makhdoom Shah Mehmood Qureshi.

New Delhi, June 27, 2008.

External Affairs Minister of India (Shri Pranab Mukherjee):

Good Afternoon:

I am glad to welcome Foreign Minister Qureshi on his first visit as Foreign Minister of Pakistan to India. Although this is his first visit as Foreign Minister, he is no stranger to India and has visited us many times in the past. I am glad that, during this visit, he will also be able to take the time to visit Jaipur, Ajmer and Chandigarh.

As you are aware, I visited Pakistan last month for meetings with the leadership of Pakistan and for consultations with my colleague, Foreign Minister Qureshi, on the Composite Dialogue. We had noted then that the Composite Dialogue process has substantial achievements to its credit. This process has proved to be a useful instrument for developing and enhancing our bilateral relations. It is our expectation that the 5th Round of this process, to be launched in July, will be even more fruitful than the earlier rounds.

Since my visit to Pakistan, we have had a visit by the Deputy Chairperson of the Pakistan Planning Commission to India for discussions with our Planning Commission. There was a very useful exchange of views and the realization that both countries can benefit from each other's experience substantially. Issues of energy security, food security, poverty alleviation, amongst others, are challenges which confront both our countries. Our cooperation in these areas fruitfully contributes to the ongoing process within SAARC. I am happy to note that certain ideas for cooperation are emerging in the areas of wind and thermal energy.

The Joint Anti-Terror Mechanism also met in Islamabad recently and the discussions in that meeting were constructive. Terrorism is a threat to the stability of our respective democratic frameworks. Whatever may be our political differences, we have to be unambiguous in addressing the terrorist threat. We hope that in its future meetings,

as well as through the Home Secretary level dialogue on terrorism, concrete results, including exchange of information on terrorists and terrorist incidents, will emerge. On our part, we are committed to peace, friendship and good neighbourly relations with Pakistan and to develop these relations in an atmosphere free of violence or the threat to use violence. Such an atmosphere has to be positively promoted.

We have had a useful exchange of views today, both as a follow up to our meeting in Islamabad in May and also to build on developments since then. Our discussions covered different aspects of our relationship, including economic and commercial cooperation, political issues, promoting people-to-people contact as also a very useful exchange of views on the regional situation. I believe we both have certain ideas on the table for detailed technical follow up in the Composite Dialogue once the Fifth Round begins at the Secretaries' level.

The resurgence of democracy and popular participation in Pakistan is a positive factor for our bilateral relationship and indeed for our whole region. The scope for cooperation is immense and covers all fields. We need to deepen the levels of our cooperation in the economic and commercial fields. What has been achieved is significant, but represents no more than a small fraction of our potential. We hope that in the Fifth Round of the Composite Dialogue, concrete achievements will continue and pave the way for a qualitative transformation of our bilateral relations.

I will now read the agreed outcomes of our meeting after which, I will invite the Foreign Minister of Pakistan to make his remarks:

AGREED OUTCOMES

1. The Vth Round of the Composite Dialogue would be launched on 21 22 July 2008 with discussions on:
 - (i) Peace and security including CBMs.
 - (ii) Jammu and Kashmir

The Foreign Secretary of Pakistan will visit New Delhi for this meeting.

2. The Technical Working Group on cross LoC Confidence Building Measures will meet in Islamabad on 10 July, 2008 to concretize decisions regarding bus services, trade and truck services across the LoC announced in May, 2008.

3. The Technical Working Groups of the India Pakistan Joint Economic Commission complete their meetings such that the Joint Commission could meet by the end of the year.
4. The respective Deputy Chairs of the Indian and Pakistan Planning Commission had felt that an institutional mechanism for regular dialogue and exchange of views between them would be useful. The modalities and framework can be evolved through mutual consultations.
5. We also noted the detailed discussions which took place on issues such as wind and thermal power and power supply arrangements and issues. The mutually beneficial cooperation in Rapid Mass Transport Systems – in particular the Metro – was also noted. We hope that these discussions will be followed up by concrete proposals for bilateral cooperation.
6. After completing their visit to jails in Pakistan, the India Pakistan Judicial Committee on Prisoners will now visit jails in India in the month of July to make further recommendations with regard to issues concerning prisoners and fishermen in custody. We agreed that the work of the Judicial Committee has proved to be an effective way to proceed with the issues arising from prisoners and fishermen in custody and hope that the implementation of the recommendations of the Committee would speedily address the humanitarian aspects of this issue.
7. We noted that the Railway authorities had agreed to increase interchange of rakes to five daily from current levels of two daily. The proposal of opening the Kokhrapar – Munabao route in freight was also discussed and will be examined.
8. We noted that the third meeting of the Anti-Terrorism Mechanism was held in Islamabad on 24th June. We decided that the meetings would henceforth be held regularly. I am very glad once again to welcome the Foreign Minister of Pakistan and his distinguished delegation to India. I look forward to our continued engagement and interaction.

Thank you

Foreign Minister of Pakistan (Mr. Makhdoom Shah Mehmood Qureshi):

Thank you, Mr. Mukherjee. Let me begin by thanking the Minister for External Affairs for the warm welcome and hospitality that I and my delegation have received.

I want to emphasize that the talks that took place between us were cordial and friendly and they were in continuation of the talks that we held in Islamabad. I am of the view that such interaction at this level will advance our relationship and will promote shared interest between the two countries.

We discussed a host of issues – bilateral issues. Obviously, as the Minister for External Affairs has said, the Foreign Secretaries will be meeting on the 21st and 22nd of July, that is very very soon. They will be discussing a number of issues. In Jammu and Kashmir, peace and security are issues that will be focused on in those talks. But we also, in our talks, exchanged the significance and importance of ceasefire on the Line of Control and the International Border. And we are both of the view that that has by and large been upheld by both sides, respected by both sides; and it is in our mutual interest to maintain that.

While acknowledging the progress that we have made in the four rounds of talks, I urged the Minister for External Affairs to give serious thought to outstanding disputes that need our consideration. I have come to India with a very positive agenda, with a very positive frame of mind; and I have come representing a democratically elected government; I have come representing a coalition of political parties that feels that a positive movement towards peace and stability and normalization is in our mutual interest. We both stand to gain if our bilateral relations improve on the political as well as the economic front.

As Foreign Minister has said, for the Fifth Round the dates have been announced. And I also want to share with you that the commitments made by the Government of Pakistan on the 21st of May in Islamabad have been honoured. We had said that the Joint Anti-Terrorism Mechanism Committee meeting will take place and it did take place on the 24th of June. And in our discussions we have concluded that a regular exchange will be mutually beneficial. We had agreed upon that the meeting of the Working Groups on Cross LoC CBMs is to take place and it will take place. Pakistan will host this on the 8th of July.

As I said earlier on, I have come with a very realistic agenda. I personally feel that people on both sides want movement. They want progress; they want peace; they want stability; because they realize that South Asia is lagging behind. South Asia is lagging behind because both of us have not been able to fully concentrate on our social sectors, on developing our infrastructures to the extent that we could have. This region has a huge

potential and we should optimally utilize that potential. And we can only do so if there is stability and there is peace.

I am of the view that the areas that we can very quickly move on, which will have a very positive impact on South Asia and the whole environment, are four in nature, and I discussed them in my talks with the Minister for External Affairs. I personally feel resolution of Sir Creek is doable. I am of the view that Siachen issue can be resolved. I am of the view that liberalization of visas is to our mutual advantage and will promote people-to-people contact. And the experience that we have had in people-to-people contact is that people when they visited each other have come back with fond memories and have developed friendships, and want to come back again and want to go back to each other's countries.

The fourth area I think is economic cooperation and trade. We have recognized the fact that there has been movement, there has been considerable progress, but we are nowhere near the vast potential that exists between the two countries.

We also discussed how to revitalize SAARC as a forum for regional cooperation and mutual benefit, and I have suggested that in the Summit that will take place in Colombo we will put forth certain ideas on a number of focused areas.

I also urged and laid emphasis on a decision, for a quick decision on the IPI gas pipeline which I feel is to our mutual benefit. Both sides stand to gain and this pipeline can be a pipeline of peace and a new bond.

On the issue of prisoners, I did bring to the notice of the Minister for External Affairs certain mishandling and unfortunately the coverage that was reported in the press. It is a humanitarian issue. We have agreed to a mechanism and the recommendations of the Judicial Committee on Prisoners and the Consular Access Agreement that we have signed in Islamabad should be followed in letter and spirit.

In conclusion, what I want to say is that the political environment to make the peace process result-oriented is right on both sides. And as I said earlier on, I am of the view that the people on both sides are ahead of the Governments. The Governments have to show the political will and they have to give leadership to this process which is to our mutual advantage.

I feel this is a unique opportunity because all the major political players, whether on this side of the border or that side of the border, are supportive

of this movement. Whether it is the Congress-led coalition in Delhi or it is the PPP-led coalition in Pakistan, major players whether it is the BJP, the Opposition here, or major opposition parties in Pakistan, there is a virtual consensus on movement and normalization. We must seize this opportunity, we have the right environment. And we must not miss this opportunity. It will be a great loss, if we fail and miss this opportunity.

I think a positive movement will give confidence and revitalize the faith of the people in the process. We are political parties; we are political leaders; and we have to carry our people along. And I think the people will support this positive movement.

I once again expressed our very keen desire that Prime Minister Manmohan Singh visits Pakistan. His visit is long overdue. We are looking forward to his visit to Islamabad. And we feel that that visit could be positive and add a new chapter in our relations.

Thank you.

Question (Mr. Khalid Ahmed, Express TV, Pakistan): My question is addressed to Mr. Mukherjee. What is the future of the IPI gas pipeline? Will India be committed to this project?

External Affairs Minister of India: We have discussed Iran-Pakistan-India gas pipeline during my visit and during this visit. We are hopeful that it would be possible to resolve this issue both on technical, commercial and all other aspects so that it contributes substantially to resolve the problem arising out of the high energy prices all over the world and also to resolve to some extent the energy crisis which many countries including ours are facing.

Foreign Minister of Pakistan: May I add to that? I am of the view, and I discussed it with the Minister for External Affairs, that the energy prices have gone berserk and both countries are suffering on account of that. You know, the subsidies both countries are providing on petroleum products are immense and really are contributing to our fiscal problems. This is a project that can help us mitigate our problems vis-à-vis energy shortages. Pakistan's requirements are growing at seven per cent per annum and so are India's. Indian economy is growing at a rapid pace. We need energy and this is a project which is a doable project. It so happens that I am holding the portfolio of Petroleum and Natural Resources as well, and later in the day I will be meeting the Minister for Petroleum Mr. Murli Deora and I will discuss in detail this project. Pakistan is keen to move ahead and I

would want to seek his input whether India is ready to fully engage with us or would they like to spend some more time thinking about it.

Question (Mr. Srinjoy Choudhuri, Times TV, India): Question for the Foreign Minister of Pakistan. Sir, you have spoken about the abolition of the death penalty. Where does that leave Sarabjit Singh? Is the Government of Pakistan actively considering commuting the sentence?

And question for External Affairs Minister. Sir, the Government of India has spoken about being determined to go to Vienna and signing the Safeguards Agreement. Can you give us a timeline? Also, is the Government talking with the Samajwadi Party?

Foreign Minister of Pakistan: My answer is a very brief one. Yes, Sarabjit Singh's case is under consideration.

External Affairs Minister of India: You are aware that we are currently engaged in resolving these issues and I do hope through the discussions of all the parties concerned it will be possible to arrive at an acceptable solution. Of course, I am aware about the constraints of time. But at the same time we shall have to keep in view the concerns expressed from different sections are to be addressed adequately.

Question (Geo TV, Pakistan): My question is addressed to Pranab Mukherjee. Prime Minister of India Manmohan Singh is visiting Pakistan, as we understand from media and Minister Qureshi already talked about the visit, do you think that the resolution of such kind of less complicated issues like Siachen and Sir Creek will be possible before his visit and during his visit to Pakistan? Is there any possibility?

External Affairs Minister of India: Prime Minister has accepted the invitation from Pakistan and he has agreed to visit Pakistan. We are working out on the date of his visit as per mutual convenience. I do hope shortly we will be able to finalize the date.

Question (Ranjit Kumar, Navbharat Times, India): My question is addressed to the Foreign Minister of Pakistan. It is related to the Siachen issue which has just been asked. You said that the Siachen issue can be resolved. I want to know as to why it has still not been possible to resolve. What are the areas of difference between the two countries?

Foreign Minister of Pakistan: Well, it is certainly not going to be resolved in front of the press in Delhi right now. But I think, as I said earlier on, we were close to a resolution. I think it is a resolvable issue. It is a doable

question. I think both sides stand to gain if this issue is resolved. There is a huge financial and human loss being incurred on both sides. There are environmental issues that need to be considered. But there is a forum to discuss that and this is not the forum.

Question (Pak Media): My question is about the CBMs across the LoC. Do you think that during your discussion today, both in the delegation-level talks and your one-to-one meeting, some new initiatives were discussed? What about the implementation of those which have been pending for two-three years?

External Affairs Minister of India: Yes, confidence-building measures on the cross-LoC issues are being considered and we have taken certain steps. As you are fully aware, certain positive and concrete steps have been taken to ease the problem, particularly to facilitate the people-to-people contacts across the LoC. We have peace and tranquility on the border all along the LoC since November, 2003. Of course, in the recent weeks there have been some aberrations. But we do hope it would be possible for us as both countries are trying to restore the normalcy and to maintain peace and tranquility on the border, and to address these issues at the expert level; and thereafter of course the final solution will be taken at the political level.

Foreign Minister of Pakistan: May I just add to what the External Minister has said on the cross LoC CBMs?

We are of the view, Pakistan is of the view, that they have been useful, and they have been beneficial, and there is need for more such CBMs; and we will look into other CBMs that will promote this kind of environment. We also need to examine the status of implementation of the CBMs that are already in place and I am sure the Working Group constituted for this purpose will certainly look into this.

Question (D'Souza, Headlines Today, India) : My question is to Pakistan Foreign Minister. Sir, you speak of speeding up decision on the gas pipeline. But as far as India is concerned there have been two areas of concern that of the short supply and security. Could you tell me what assurances have you given the Indian Government on these two fronts? My second question is, can you give us some clarity on the situation in Peshawar? What is the security situation as of today?

Foreign Minister of Pakistan: Let me address the pipeline first. You see, we are not trying to reinvent the wheel here. There are many such

international experiences in front of us, and international securities can be built into. The will is there, the desire should be there, and the need is there. Given that, I think we can do it. There are mechanisms in the past that have worked well. They have worked well under testing conditions. And let me add, the mechanism of resolution of the water dispute that we have had, the Indus Waters Treaty, has withstood the test of time. If we can work out issues as complicated as water, then the gas pipeline is chicken feed according to that.

Responding to the second part of the question, yes, Pakistan is dealing with this menace of terrorism and we are dealing with it in a very effective manner. We have evolved a new strategy, a three-pronged strategy. And that is: we will engage politically with the positive element that does not believe in violence, that does not believe in taking up arms, we would concentrate on socioeconomic development of that area, tribal belt and the border area; and if required, we will use force when required. As far as Peshawar is concerned, Peshawar is secure and we will defend our integrity and our borders; and we know how to do that.



274. Press Release of the Ministry of Petroleum and Natural Gas on the discussions between Minister of Petroleum and Natural Gas Murli Deora and Pakistani Foreign Minister Shah Mohmood Quershi on the Iran-Pakistan-India Gas Pipeline Project.

New Delhi, June 27, 2008.

The Minister of Petroleum and Natural Gas Shri Murli Deora called on Pakistani Foreign Minister Shah Mahmood Qureshi here today to discuss the issues pertaining to the Iran-Pakistan-India (IPI) Gas Pipeline Project. The meeting was held in an atmosphere of cordiality and mutual understanding. The Ministers acknowledged that this Project is of immense economic and strategic value for both countries.

1 Media reports described the meeting as a significant development that could give a push to the Iran-Pakistan-India (IPI) gas pipeline project. Immediately after the talks between the two ministers, the Pakistan's Foreign Minister who also holds charge of Petroleum, said: "I am happy to announce that as far as Pakistan and India are concerned, we have resolved all bilateral issues. There is no issue whatsoever that needs to be addressed now." Mr. Deora on his part said "Transit fee is a small issue. We have reached an agreement on the principles of charging transit fee. India remains fully committed to the project." Mr. Qureshi also clarified that his country had no issues with India's demand that Iran hand over custody of gas on the India-Pakistan border and not on Iran-Pakistan border as suggested by Tehran to cut a transit risk through Pakistan. On the security of the pipeline, which has been of prime concern to New Delhi, Mr. Qureshi said: "Pakistan will address the security issue and provide foolproof security. This is a project which is mutually beneficial as Pakistan gains, India gains and obviously Iran gains." Mr. Deora said India's commitment to the project was articulated in Prime Minister Manmohan Singh's comments that it was a "peace pipeline" between the three countries. "Last week, I met Iranian Oil Minister Gholam Hosein Nozari in Jeddah and a trilateral meeting will soon be held to work out the remaining issues," Mr. Deora said. Replying to a question on the possibility of China joining the project, Quershi said China also faced energy deficit in western parts and was keen on tapping all sources. "They are keen to look into this project. As far as Pakistan is concerned, we see no harm in that. I think we (Pakistan, India and Iran) have spent too much time on talking. We should take a decision now."

In July the External Affairs Minister Pranab Mukherjee visited Iran to attend the Nonaligned Ministerial meeting. He made use of this opportunity to call on the Iranian President when the IPI gas pipeline was one of the issues that were discussed. A Senior Iranian Foreign Office Official told the media that both sides reaffirmed that "they would purposefully move forward on energy related matters," including the IPI gas pipeline. During the Iranian President's brief visit to New Delhi in April, India had given him a non-paper on the project. When asked if the Indian non-paper was discussed during EAM's meeting, the official said specific of the project did not feature during the meeting.

Shri Deora re-iterated India's commitment to the IPI gas pipeline project. He informed that India has requested Iran to convene a trilateral Ministerial meeting on the project.



275. Report of Indian High Commission lodging a complaint with the Pakistan Ministry of Foreign Affairs that police allowed a group of protestors to gather outside its gates for a demonstration over Kashmir.

Islamabad, July 7, 2008.

In a note verbale to the Pakistan Ministry of Foreign Affairs the Indian High Commission in Islamabad lodged a complaint that police allowed a group of protestors to gather outside its gates for a demonstration over Kashmir on July 7 without informing it in advance. (The Indian High Commission is located in the high security Diplomatic Enclave of Islamabad where also are located other diplomatic missions like those of the British and the United States.) The fact that the demonstrators were accompanied by a large group of policemen in riot gear and several television crews indicated that the authorities did have prior information about the rally.

The protestors staged a sit-in on the road outside the Indian High Commission, demanding an end to Indian "occupation" of Kashmir.

The spokesperson of the Indian High Commission Sanjay Mathur pointed out that the demonstration was contrary to the normal practice when in the past the police informed in advance the Indian High Commission about such protests to enable it to take sufficient security precautions.



276. Response of Official Spokesperson to media questions regarding the Press Release of the Pakistan's Ministry of Foreign Affairs on a demonstration in Srinagar.

New Delhi, July 11, 2008.

"We have seen the Press Release¹ of the Ministry of Foreign Affairs of the Government of Pakistan on July 5, 2008 commenting gratuitously on a demonstration in Srinagar in the Indian State of Jammu and Kashmir.

The statement constitutes gross interference in the internal affairs of India. Government of Pakistan spokesmen should refrain from vitiating the atmosphere by such remarks."



1

The Spokesperson of the Ministry of External Affairs was referring to the Pakistan's Foreign Office Spokesman's expression of "deep regret" over demonstrations in Srinagar the previous day and his expression of concern over so-called human rights violations in the State. The Pakistani Spokesman stressed the need to create an enabling environment for the success of peace process between Pakistan and India and for the resolution of Kashmir dispute. The demonstrators were demanding revocation of the order for the allotment of some forest land to the Sri Amarnath Shrine Yatra Board for creating facilities for the annual pilgrimage to the shrine. Please see Document No.275.

277. Joint Statement issued after the meeting of India-Pakistan Working Group on Cross-LOC Confidence Building Measures.

Islamabad, July 18, 2008.

1. The meeting of India-Pakistan Working Group on cross-LoC CBMs was held in Islamabad on 18 July 2008. Indian delegation was led by Mr. T.C.A Raghvan, Joint Secretary (PAI), Ministry of External Affairs while the Pakistan side was headed by Mr. Aizaz Ahmed Chaudhry, Director General (South Asia & SAARC).
2. The meeting was held in a cordial and constructive atmosphere.
3. The two sides discussed modalities for implementation of the decisions taken by the Ministerial meeting of 21 May 2008 on cross-LoC travel and trade¹. They also reviewed measures to ensure effective implementation of the existing cross-LoC measures².
4. Joint Secretary (PAI) also called on the Foreign Secretary of Pakistan.



1 To show its keenness to increase trade with India Pakistan allowed the import of compressed natural gas (CNG) buses from India under its trade policy for 2008-09. The import of CNG buses has been allowed along with that of 135 other items that have been added to the positive list for imports from India in the policy announced on July 18 by Commerce Minister Chaudhary Ahmed Mukhtar. With this, the number of items that the government permits for import from India goes up to nearly 2,000. Pakistan reportedly has plans to import 8,000 CNG buses for public transport in Karachi, Lahore and Islamabad. Pakistan's official trade with India was based entirely on a restrictive positive list rather than the more conventional negative list that most trading countries use. The trade in any other item not mentioned in the Positive List was allowed.

2 Media reports indicated that during the talks Indian and Pakistani officials were said to have arrived at a "number of decisions" on new and existing Kashmir-specific confidence building measures, including a proposed triple-entry permit for cross-Line of Control travel. The report quoted an official to suggest that these related to "the modalities for implementing what was decided by the [Indian and Pakistani] Foreign Ministers at their May 21 meeting." The two sides were reported to have discussed the introduction of a triple-entry permit for cross-LoC travel, simplification of the procedures for getting the permit which at present took at least two years, and an increase in the frequency of the two bus services across the LoC. External Affairs Minister Pranab Mukherjee and Pakistan Foreign Minister Shah Mahmood Qureshi had decided at their talks that the frequency of the two cross-LoC bus services-Srinagar-Muzaffarabad, and Poonch-Rawalakot - should be weekly instead of fortnightly, and that other steps should be taken to increase and improve intra-Kashmir travel. They had also agreed that the modalities for a cross-LoC trade and truck service should be finalised at the earliest. It is to be noted that the meeting took place in the backdrop of the recent bombing of the Indian Embassy in Kabul and Indian charge of Pakistan's ISI involvement in it.

278. Media Briefing by Foreign Secretary Shivshankar Menon on his discussions with Pakistan Foreign Secretary.

New Delhi, July 21, 2008.

Official Spokesperson (Shri Navtej Sarna): Good evening. We have the Foreign Secretary here to brief you on today's discussions. He is, of course, accompanied by High Commissioner of India to Islamabad.

Foreign Secretary (Shri Shivshankar Menon): Good afternoon and welcome. I thought I would brief you about the discussions today in my meeting with the Pakistani Foreign Secretary.

As you know we had scheduled this meeting to launch the Fifth Round of Composite Dialogue. This is the meeting also that discusses issues of peace and security, and Jammu and Kashmir. This particular meeting was particularly important because it is happening at a difficult time in our relationship with Pakistan.

You know the background. Following the return of democracy in Pakistan we have been hopeful, the External Affairs Minister has visited Pakistan in May, and both sides were publicly committed to carrying on the Composite Dialogue process, and the process of improving relations, and of addressing all the outstanding issues that there are between us.

The process itself, as you know, rests on three pillars. One is the absence of violence, the commitment which Pakistan had made in the January 6, 2004 Joint Press Statement not to permit terrorism in any manner from territory under Pakistani control against India; second was an attempt to negotiate and settle and find peaceful solutions to outstanding issues including Jammu and Kashmir; and thirdly to build a cooperative relationship between the two countries.

Unfortunately, in the recent past several events have vitiated the atmosphere between India and Pakistan; and the Composite Dialogue process itself has been under stress. There have been incidents on the Line of Control. There has been cross-border terrorism and incitement to violence in the Indian State of Jammu and Kashmir. There have been public statements by leaders in Pakistan reverting to the old polemics. And this sequence of events culminated in the suicide bomb blast outside our Embassy in Kabul on the 7th of July. Our information so far in the ongoing investigation, which still has to continue, points to elements in Pakistan being behind the blast.

Today's meeting was an opportunity for both of us to have a frank discussion on the Composite Dialogue process; on the situation in which we find ourselves; and on how we can deal with this. We have come to a point as a result of the Composite Dialogue process where we are able to discuss these issues frankly and in detail; and we did so today. We, India, expect our concerns to be addressed. This is the basis of the dialogue process that we are engaged in.

We also discussed Jammu and Kashmir. Our Directors-General, the Joint Secretaries, have met in Islamabad on the 18th and agreed on a set of cross-LoC measures facilitating and making it easier to travel across the LoC; and doubling the frequency of both the buses - the Srinagar-Muzaffarabad bus and the Poonch-Rawalpindi bus. The Chambers of Commerce are to meet very soon to discuss cross-LoC trade and to finalize arrangements. We hope to do that very soon as well.

On the broader issues, both sides were agreed that the ceasefire which has been under stress in the recent past must be maintained and continued; and that we would strengthen and use all existing mechanisms to do so.

We have exchanged dates for the Fifth Round, which we launched formally today, for the various meetings under the Fifth Round. We will now reconcile them, coordinate them and do this through diplomatic channels to finalize the dates for the various meetings. We consider it important that the dialogue continue in order to be able to address the concerns that exist.

One other point that I thought I would mention at this stage is that the Pakistani Foreign Minister telephoned the External Affairs Minister yesterday, the 20th evening, and at that stage they discussed the state of the relationship. EAM mentioned some of these points to him about the need to address these concerns. They agreed that they would be meeting in Colombo during the SAARC Summit at the end of the month when they will carry their dialogue forward.

I think I will leave it there and answer any questions that you might have.

Question: Sir, you said that you have raised concerns over the Kabul blast and everything and that so far the investigations reveal elements in Pakistan. This is not the first time that elements in Pakistan have been responsible for acts of violence against Indians or in Indian Territory. Pakistan's response always comes back with a negative on the evidence that India provides. Why should this time be any different?

Foreign Secretary: Why do not you ask Pakistani Foreign Secretary in an hour?

Question: I will but ...

Foreign Secretary: Ask him. He will speak for Pakistan. I do not want to speak for Pakistan. I am telling you what we think.

Question: What is the change now?

Foreign Secretary: As I said, I am not speaking for Pakistan. Please ask the Pakistan Foreign Secretary. He is briefing you in an hour.

Question: What is your response?

Foreign Secretary: Why are you asking me their response? I will tell you what we feel; he will tell you what they think.

Question: Did you share any intelligence with your counterpart today? What have they said as far as concerns about elements in Pakistan in Kabul? What was Pakistan's official response to you today?

Foreign Secretary: He described what had happened as condemnable. He repeated the Pakistani stand that this kind of events should not take place. As for the rest, we have told him quite clearly what we know, what we think. As I said, it is our expectation that these concerns will be met.

Question: Did you share intelligence?

Foreign Secretary: I am not in the intelligence business.

Question: Did you give them any evidence to investigate on their end?

Question: Sir, if I may just rephrase my question, basically we have had this dialogue process going with Pakistan but the acts of violence have not stopped. Does India see a point in continuing this dialogue process as it is or do you think that there should be some changes made in our approach to Pakistan?

Foreign Secretary: As I said, we see the value of the dialogue process in giving us a place to discuss these issues frankly, openly, and in seeing that our concerns are addressed. That is the value of the dialogue process. We have a dialogue process because we have problems.

Question: What makes you think that their response will be different this time? You have been pointing to Pakistan time and again that you have hard evidence against what they are doing in India and against our interests abroad. What is different this time?

Foreign Secretary: I think we are here in a process where many things have changed over time. The nature of our relationship, the nature of the leadership in Pakistan, many things have changed. So, I think, from our point of view, it is our purpose and function here to make it quite clear to them what we know, what we expect. Rest is for Pakistan to do.

Question: Mr. Menon, are any out-of-the-box ideas under consideration like a trilateral mini summit between the Prime Ministers of India and Pakistan and the President of Afghanistan to sort out these problems between the three countries?

Foreign Secretary: Not at this moment.

Question: You talked of incitement of violence inside Indian Territory. Can you elaborate what you were referring to? Was it the Amarnath violence?

Foreign Secretary: I think we have seen a series of statements from various people in Pakistan, including terrorist leaders but also some Government officials, which have amounted to incitement of violence. We drew their attention to those statements.

Question: Mr. Menon, when you say elements in Pakistan, are you hinting at the Inter Services Intelligence Directorate?

Foreign Secretary: I am saying, 'elements in Pakistan'.

Question: Will Prime Minister Manmohan Singh be meeting his Pakistani counterpart on the sidelines of the SAARC Summit should it be held?

Foreign Secretary: We have not scheduled anything yet. We have not scheduled any of the Prime Minister's bilateral meetings in Colombo yet because I think we are still working on the calendar.

Question: Would you say with the Kabul episode India's tolerance threshold has been crossed?

Foreign Secretary: I would say that the dialogue process is under stress and that it has certainly affected the prospects of our relationship with Pakistan unless we are able to show results and deal with this.

Question: Mr. Menon, Pakistan has struck an upbeat note about expanding trade and economic relations. This has been for some time. In fact, just before their Foreign Secretary came, they spoke about expanding import list including CNG buses and other things. Do you think, with all this happening this process of economic engagement would be affected? Was there any specific discussion on specific economic initiatives?

Foreign Secretary: No, we did not discuss the economic side of the relationship. The Commerce Secretaries normally meet in the course of the Dialogue. They will probably do the details then.

Question: Sir, even a few months ago violation of the ceasefire at the LoC was very rare. Recently, there have been three violations on one day. Have these things been brought to the notice of the Foreign Secretary of Pakistan; and what has been their reaction?

Foreign Secretary: They were. In fact, we discussed this in some detail about the fact of ceasefire violations. Both of us were agreed, the Foreign Secretary of Pakistan himself said, that the ceasefire has tremendous value; it needs to be maintained; we need to work to strengthen it; and to use existing mechanisms to make sure that there are no further violations.

Question: Who are these elements in Pakistan and why do you think this is happening now?

Foreign Secretary: We are still talking about an ongoing investigation. So, please do not expect me to give you the conclusions, the end results today. As of now what I will say is there are elements in Pakistan which are behind this.

Question: Why do you think it is happening now?

Foreign Secretary: I do not answer for them.

Question: Why do you think it is happening now?

Foreign Secretary: I do not answer for them.

Question: Mr. Menon, today your tone is quite different from earlier day when you had begun saying that Pakistan too is a victim of terror.

Foreign Secretary: Never.

Question: You said the PM has also said.

Foreign Secretary: Never. Show me an instance.

Question: Okay, maybe. Today you are striking quite a different tone.

Foreign Secretary: I tell you the situation as I see it. I tell you what has happened in the last few months. I tell you how it has affected the dialogue process and our relationship.

Question: ...(Inaudible)...

Foreign Secretary: I will tell you. I called on the DG of the IAEA; I called on the Chairman of the Board of Governors; I met with Permanent Representatives or the representatives of the members of the Board of Governors and the NSG member states. In each of these cases I answered questions; also spoke to them about the importance of the civil nuclear initiative and the resumption of civil nuclear cooperation between India and the other countries in the world both to meet our energy needs but also as a clean source of energy. If we want sustainable development as a contribution of the environment it makes sense for us to do so. There were some questions about the safeguards agreement and we answered I think most of those because the negotiators of that agreement were with me - Dr. Grover from the DAE, Venkatesh Verma from our Mission in Geneva. We answered their questions. Came away with the impression that, as I have said to you before, that the support for the initiative is increasing. There are clearly some countries who will still have doubts, worries, misgivings. We will talk to them and work that out with them.

Question: On the first of August if the Board of Governors clears the Safeguards Agreement, what is the timeframe for the subsequent developments? When are you going to ask the Germans to call a meeting of the NSG? Do we get into the act? How does it unfold?

Foreign Secretary: Frankly, I do not know. We are not members of the NSG and it is not for us to either ask for a meeting or call it. This is something they will do. Under the July 18, 2005 Joint Statement with the US, the US will approach the NSG and do this. In the meantime we are in touch with the members of the NSG. Part of the briefing was for the NSG members, and we answered their question, and we pointed out to them how a resumption of civil nuclear cooperation with India is in our interest and in theirs. The precise timetable, when they will call the meeting, how they will consider it, that we did not get into quite frankly. We will leave that to those who do these things.

Question: The members already have a draft agreement circulated among the NSG members. Do we know if they have already circulated it?

Foreign Secretary: I think what is doing the rounds is the draft exemption. But there are several drafts, I think, in play because this is the first time ever there will be such an exemption. So, different people have different ideas. Now they have to now sit and work it out and see. We have made it clear that from our point of view what we expect is a clean and unconditional exemption which permits nuclear trade with India under IAEA safeguards but otherwise permits nuclear trade with India. This is important that it be clean and unconditional because by its very nature nuclear trade is something that demands decisions, investments for forty, sixty years. Those kinds of decisions, investments, and commitments require a clean, unconditional view of the future.

Question: ...(Inaudible)...coming here?

Foreign Secretary: We are looking at possible dates in August but we have not yet fixed it.

Question: Sir, would you please brief us about the EAM's telephonic conversation with US Secretary of State?

Foreign Secretary: I do not think I have anything for you on that yet.

Question: When you walked out of the IAEA meeting, you looked very pleased. What was the cause for your pleasure?

Foreign Secretary: First you tell me I look different and she says I look pleased. You guys tell me what do I look like?

Question: You are speaking differently.

Foreign Secretary: I am speaking differently?

Question: Just to rephrase the question, would it be correct to say that when it comes to your tone just before initiating the Joint Terror Mechanism, you have actually done a u-turn? You sounded much more pessimistic.

Foreign Secretary: It is not bad actually. I think it is a good idea to shift the debate from the issues to tone, to attitude, to smile, to body language. Yes, we can fill a whole press conference on this stuff. Very good!

Question: ...(Inaudible)...cordial and friendly.

Foreign Secretary: This is not cordial and friendly?

Official Spokesperson: I think you have run out of questions.

Foreign Secretary: Obviously, if you are down to this.

Question: Are you going to brief the EU as well on the Safeguards Agreement or is it the IAEA Secretariat?

Foreign Secretary: On the 25th the IAEA Secretariat is briefing all member states of the IAEA. Maybe they do something separately for the EU.

Question: But you are not going back to Vienna.

Foreign Secretary: I am not going back to Vienna. But they are doing a briefing for all member states on the 25th on the technical aspects of the Safeguards Agreement.

Question: ...(Inaudible)... ninety day period for which the Bill has to lie on the floor. Have they told you anything about it? Are they willing to waive it? Is there a way around?

Foreign Secretary: Frankly, what happens in American internal procedures is for the US to handle. So, we do not want to get into this about when does the clock start; how many days; which clock; where, etc. Frankly, that is their business and I think we will leave it to them.

Question: What is your sense? Will it get past this Congress?

Foreign Secretary: I have never got into timelines. For the last two years you have asked me this question in different forms and I have consistently avoided timelines because every timeline you have heard or mentioned has shifted. So, I do not want to get into this of yes, it will happen on this day or that day. We will make our best effort and we will do it as quickly as we can. I think it is best to leave it at that.

Question: Mr. Menon, Mr. Boucher has today said that even if the Indian Government becomes a minority government, the US will go ahead with the deal. How do you respond to that?

Foreign Secretary: I think it is hypothetical.

Question: Are the dates set for the Joint Anti Terror Mechanism?

Foreign Secretary: No, not yet.



279. Media Briefing by Official Spokesperson on Prime Minister's visit to Colombo to attend 15th SAARC Summit.

New Delhi, July 31, 2008.

Please see Document No.187.



280. Response of Official Spokesperson to questions on reports regarding Pakistan Senate resolution.

New Delhi, August 7, 2008.

In response to questions on reports regarding Pakistan Senate resolution, the Official Spokesperson said:

"We have seen reports in the Pakistani media that the Senate of Pakistan has passed a resolution about the situation in J & K. Such a resolution amounts to gross interference in our internal affairs. The Senate should attend to issues where it has a locus standi."

(Please see Document Nos.281)



281. Response by Official Spokesperson to questions on statements by authorities in Pakistan on the situation in Jammu & Kashmir.

New Delhi, August 12, 2008.

We have seen the statement¹ by the Foreign Minister of Pakistan on the situation in the Indian State of Jammu and Kashmir and remarks attributed to the spokesperson of the Pakistan Foreign Office yesterday. These statements constitute clear interference in the internal affairs of an integral part of India. Government of India and the State Government are taking all steps necessary to restore law and order in this part of the country. Such statements by leaders of a foreign country do not help the situation. Nor do they contribute to creating the atmosphere necessary for the dialogue process between India and Pakistan to move forward.

Statement by Official Spokesperson on remarks by the official spokesman and leaders in Pakistan on recent events in the Indian state of Jammu and Kashmir.

New Delhi, August 13, 2008.

The Government of India finds deeply objectionable the series of remarks by the official spokesman and leaders in Pakistan on recent events in the Indian state of Jammu and Kashmir. We are witnessing a recurrence of Pakistani rhetoric and allegations that are factually wrong and that bear no relationship to reality. To call for international involvement in the sovereign internal affairs of India is gratuitous, illegal and only reflects reversion to a mindset that has led to no good consequences for Pakistan in the past.

It is not too late for Pakistani leaders and spokesmen to desist from the course of action that they have recently embarked upon, and we would urge them to do so forthwith.



1 The Pakistan Foreign Minister had in a statement on August 11 while referring to the death of Shaikh Abdul Aziz said that Pakistan was "deeply concerned over the deteriorating situation" in Kashmir and called for immediate end to "violence against the Kashmiris". The following is the text of the statement made by the Pakistani Foreign Minister on August 11. "I have learnt with great sorrow and grief the news about the martyrdom of Shaikh Abdul Aziz, a prominent APHC leader in the Indian occupied Kashmir, today. May Allah rest his soul in peace. We condole with the family of the deceased leader and the people of Kashmir. The Government of Pakistan condemns the excessive and unwarranted use of force against the people of Indian Occupied Kashmir. We are deeply concerned over the deteriorating situation in J&K which is resulting in loss of life and property of the Kashmiri people. We call for immediate steps to end violence against innocent Kashmiris. It is important that an enabling environment, free of violence, is created to sustain the peace process and address the long standing dispute of Jammu and Kashmir."

282. Response by Official Spokesperson to a query on the statement made by the OIC Secretary General on Jammu & Kashmir.

New Delhi, August 14, 2008.

We note with regret the statement made by the OIC Secretary General¹ on the situation in the Indian state of Jammu & Kashmir. OIC has once again chosen to comment upon Jammu & Kashmir and India's internal affairs on which it has no locus standi. We reject such comments.



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In August there was some law and order problem in Kashmir arising out of the agitation on the allotment of a piece of land for providing facilities for the pilgrimage to the Amarnath Shrine in the State. Taking undue advantage of an internal problem between some factions, the Secretary General of the OIC issued a statement expressing undue concern at the developments in the State and calling upon the Government of India " to take urgent steps for the protection of the minorities, which the Government in any case being seized of the situation was taking to defuse the trouble and indeed succeeded in finding an amicable solution of the problem and resolving the issue to the satisfaction of all sections of the people of the State. Please See Document Nos.256, 260 and 272.

283. Press Release of the Ministry of Home Affairs on the delay in starting trade across the Line of Control in Kashmir.

New Delhi, August 16, 2008.

For the last several days there have been reports in the media, and statements attributed to various people, particularly in J&K that on account of the alleged "economic blockade" of the Kashmir Valley, the route to Muzaffarabad, across the Line of Control (LoC), should be opened for trade. Particular emphasis has been given in this context to the transportation of fruits from the Kashmir Valley to the rest of the country, and to alleged shortages of essential commodities in the State. In the process elements who have been opposed to normalisation of the situation in the sensitive State, have also got an opportunity to misguide the people.

In the wake of the recent agitation pertaining to the controversy around land for facilities for Amarnath Yatris, there had been some disruptions of movement along the national highway. Not only have these disruptions been cleared, but it has also been categorically stated that free movement along the national highway will be ensured. In fact there have been no bottlenecks ever since some initial disruptions were there for 3-4 days. Unfortunately, due to calls for bandhs and other protests in the Kashmir Valley, despite the fact that the highway is through, there have been difficulties in the full and free movement of goods and traffic. At the same time the situation is being exploited to raise demands and slogans for opening the cross LoC route for trade and movement of goods.

It is already in the public knowledge, that as a part of the Composite Dialogue with Pakistan, and Confidence Building Measures, inter alia, the Government of India has taken the initiative to facilitate travel of persons across the LoC along the Srinagar-Muzaffarabad and Poonch-Rawalakot routes and in recent discussions with Pakistan, efforts are also being made to increase the frequency of the bus travel. To build further on these initiatives, as early as on 15 April 2005 it had been agreed with Pakistan that truck services across the LoC would also be initiated to promote trade.

In May 2006 in the Working Group on Cross LOC CBMs both sides

exchanged indicative lists of goods for trade. It was agreed that the delegations from Chambers of Commerce from either side of the LOC would undertake visits at the earliest to discuss various aspects of the trade. It was also agreed to start the Srinagar-Muzaffarabad truck service to facilitate cross-LOC trade in the first half of July 2006. Our list of 80 businessmen to visit was given to Pakistan in May 2006. However, visits by Chambers of Commerce have still not occurred in the absence of Pakistani clearance.

During the meeting of the working group on cross-LOC CBMs in July 2008 a number of decisions were taken to simplify cross-LOC movements such as simplifying procedures for issue of travel permits, and making the two cross-LOC bus services weekly. To begin cross-LOC trade as soon as possible India proposed that trade begin immediately on the basis of the lists of items proposed by each side for import and export. Pakistan, however, presented a fresh list, common for both imports and exports and certain other conditions. When pressed, the Pakistan delegation agreed to reconsider so that trade could proceed on the basis of the earlier agreement on the basis of agreed lists for import and export of both sides.

It was also agreed that respective chambers would visit each other to finalise modalities and firm up commercial contracts at the earliest. We had emphasised to Pakistan that they should not insist on procedural issues raised by them as that would tie up the whole issue in a morass of red tape and further delay the initiation of cross-LOC trade. India is ready to commence cross-LOC trade, but awaits Pakistani willingness to implement the agreement reached in April 2005.

Keeping the above background in view, a team of senior officers also visited Jammu & Kashmir last month to look at the status and requirements of infrastructure for trade on both the Srinagar-Muzaffarabad and Poonch-Rawalakot routes, and further action to put in place the required infrastructure is underway.

An effort has been made by some elements to try and project that there have been delays on the part of the Government of India in the process of commencement of cross LoC trade. The facts are otherwise, and Government of India has been assiduously pursuing the matter as would be seen from the position brought out earlier and has, in fact, suggested further cross LoC Confidence Building Measures which will continue to be pursued with Pakistan. It is hoped that the people in Jammu & Kashmir,

and particularly the Kashmir Valley, do not allow themselves to be influenced by misleading propaganda, and in that context, allow themselves to get involved in activities which have disrupted the peace and normalcy of the State, the daily lives of the people including the education of the children, supplies of basic day to day commodities, normal business and other activities, particularly, tourism which is one of the mainstays of the economy of the State.



284. Response by Official Spokesperson to queries regarding resignation of President Musharraf.

New Delhi, August 18, 2008.

We have no comments to make on the resignation¹ of President Musharraf of Pakistan. This is an internal matter of Pakistan.



¹ The spokesperson was referring to the resignation of President Musharraf from the Pakistani Presidency, while the Parliament was preparing for impeachment proceedings against him. He announced his resignation in a surprised televised speech on August 18.

285. Response by Official Spokesperson to questions on the statement issued by Office of the High Commissioner for Human Rights on the situation in J&K.

New Delhi, August 28, 2008.

We regret that the Office of the UN High Commissioner for Human Rights (OHCHR) has issued a statement on the situation in J&K. This is uncalled for and irresponsible; India does not need any advice in respect of the protection and promotion of the human rights of its citizens.

OHCHR should be aware that the State of Jammu & Kashmir has been a victim of terrorist violence for almost two decades and all through this period, the authorities have acted within the law and with restraint. Terrorist groups have targetted innocent civilians. They have not refrained from taking women and children as hostages as in the recent incident in Jammu. In all their actions against terrorists, personnel of the security forces have sought to ensure that no innocent lives are lost and for this objective have on many occasions laid down their lives.



1 The Spokesperson was referring to the statement issued by the Geneva-based United Nations Office of the High Commissioner for Human Rights (OHCHR) that "it was concerned about recent violent protests in Indian-administered Kashmir that have reportedly led to civilian casualties as well as restrictions to the right to freedom of assembly and expression". "The Acting High Commissioner calls for thorough and independent investigations into all killings that have occurred so far," Michele Montas, spokesperson for UN Secretary General Ban Ki-moon told reporters in New York on August 27. The fact that the OHCHR also asked demonstrators to use peaceful means of protest only and urged political actors to take "all necessary protection measures to avoid exposing people under 18, including young children, to violence and to manipulation for political ends" indicates that the demonstrators were indulging in violence while staging their protests and using the younger children as shield.

286. Extract relevant to Pakistan from Press Briefing by Foreign Secretary Shivshankar Menon on Prime Minister's visit to the United States and France.

New Delhi, September 19, 2008.

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Question: Is the Prime Minister going to be meeting Asif Zardari? Also, is he going to be meeting Chinese President in the US? There were some reports that has Pakistan come out with any new idea on ...(inaudible)...?

Foreign Secretary: We are working on the bilateral meetings. Yes, we are working on the meeting with the President of Pakistan; we are also working on a meeting with the Premier of China. The precise dates and times, we have to tell you a little later because still they are being worked out. It is a very tight programme. But we are working on both those meetings.

Question: Mr. Menon, I just heard what you said about working on the dates. It would be nice if you could give us a sense of what India's message would be when they meet President Zardari. Secondly, there were some reports that perhaps there are delays in starting cross-border trade. Are these reports correct? Are we concerned about some delays from the Pakistani end?

Foreign Secretary: On the first question, our agenda with Pakistan is fairly well-known. It is out in the open. We feel that for our dialogue process to move forward, ideally we should be in an atmosphere free of violence and terror but we need to move that dialogue forward in our mutual interest but we need to demonstrate a commitment to the various promises that we made before and our ability therefore, for instance, to prevent ceasefire violations or cross-border terrorism for that matter. So, our agenda is well-known and I think that is what we hope will be advanced as a result of the meeting.

On cross-LoC trade, we have agreed with Pakistan that we will hold a meeting of the cross-LoC trade Expert Group in Delhi on the 22nd. So, they will be coming here to discuss that. We have been keen since April 2005 actually when we first suggested that we open up the LoC to trade both Srinagar-Muzaffarabad, also Poonch-Rawalakot, and ideally also Skardu-Kargil in the North. We had exchanged with the Pakistani side a list of commodities that we will be ready to receive and they have given us a list of what they could. But those details would now need to be worked out when this Group meets again on the 22nd. Actually about two years ago we had invited a delegation of businessmen from the other side to come to Jammu, to Srinagar, and then

thereafter for us to send delegations from our Chambers on our side to their side. Unfortunately, so far Pakistan has not yet agreed to that. We are hoping to do that as quickly as possible because that will really make the trade meaningful. We would like it to start as soon as possible. We have said before that we will be ready from the beginning of October to carry on the trade.

Question: Why has not Pakistan agreed?

Foreign Secretary: You have to ask them.

Question: Mr. Menon, how do you react to the allegation by International Science and International Security that India divulged sensitive nuclear technology for unscrupulous elements?

Foreign Secretary: I think it is rubbish. It is an allegation that we have seen before. We saw it I think two years ago, in 2006 I remember when they trotted the same thing out and we made it quite clear that it was rubbish then. It is still rubbish today.

Question: When the Prime Minister meets President Sarkozy, are we seeing signing of the India-French nuclear agreement irrespective of the outcome in Washington? **Foreign Secretary:** We are working on the being able to sign the agreement during the visit. We are still working out the details. I think both sides are doing their own procedures and are working on that.

Question: Yesterday Mr. Qureshi said that there are some hiccups in the Indo-Pak relationship. Do you agree with that statement? If you do, can you tell us what the hiccups are?

Foreign Secretary: I do not want to start characterizing what is under stress, what is hiccups etc. I think we all know that this relationship has gone through a difficult time in the recent past and we all know the reasons why. I do not think it is now here a question of describing whether it is 10 per cent, 20 per cent, 90 per cent. I do not think that is the issue. The issue really is, are we able to deal with the basic questions that stand in the way of these relations realizing their potential, that stand in the way of our normalizing relations with Pakistan, especially in the last few months, the kinds of incidents we have had, whether we are able to deal with them. If we are, then one can see this process working to the advantage of both sides of the border.

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287. Joint Press release issued after the meeting of the Indian Pakistan Joint Working Group on Cross LOC CBMs.

New Delhi, September 22, 2008.

The Joint Working Group on Cross LOC CBMs met in New Delhi on 22nd September, 2008. The Indian delegation was led by Mr T C A Raghavan, Joint Secretary (PAI) Ministry of External Affairs and Mr Aizaz Ahmed Choudhary, Additional Secretary (South Asia), Ministry of Foreign Affairs, led the Pakistan delegation.

The meeting was held in a cordial atmosphere.

The modalities of Cross LoC trade were finalised.¹



1. Media reports said that the two countries finalised the modalities of the cross-Line of Control trade but the announcement of the details was withheld so that it could be made during the meeting between Prime Minister Manmohan Singh and Pakistan President Asif Ali Zardari in New York. (The meeting of the two leaders took place on September 24 in New York and some details were then announced. Please see Document No.289.) The media speculated that there would be zero trade tariff on items produced in the regions along the Srinagar-Muzaffarabad and Poonch-Rawalpota routes. The officials too finalised a short list of items that would be traded but declined to give details. "We have finalised the modalities and will submit it to our principals, our bosses. Hopefully, it will work out," Pakistan's Additional Secretary in the Foreign Ministry, Aijaz Ahmed Chowdhury, told journalists after the meeting. It may be recalled that India suggested cross-LoC trade in 2005 when the Srinagar-Muzaffarabad bus service was launched and a year later followed up the proposal by suggesting a meeting between businesspersons of the two sides. Things got moving in July this year when the Foreign Secretaries exchanged lists of commodities with zero-tariff regime and indicated the items either side was willing to receive. (In this connection please also see Document No.278.)

288. Extract from the Interview of External Affairs Minister Pranab Mukherjee with Ms. Kalyani Shankar for the All India Radio.

New Delhi, September 22, 2008.

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Q: I will come to our neighbour, Pakistan. There is domestic turbulence right now and that Presidential elections are scheduled on 5th of September. Is there hope for peace talks resuming after the presidential elections and the new government is settles down?

A: The composite dialogue between India and Pakistan has resumed. We have completed four rounds of talks. Fifth round has begun with the Foreign Secretary's visit. Prior to that I visited Pakistan. Pakistan Foreign Minister visited India. I do hope the fifth round of composite dialogue will also be concluded successfully. I do not comment on the internal matters of Pakistan. We want peace, stability and development in all our neighbours, including Pakistan.

Q: There is some diplomatic talks going on with Pakistan about opening of the LOC for the trade. Where is it going now?

A: Several round of talks have taken place between our two countries and our proposal for opening the LOC, trade from 1st of October has been forwarded to Pakistan and we are awaiting their response. Other necessary steps will be followed up as soon as we receive their response.

Q: If the trade route is opened, is that going to have any impact on the valley right now after the Amarnath Yatra row? I think after that accord?

A: We are going to have these talks going on for quite some time, various confidence building measures including the services, transport services operating between Srinagar and Muzafarabad. We are also thinking of the new routes. So these talks are going on for quite some time. It has nothing to do with the contemporary event.

Q: You are said to be the main person to have brought about the deal on the Amarnath Shrine Board and the other side. How do you propose to deal with the valley now?

A: The question is that this is a matter which is dealt by the Home Minister. It is neither within the purview of the Home Ministry nor within the purview

of the Foreign Ministry. This point is to be understood very clearly. So far the Jammu and Kashmir issues are concerned, I hate a political committee and whenever government takes a decisions, naturally as a member of the government I participate in it. But for the present formula on which the agitation in Jammu has been withdrawn, that is the outcome of negotiations between the representatives of Governor of Jammu and Kashmir and the representatives of the Sangarsh Samiti. They have worked out this formula.

Q: But how to you deal with valley? Jammu, yes, there is no problem, right now. But the valley is not peaceful ?

A: Through negotiations and through talks.

Q: Will you call the Hurriyat and the other separatists for talks?

A: Who will come and who will not come that I cannot decide. As I told you, this is an area where Home Ministry is dealing with it and it is essentially between the political parties of Jammu and Kashmir, Governor of Jammu and Kashmir and if they require the support from the central government, central government provides that support and assistance.

Q: Well, you talking of elections. The Election Commission has convened a meeting on September 8th of all the political parties to discuss about the assembly elections in Jammu and Kashmir. When do you think the elections could take place?

A: That is for Election Commission to make an assessment. Political parties will have to give their views. It is not at the level of the national political parties. Those political parties who are participating in the election of the state of Jammu and Kashmir, they are to decide and our PCC President will respond to it.

Q: But is there any situation right now.? It is conducive?

A: I would not make any valued judgement because it is essentially the domain the Election Commission. Government of India's role in this area is to provide the necessary support and assistance to the Election Commission to conduct the election freely and fairly, in any part of the country. Government of India will discharge their job. But Election Commission is to make an assessment by talking to the people concerned whether there is a situation conducive to hold election or not. Let them do their job first,.

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289. Joint Press Statement issued at the end of the meeting between Prime Minister Dr. Manmohan Singh and Pakistani President Asif Ali Zardari on the sidelines of the UNGA session.

New York, September 24, 2008.

The President of Pakistan and the Prime Minister of India met during the 63rd UNGA session in New York.

Prime Minister Singh congratulated President Zardari on his election and the victory of democracy in Pakistan. He expressed the hope that this would pave the way for a profound transformation of the bilateral relationship, so that India and Pakistan could work together on their shared objectives of peace, prosperity and security.

Both leaders welcomed the several positive outcomes of the four rounds of the Composite Dialogue, which have brought their people, businesses and institutions closer, while permitting sustained efforts to be made to resolve all outstanding issues; these gains need to be consolidated. They agreed to work for an early and full normalization of relations between India and Pakistan, on the basis of mutual respect, peaceful coexistence and non-interference.

Both leaders acknowledged that the peace process has been under strain in recent months. They agreed that violence, hostility and terrorism have no place in the vision they share of the bilateral relationship, and must be visibly and verifiably prevented. Severe action would be taken against any elements directing or involved in terrorist acts. President Zardari reassured Prime Minister Singh that the Government of Pakistan stands by its commitments of January 6, 2004.

Both leaders agreed that the forces that have tried to derail the peace process must be defeated. This would allow the continuation and deepening of a constructive dialogue for the peaceful resolution and satisfactory settlement of all bilateral issues, including Jammu and Kashmir.

The two leaders agreed that:

- The Foreign Secretaries of both countries will schedule meetings of the Fifth round of the Composite Dialogue in the next three months which will focus on deliverables and concrete achievements.

- The ceasefire should be stabilized. To this end, the DGMOs and Sector Commanders will stay in regular contact.
- A special meeting of the Joint Anti-Terror Mechanism will be held in October 2008 to address mutual concerns including the bombing of the Indian Embassy in Kabul.
- The expansion of people to people contacts, trade, commerce and economic cooperation provides an effective platform to develop and strengthen bilateral relations. Towards this end it was decided to:
- Open the Wagah-Attari road link to all permissible items of trade
- Open the Khokrapar-Munabao rail route to all permissible items of trade.
- Continue interaction between the Planning Commissions of both countries to develop mutually beneficial cooperation including the energy sector.
- Commence cross-LoC trade on the Srinagar-Muzaffarabad and Poonch-Rawalakot roads on October 21, 2008.
- Modalities for the opening of the Skardu-Kargil route will be discussed soon.



290. Statement by Prime Minister Dr. Manmohan Singh to the media during his visit to Kashmir.

Srinagar, October 10, 2008.

It is always a pleasure to come to Kashmir and meet you. But there is a tinge of sadness this time because of the recent incidents of violence in J&K which have caused concern to all of us. The Amarnath pilgrimage is a matter of pride for us. It is a shining example of religious harmony. It represents one of the finest examples of our composite culture where Hindu pilgrims have been looked after by their Muslim brothers for hundreds of years. It is regrettable that there was violence because of differences on a piece of land that was transferred to the Amarnath Shrine Board. I had expressed this concern in my Independence Day speech also. I express my sympathy with the friends and relatives of those who lost their lives in the violence. I also feel sad that curfew had to be imposed on many occasions causing a lot of problems to the people. But it was necessary to do so to prevent violence and loss of life and property.

The recent incidents in J&K show that there is some resentment towards the Government among a section of the youth here on certain issues. It has always been our belief that even the most difficult issues can be resolved through dialogue. This is the reason why we started a series of round table conferences. The Government will welcome dialogue with all sections of people. This also includes those who have so far opted to stay out of the political process. I urge that whoever has complaints and grievances should come forward for a dialogue. At an appropriate stage, I would also be happy to meet such people.

Our intention is that the future of Kashmir should be socially, economically and politically bright. I want to assure the people of J&K that we will honour all our commitments to the State as we have been doing in the past. We will ensure that the special identity of this state and its people is kept intact.

In the last four and a half years of our government, we have consistently sought to restore normalcy and peace in Jammu and Kashmir so that the tasks of development could be accelerated. It is a matter of satisfaction that the reconstruction programme of Rs 24,000 crore of 67 projects is well under way with 19 projects being completed one of which has been the Baglihar project that I inaugurated today.

Our effort has been to build the socio-economic infrastructure of the state to make Jammu and Kashmir realize its economic potential. Infrastructure has been considerably improved with investments in roads, railways and airline connectivity. The hydropower potential of the state is being harnessed through major projects. Two national institutions of academic excellence, an Indian Institute of Management and a Central University will be set up in the state in the 11th plan. Srinagar and Jammu medical colleges are to be upgraded to the level of All India Institute of Medical Sciences. Steps have also been taken to promote tourism which has great potential in the state.

Good relations with Pakistan, our very important neighbour to the North are an essential part of our policy. My vision of India-Pakistan relations is that both countries situate their bilateral relations in a cooperative framework of mutual understanding. We seek the normalization of our relations with Pakistan, a solution of all issues that cause estrangement, including Jammu and Kashmir through dialogue and peaceful negotiations in an atmosphere free of violence. While we cannot change borders, we can make them irrelevant. When I met President Zardari in New York recently, I invited Pakistan to work with us to usher in a new era of sub-continental cooperation.

When I inaugurated the Srinagar-Muzaffarabad bus service in April 2005, I had said that this is the first step on a long road of peace. The road ahead is difficult but if we persevere and remain committed we will find solutions to all issues in a spirit of friendship and cooperation. Notwithstanding the many difficulties which have come, we have taken several steps. The start of trade on the Srinagar-Muzaffarabad and Poonch-Rawalakot roads on 21st October is a major initiative that has been taken. History will judge how big these steps were. The fact is that they have taken place after many lost decades of mutual recrimination, violence and war.

There are real winds of change in the subcontinent today. Economics, technology and travel are altering older mindsets of suspicion, fear and hostility. It is undeniable that much has changed between India and Pakistan in the past few years. Trade, people to people contact, cultural exchanges and most of all the desire to move on are altering the landscape of our relationship. I would like the entire state of Jammu and Kashmir to be part of this wider process. If both India and Pakistan approach issues with a view to establishing a cooperative framework and with an open and friendly mind, we will be able to put the past behind us. It is this that will lay the

basis for enduring peace and prosperity in the future. Within this framework, borders become doors to cooperation as we shun violence, condemn terrorism and embrace the spirit of a new approach to bilateral relations.



291. Statement by Official Spokesperson on the visit of Pakistan National Security Advisor Mahmud Ali Durrani.

New Delhi, October 14, 2008.

National Security Advisor to the Prime Minister of Pakistan, Mr Mahmud Ali Durrani visited India from 13-14 October, 2008 at the invitation of Shri M. K. Narayanan, National Security Advisor.

The two National Security Advisors reviewed the status of bilateral relations against the backdrop of recent summit level meetings between the leadership of both countries. The discussions which were held in very cordial atmosphere covered all issues of mutual concern and interest, including the regional situation. The discussions were most productive. The two National Security Advisors affirmed the utility of a dialogue of this nature and regarded their discussions as providing an important channel of communication between the highest level in the two governments¹.

The National Security Advisor of Pakistan called on the Prime Minister, the External Affairs Minister and also met with the Foreign Secretary. He also interacted with the National Security Council Secretariat and members of the National Security Advisory Board.

1. Media report said that Pakistan keen to placate India's concerns on the bomb blast on the Indian Embassy in Kabul in July in which India suspected Pakistani involvement Mr. Durrani attempted to assure the Indian leadership that "no Pakistani agency" was involved in the incident. He reportedly told New Delhi that all security agencies, including the ISI, were "firmly under the control of Pakistan's political leadership". It may be recalled that when the Pakistani Prime Minister Gilani had met Prime Minister Dr. Manmohan Singh in Colombo on the sidelines of the SAARC Summit, he had assured India of an internal probe in the possible role of ISI in the Kabul bombing. The present assurance was perhaps as a result of that meeting. Mr. Durrani also "assured" the Government of India that Pakistan was committed to upholding the ceasefire and that there was a "need to strengthen the mechanism", in which the concerns of both sides were fairly met. This assurance too tried to meet Indian concerns on the repeated ceasefire violations. The Indian Army reported over 50 ceasefire violations this year. Media reports said while the Indian Embassy bombing and ceasefire violations dominated

The National Security Advisor of Pakistan extended an invitation to the National Security Advisor of India to visit Pakistan, which was accepted with pleasure.



the discussions between Durrani and the Indian top leaders, the Pakistani NSA raised the issue of reduced flow in the Chenab river but was assured that India would abide by the provisions of Indus Water Treaty. The visiting NSA had a 40-minute meeting with BJP President Rajnath Singh also, when the issue of terror figured prominently. "India and Pakistan both have witnessed a series of blasts in recent days in which hundreds of innocent people lost their lives," said Rajnath Singh, to which Durrani replied that the Government of Pakistan was "trying hard" to control terrorism and that "Pakistan, too, had been a victim of terror". Rajnath Singh also said that incidents of "rampant violation of ceasefire" by Pakistani Army at the LoC were creating an "atmosphere of distrust". On the eve of the visit of Mr. Durrani, the Spokesman of the Pakistan Foreign Ministry Mohammed Sadiq reiterated Pakistan's commitment to a "serious, sustained and constructive" engagement between the two countries for "full and early normalisation of relations on the basis of mutual respect, peaceful co-existence and non-interference." The spokesman said Pakistan was to expand bilateral trade with India and was also ready for a liberalisation of the visa regime. But Mr. Sadiq also said Pakistan was "seriously concerned" about the reduction of the flow of water into Pakistan in the Chenab river as it caused "extensive damage" to crops on this side. As a result of Pakistan's complaints on the issue, India had invited the Pakistani Indus Waters Commissioner to inspect the Baglihar Dam. "We were assured the Indian government will take steps necessary to rectify the situation. Our efforts, however, will continue and intensify till the issue is resolved," he said. Asked to comment on Mr. Zardari's remarks in an interview to The Wall Street Journal, describing militants in Jammu and Kashmir as "terrorists" and that India was never a threat to Pakistan, the spokesman said the "sound bytes" had been "wrongly attributed" to the Pakistan President in the "paraphrased interview."

292. Joint Press Statement issued after the Special Meeting of the Joint Anti-Terrorism Mechanism.

New Delhi, October 24, 2008.

A Special Meeting of the Joint Anti-Terrorism Mechanism, as directed by the Prime Minister of India and the President of Pakistan in New York on 24th September 2008, was held in New Delhi on 24th October 2008. The Indian delegation was led by Shri Vivek Katju, Special Secretary, Ministry of External Affairs and the Pakistan delegation by Mr. Aizaz Ahmad Chaudhry, Additional Secretary, Ministry of Foreign Affairs.

Information on issues of mutual concern including the bombing of the Indian Embassy in Kabul was exchanged. The Meeting was held in a positive, constructive and forward looking atmosphere¹.



¹ Media report on the meeting of the joint anti-terrorism mechanism said that India raised with Pakistan the issue of Inter Services Intelligence's alleged involvement in acts of violence against its personnel and assets, manifest recently in the bombing of its Kabul embassy. India was worried and consistently drawn attention to the perceived gap between Islamabad's profession for a non-violent option to mend fences and actual acts of terror whose inspiration was Pakistan. Meanwhile when Prime Minister Dr. Singh met the Pakistani counterpart Gilani in Beijing on the sidelines of the ASEM Summit on October 25, he again raised with him the question of terrorism but was assured by Mr. Gilani that Pakistan did not support terrorism and in fact, it too was a victim of the same malice. Perhaps that assurance led the two prime ministers to tell the media after their meeting that Terrorism was the common enemy of both India and Pakistan. The meeting was a one-on-one affair with no aides present. "We expressed happiness at the resumption of trade" across the Line of Control in Jammu and Kashmir, Dr. Singh said. "We also discussed possibilities of increase trade between our two countries." Asked about the problem of terrorism, the Prime Minister said Mr. Gilani had assured him that Islamabad was seriously committed to working with New Delhi to control terror. "Terror is the common enemy of both India and Pakistan," he added. Mr. Gilani described terrorism as a "menace" which his government condemned in all its manifestations. "There is only one stand on terrorism, it is dangerous for both countries ... We are poor countries, we can't afford terrorism and therefore we should fight [it] jointly." he said. Asked about Islamabad's apprehensions over India violating the terms of the Indus Water Treaty, Prime Minister Singh said, "The implementation of the Indus Water Treaty in letter and substance is a commitment which we take seriously." He also said India would honour all of its commitments as far as the Baglihar project was concerned.

293. Response by Official Spokesperson to comments¹ made by the Pakistan Foreign Office Spokesperson on the ongoing elections in J&K.

New Delhi, November 21, 2008.

"We have seen certain comments made by the Pakistan Foreign Office spokesperson on the ongoing elections in J&K. It is most unfortunate that Pakistan has commented on an internal matter of India. We strongly object to these remarks. It is in Pakistan's own interest to play a responsible role in the region. Comments such as these hardly suggest that it is prepared to do so."



1. The Spokesperson was referring to the observation of the Spokesperson of the Pakistan Foreign Office on November 21 in Islamabad that ""The elections in Indian occupied Kashmir have been boycotted by the All Parties Hurriyet Conference. The top APHC leadership has been either arrested or detained. Mirwaiz Umer Farooq is under detention. Syed Ali Geelani was not allowed to travel to Srinager. Similarly Jammu and Kashmir Liberation Front leader Yasin Malik is under arrest. Pakistan has always upheld the inalienable right of the Kashmiri people to realize their legitimate aspirations in accordance with relevant UN resolutions. Pakistan has always underscored the need for associating the true representation of the Kashmir people with the Pakistan-India process on Jammu and Kashmir. The ongoing elections cannot be construed as authentic expression of the real aspirations of the Kashmiri people."

294. Joint Press Conference by External Affairs Minister Pranab Mukherjee and Foreign Minister of Pakistan Makhdoom Shah Mehmood Qureshi.

New Delhi, November 26, 2008.

Official Spokesperson (Shri Vishnu Prakash): A very good evening to all of you and welcome to the Joint Press Conference.

External Affairs Minister would be making an opening statement. Next, His Excellency the Foreign Minister of Pakistan would be making a statement. Sir, the floor is yours.

Minister of External Affairs (Shri Pranab Mukherjee): Thank you. Good evening, friends in the media.

I am glad to welcome you Excellency once again, my colleague the distinguished Foreign Minister of Pakistan Makhdoom Shah Mehmood Qureshi. Your last visit in June was unfortunately truncated and I am very glad that you have found time to visit India again to complete the programme drawn up during the earlier visit.

As you are aware, during his stay in India His Excellency Mr. Qureshi will be visiting Chandigarh, Jaipur and Ajmer. In fact, we travel to Chandigarh tomorrow to participate in a seminar on regional security and development. His Excellency Mr. Qureshi's visit to Delhi at this time, however, is an opportunity in that it enabled us to review bilateral relations and also progress in the Fifth Round of the Composite Dialogue. As you are aware, some of the meetings of the Composite Dialogue have already been completed and the others are scheduled to take place in December and January. We expect this round to be a productive and fruitful process.

In our review today we noted the substantial achievements already have been made in the Fifth Round. To list some of them, the opening of cross LoC trade, the agreement in principle to open the Wagah-Attari route for all permissible items of trade, the opening of Kokhrapar-Munabao rail link for trade in cargo, discussion on modalities of the Kargil-Skardu link, etc. We had agreed also that there should be quick and effective steps to implement on the ground all the decisions that have been taken. Insofar as cross LoC trade is concerned, both Governments are aware that certain teething problems and bottlenecks had to be addressed and these will be attended in the near future.

His Excellency Mr. Qureshi and I also discussed the need for effective steps to address the menace of terrorism which threatens societal and state stability in our region. The institutions which we have set up within the Dialogue framework such as Home Secretary level talks and the Joint Anti Terror Mechanism have been meeting regularly. In fact the Union Home Secretary had a meeting yesterday in Islamabad with his Pakistan counterpart, and the Joint Anti Terror Mechanism had met in a special session to discuss the terrorist attack on our Embassy in Kabul a few weeks ago. We agreed that it is important that these institutions should show concrete results.

During our meeting the Pakistani Foreign Minister and I also agreed that India-Pakistan Joint Commission and its eight Technical Level Working Group should also complete their work for this year. As you are aware, the Joint Commission encompasses areas such as environment, education, communication, science and technology; and its meeting help in broad-basing our bilateral relationship.

Once again I take this opportunity to welcome His Excellency Makhdoom Shah Mehmood Qureshi and his distinguished delegation to India and wish him a present and productive stay in India.

Thank you.

Official Spokesperson: Thank you, Sir. Mr. Foreign Minister, Sir, the floor is yours.

Foreign Minister of Pakistan (Mr. Makhdoom Shah Mehmood Qureshi): Thank you Mr. Mukherjee, thank you for having me over, thank you for your hospitality towards me and my delegation. It is indeed a pleasure to be in Delhi again. Unfortunately last time when I was here I had to abort my trip for reasons known to you. I have come to pick the thread from where I left things.

I came with a positive agenda then and I have come with a positive agenda now. In one sentence, what I want is friendly relations with India, period. We spent six decades in hostility, acrimony. The region has suffered. People have suffered. We must add a new leaf, and we must give people of South Asia hope, we must provide leadership, and we must show them the way forward.

In Pakistan today you have a democratic government. And I expect the largest democracy in the world to be supportive to a democratic dispensation

in Pakistan. The political environment of Pakistan today is very positive towards India. Not just the political parties in Government but the main opposition party is also positively inclined towards friendly relations and normalization towards India. I think we have this window of opportunity and we must avail and we must not let it pass us.

If the 21st century is going to be the century for the Asian subcontinent, we have to see, are we ready for that? And what sort of environment, what sort of enabling environment are we creating to take advantage of that opportunity? In my view, we have challenges and I am not underplaying the challenges we have. But I am confident that we can convert those challenges into opportunities, and let us do so.

I think the interaction that we have had today has been very constructive, very positive, and very forward looking. We have discussed a host of issues starting from trade and how we can enhance trade and how we mutually benefit from enhanced trade and how environment within Pakistan has changed vis-à-vis trade with India.

We have discussed liberalization of the visa regime and I pointed out the various statements made by the President of Pakistan and the Prime Minister of Pakistan. We also discussed how religious pilgrimage must be encouraged. There is a great demand for it and that would support, I would say, a great demand at the people's level as well as promote better understanding amongst people, will promote inter-faith dialogue, will promote tolerance, and would also promote tourism.

I have also discussed with the Foreign Minister, prisoners, and the condition of prisoners on both sides, and what we can do to ameliorate their condition. We have had discussion on the cultural exchanges and what needs to be done on that score. We have both recognized that the cross LoC trade is a landmark and we should build on the initiative that was started on the 21st of October. There are operational difficulties and we need to address them and address them very quickly.

The issue of terrorism obviously, as the Foreign Minister has mentioned, came under discussion and we are aware of the challenge. And we also recognize that both of us are victims of terrorism. India and Pakistan have had a number of incidents that are serious and we have to jointly combat this menace and common threat.

We also recognize that the Joint Anti Terrorism Mechanism which is in place is an important institutional mechanism and the Interior Secretary-

Home Secretary talks that have taken place in Islamabad today and yesterday were positive and meaningful progress has been made in them.

I did touch upon the water issue, the Chenab water issue. I have pleased and I am pretty sure that the Indian leadership is conscious of respecting the Indus Water Treaty in letter and spirit. I think a quick resolution is in order and we should see a mechanism is available and we should avail that mechanism to address this issue.

I have also highlighted the issue of Sir Creek and Siachen. I think we need to make progress and they are in my view solvable issues. And by making movement on these scores I think we can change the atmosphere that exists in South Asia for the betterment of our people. I feel our people deserve better.

Official Spokesperson: Thank you, Sir. Can I request you all once again to please put your phones on the silent mode. The Ministers will now take two questions from each side. When you ask a question please introduce yourself and your organization. Also indicate whom the question is addressed to. As a courtesy to our visitors the first question will go to the Pakistani side. May I request Ms Iman?

Question (Ms. Iman Hassan. Geo TV): My question is addressed to Indian Foreign Minister Mr. Pranab Mukherjee. This water issue has been raised many times before. Is India ready to address Pakistan's concern now and also compensate for the lost water, that is 22,000 cubics which has of course affected our crops badly?

External Affairs Minister of India: This issue has been discussed. First of all I would like to clarify one point. Indus Water Treaty was signed sometime in early 1960s. And even at the highest of our conflict and divergence of views between our two countries we did never stop flow of water as per the agreement. Sometimes it happened and not only with Pakistan but with many countries who share transnational water courses, if availability of water at the discharging point is not adequate, both sides suffer. What has happened in the current case was (that) water was not available. Water Commissioners are meeting, technical experts are meeting to find out a mechanism through which by sharing the data and information no misunderstanding is being created. I can assure you whatever water would be available as per the agreement would be distributed and the agreement in letter and spirit will be adhered to. But, at the same time, water at the discharging point must be made available. Thank you.

Question (Ms. Maya Mirchandani, NDTV): The question is for Mr. Qureshi. Sir, the Indian cricket team has expressed some reservations about coming to Pakistan under the current security climate on their tour. What is your reaction to that? Mr. Mukherjee, Sir, if I could ask you, the Thai Government has sent India a Note Verbale saying that the Indian Navy had sunk a Thai trawler in the Gulf of Aden. Does the Indian Government accept these claims and will you be offering any compensation?

Foreign Minister of Pakistan: Madam, the people of India and Pakistan love cricket. And what a thriller when Pakistan and India are competing in a cricket stadium! Let the people of the subcontinent enjoy the game. We welcome you to Pakistan. We will address all your security concerns. You will be our guests. We assure you of all the security that is required. We will address all issues that are raised by the experts. So, come to Pakistan. The people of Pakistan are keen to receive you and are keen to watch your team perform in Pakistan. And let me also point out, the security concern that has been raised right now there are Indian tennis players in Pakistan playing in Pakistan and they are secure and they are safe. There is also the India shooting team is right now in Pakistan and they are enjoying their stay in Pakistan. We were sorry to have missed the Indian hockey team coming to Pakistan because we were looking forward to a very healthy hockey tournament in Pakistan. So, you are welcome. And we assure of addressing all your concerns.

External Affairs Minister of India: So far as the question of action against Thai trawler is concerned, first of all I would like to express my deep condolence for the loss of lives of the crew. But at the same time it is to be kept in mind that the trawler was under the command of the pirates. As per international law and practice followed in every country in the high sea, if the pirates do not surrender and if the ship or vessel is sunk, it is perfectly within the right as for international law. But again I express my deep condolence for the loss of lives. Here the ship was under the control of the pirates and off late the capturing ship demanding compensation, putting the crew on board through immense suffering has become a regular practice in some parts of the sea lanes. Therefore, the international community will have to assert to take action against these pirates.

Question (Mr Fakhar ur Rehman. Aaj TV): My first question is addressed to His Excellency Mukherjee. Since your Pakistani counterpart has expressed that the trade should be enhanced at the benefit of mutuality, how does India intend to correct the balance which is heavily tilted towards

India and of course on sustainable balance? The second is to both of you. You have identified many issues that you have reviewed and discussed but Kashmir was left. There have been reports that Bill Clinton is going to be appointed as special representative for the resolution of Kashmir issue. How do India and Pakistan see this move?

External Affairs Minister of India: So far as the question of expansion of trade is concerned, in fact trade is expanding. Currently the bilateral trade is at around two billion US dollar. With the opening of the new routes which I have identified, one specially dedicated rail link for cargo trade and Wagah-Attari road for the passengers and other type of commodities, we do hope that the volume of trade will further increase. In respect of the balance of trade, it is not possible for every country to have balance of trade but we should try to as far as possible reduce the trade gap. That has been the practice everywhere. And if we can enhance the volume of trade, and the hon'ble Minister of Pakistan has also explained in details when we were discussing we have exchanged our views that a number of items have been added. And perhaps now we are going to realize what was agreed while finalizing SAFTA in 2003-04 that instead of having a positive list there will be the concept of the negative list. That means there will be no items which can be tradable between India and Pakistan to a considerable extent that will improve the export from Pakistan to India. As and when it happens, definitely the trade imbalance will be reduced. So, we are working on that.

Foreign Minister of Pakistan: To your question vis-à-vis Jammu and Kashmir I want to assure, Sir, that it has not been forgotten and not been left. You know that it is an important segment in the Composite Dialogue. And as you will recall that the Fifth Round of the Composite Dialogue has commenced. So, when the segment of Jammu and Kashmir comes under discussion it will be discussed and taken up in a meaningful manner. Coming down to the point of trade, you must be aware of the fact, since you are from Pakistan, that in the new trade policy that is announced this year we have added 139 new items which were not on the positive list and now are tradable and have been put on the positive list. We have also identified a number of items which Pakistan can trade with India which will correct the trade distortion and the trade balance. I am also of the view that if India could look into a reduction of certain non-tariff barriers, then trade between the two countries can be more balanced and enhanced.

External Affairs Minister of India: I would just like to respond to that because I did not mention that was also addressed to me. So far as Jammu

and Kashmir is concerned, it is essentially a bilateral issue between India and Pakistan which we have agreed, and on various forums starting from Shimla Agreement to Lahore Declaration that this issue is to be resolved through dialogue between our two countries. And this is also a part of the Composite Dialogue. Therefore, there is no question of having any intervention by any third party.

Official Spokesperson: Last question, Srinjoy. And kindly restrict yourself to one question.

Question (Mr Srinjoy Choudhary): A question for the Foreign Minister of Pakistan. Sir, can you give us something about the fate of Sarabjeet Singh? There seems to be some talk about his being released. And also, Sir, as far as cricket is concerned, question for both of you, if the tour does not come through, will Indo-Pak ties be affected?

Foreign Minister of Pakistan: Why be negative? I have come with positive foot forward. So, I do not want to be negative at all. Why should not the tour come through? It can come through. Hopefully, it will come through. Let us look at it positively. And we are willing to do whatever we can to make it possible.

On Sarabjeet Singh's case, yes, we are cognizant of your concern and the family's concern. As you know, Pakistan has taken steps to address that. And we are examining the case and, hopefully, something positive will come out of it.

External Affairs Minister of India: And I hope the cricket team also will go and they will play and people will enjoy. Thank you.

Foreign Minister of Pakistan: So, create a positive pitch, you see. We want to play! Give us a positive pitch. I have come to roll for the positive pitch. Thank you.

Official Spokesperson: Thank you. That draws the event to a close. Thank you very much.



295. Joint Statement issued at the end of India - Pakistan Home/Interior Secretary level talks.

Islamabad, November 26, 2008.

1. The fifth round of Interior/Home Secretary Level Talks between Pakistan and India on Terrorism and Drugs Trafficking was held in Islamabad on 25th and 26th November 2008 as a part of the Composite Dialogue. The Pakistan delegation was led by Syed Kamal Shah, Secretary, Ministry of Interior, while the Indian delegation was headed by Mr. Madhukar Gupta, Home Secretary of India.
2. The meeting was held in a cordial and friendly atmosphere.
3. Both sides discussed the issues related to terrorism and drug trafficking and reviewed the implementation of decisions taken during the last round. Both sides noted with satisfaction the progress made and identified ways to further promote cooperation in a number of areas¹.
4. Both sides condemned terrorism in all its forms and manifestations and affirmed their resolve to cooperate with each other to combat the menace of terrorism. It was agreed that terrorism must be

1 Media report said that on the first day of talks the Indian side reiterated its request for release of the death-row prisoner Sarabjit Singh, who was languishing in Lahore's Kot Lakhpat jail for 18 years. The report quoting a knowledgeable Indian official said that "the request was made keeping in view the public sentiment on this issue in India," but added, the Pakistan side "did not give any direct responses." The official was quoted as having said that Pakistan did not bring up any matter relating to the ongoing investigation by India into the Samjhauta Express firebombing. The issue of the January 2009 cricket tour of Pakistan by India also reportedly did not come up at the meeting. But separately, Pakistan Cricket Board chairman Ejaz Butt met Indian High Commissioner Satyabrata Pal and the two discussed the tour, whose fate appears uncertain on account of security fears particularly in the wake of latest terrorist attack in Mumbai. Mr. Butt was said to have given the assurance that Pakistan would provide fool-proof security for the visitors. The *Dawn* of Karachi quoted officials of the Pakistan's Interior Ministry to say that the decisions were taken during the composite dialogue, which reviewed proposals by President Asif Ali Zardari for a treaty to make South Asia a non-nuclear region and an economic hub. The paper quoted Interior Secretary Syed Kamal Shah to suggest that the FIA and the CBI would formulate a joint strategy to control influx of fake currency and curb human smuggling. *Dawn* also said that Pakistan expressed its concern over the way some of the recently released Pakistani prisoners had been treated. While the Indian side claimed that Daud Ibrahim, one of the most-wanted persons in India, was in Pakistan the claim was denied by Pakistani side, which said India should provide more evidence in this behalf.

prevented and as directed by the leadership of the two countries at the meeting in New York on 24 September 2008, severe action be taken against any elements involved in terrorist acts.

5. Both sides welcomed the release of prisoners and fishermen by each other on the eve of these talks as a gesture of goodwill and on humane considerations. It was agreed to exchange by 31st December 2008, names of those civil prisoners, who have completed their sentence and whose national status has been confirmed, with a view to facilitating their release in January. It was further agreed that, henceforth, verification of nationality status would be completed within six weeks of provision of consular access. It was also agreed to facilitate the expeditious release of fishermen and boats.
6. Both sides welcomed the signing of Agreement on Consular Access during the review of the Fourth Round of Pakistan-India Composite Dialogue, and affirmed full implementation of the Agreement.
7. Both sides commended the work done by the Judicial Committee on Prisoners for the release, repatriation and humane treatment of prisoners and agreed on the need for the continuation of the work of the Committee.
8. Both sides underscored the need for visa liberalization. In this context, useful discussions were held on draft Visa Agreement. The Indian side would propose a draft Visa Agreement within four weeks, based on parameters discussed.
9. Both sides agreed that the issue of inadvertent crossers be viewed from a humanitarian dimension and recommended early finalization of the draft agreement regarding inadvertent crossings by the expert group on Conventional CBMs which is due to meet soon.
10. Both sides noted that Protocol of 1974 on visits to religious shrines was due for revision along with lists of religious shrines in both countries. The subject will be discussed under the segment of Secretary Culture level talks on Promotion of Friendly Exchanges which is likely to take place soon. It was recommended that a revised Protocol and the list of shrines should be finalized as early as possible and the Pakistan side agreed to furnish its comments on the lists before the talks on Friendly Exchanges.

11. Both sides assessed as positive the existing cooperation and information sharing between the Anti Narcotics Force of Pakistan and the Narcotics Control Bureau of India and agreed that both Agencies would enhance mutual cooperation in terms of effective and sustained steps to control drugs trafficking.
12. The MoU on Drug Demand Reduction and Prevention of Illicit Trafficking in Narcotics Drugs/Psychotropic Substances and Precursor Chemicals and Related Matters, was initialed. Both sides welcomed this development and agreed that the MoU will further promote bilateral cooperation in this field. It was agreed that Director General ANF of Pakistan and Director General of NCB of India will meet as early as possible to discuss ways of furthering cooperation.
13. It was decided that the Federal Investigation Agency of Pakistan and the Central Bureau of Investigation of India will schedule a meeting at an early date to discuss ways of cooperation in addressing the issues of human trafficking, illegal immigration, and counterfeit currency, along with Red Corner Notices (RCN) subjects.
14. The Home Secretary of India also called on the Advisor to the Prime Minister on Interior/Minister and discussed issues of mutual interest.
15. It was agreed to continue the discussions within the framework of the Composite Dialogue.



296. Address of Prime Minister Dr. Manmohan Singh to the Nation on terrorist attack on Mumbai.

New Delhi, November 27, 2008.

Dear Citizens,

The dastardly terror attacks that took place in Mumbai last night and today leading to the loss of many precious lives and injuries to many others have deeply shocked the nation. I strongly condemn these acts of senseless violence against innocent people, including guests from foreign countries. I offer my deepest condolences to the bereaved families and sympathies to those injured. The Government will take all necessary measures to look after the wellbeing of the affected families, including medical treatment of injured.

The well-planned and well-orchestrated attacks, probably with external linkages, were intended to create a sense of panic, by choosing high profile targets and indiscriminately killing foreigners.

I salute the courage and patriotism of the police officers, including the Chief of the Anti-Terror Squad, Shri Hemant Karkare and men who have laid down their lives in fighting these terrorists. I assure the country that we will attend in an urgent and serious manner to police reform so that the law and order authorities can work unitedly, effectively and in a determined manner to tackle such threats to national integrity.

We are not prepared to countenance a situation in which the safety and security of our citizens can be violated with impunity by terrorists. It is evident that the group which carried out these attacks, based outside the country, had come with single-minded determination to create havoc in the commercial capital of the country.

We will take the strongest possible measures to ensure that there is no repetition of such terrorist acts. We are determined to take whatever measures are necessary to ensure the safety and security of our citizens.

Instruments like the National Security Act will be employed to deal with situations of this kind. Existing laws will be tightened to ensure that there are no loopholes available to terrorists to escape the clutches of the law. Most importantly, it is essential to immediately set up a Federal Investigation Agency to go into terrorist crimes of this kind and ensure that the guilty are brought to book.

We will take up strongly with our neighbours* that the use of their territory for launching attacks on us will not be tolerated, and that there would be a cost if suitable measures are not taken by them. We will take a number of measures to strengthen the hands of our police and intelligence authorities. We will curb the flow of funds to suspect organizations. We will restrict the entry of suspects into the country. We will go after these individuals and organizations and make sure that every perpetrator, organizer and supporter of terror, whatever his affiliation or religion may be, pays a heavy price for these cowardly and horrific acts against our people.

In this hour of tragedy, I appeal to the people to maintain peace and harmony so that the enemies of our country do not succeed in their nefarious designs. All concerned authorities are on alert and will deal sternly with any attempts to disturb public order.

I am confident that the people of India will rise unitedly to face this grave challenge to the nation's security and integrity.

Jai Hind !



1 The reference in the statement to the "neighbours" as a source of terror had a ominous ring for the future of India-Pakistan relations. Pakistan felt jittery since the footprints of the terrorists pointed clearly to that country. In a preemptive move and to assure India that its hands were clean, President Asif Ali Zardari telephoned Congress president Sonia Gandhi on November 27 evening and said that militancy and extremism in all their forms and manifestations had to be eliminated and all countries needed to cooperate with each other in this regard, the spokesman for President Zardari, Farahtullah Babar said. He termed the killings of innocent people "a detestable act" and condemned the attacks "in the strongest possible terms," the spokesman said. Hinting that "militants and extremists wanted to destabilize the peace and the peace process between the two countries," Mr. Babar said it should not be allowed to happen. Earlier, in separate messages, both Mr. Zardari and Prime Minister Yousuf Raza Gilani condemned the attack. The Pakistan president called for "strict measures" to eliminate terrorism and extremism, while Mr. Gilani urged "concerted efforts to make the region a peaceful place." Foreign Minister Shah Mahmood Qureshi told Dawn News from Chandigarh, where he happened to be on the fateful day, that he would meet Prime Minister Manmohan Singh on November 28 and express condolences on behalf of the government and people of Pakistan. He would also offer all support, assistance and co-operation from Pakistan in tackling the "common enemy" of extremism and terrorism that faced the two countries. "We need to be calm, we need to be composed and supportive of each other," Mr. Qureshi said.

Mr. Qureshi on reaching Islamabad issued another statement which strongly condemned the terrorist attacks the previous night. He said that terrorism was a menace threatening humanity and humanity should join hands in fighting this scourge. "Pakistan condemns terrorism in all its forms and manifestations. Pakistan itself has suffered because of terrorism and sacrificed much in fighting this threat", he said. Both the President Zardari and Prime Minister Gilani sent separate messages of condolences to their counterparts.

297. Press Release of the Ministry of External Affairs on External Affairs Minister's conversation with Foreign Minister of Pakistan.

New Delhi, November 28, 2008.

The External Affairs Minister spoke this evening to the Foreign Minister of Pakistan Makhdoom Shah Mahmood Qureshi to convey the hope that the Government of Pakistan will take immediate action with regard to the terrorist attacks on Mumbai. He conveyed that while the Government of Pakistan has said that it wants a leap forward in our bilateral relations, outrages like the attack on our Embassy in Kabul and now the attack on Mumbai are intended to make this impossible. The groups responsible and their supporters are, therefore, also acting against the direct interests of the Government of Pakistan. We expect Pakistan to honour its solemn commitments not to permit the use of its territory for terrorism against India.

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298. Press Release of the Ministry of External Affairs on the calls by world leaders to External Affairs Minister.

New Delhi, November 28, 2008.

Several world leaders have spoken¹ to the External Affairs Minister, Shri Pranab Mukherjee in the last 48 hours, conveying their condolences to the victims of the barbaric terrorist attack in Mumbai, and offering sympathy, help and support. Among these leaders were the President of Sri Lanka Mr. Mahinda Rajapaksa, Foreign Minister of Oman Mr. Yousuf Bin Abdullah, US Secretary of State Ms. Condoleezza Rice, Foreign Minister of Australia Mr. Stephen Smith, Foreign Minister of Israel Ms. Tzipi Livni, Foreign Minister of Canada Mr. Lawrence Cannon, Foreign Minister of Pakistan Mr. Makhdoom Shah Mahmood Qureshi, Foreign Minister of France Mr. Bernard Kouchner and Arab League General Secretary Mr. Amre Moussa.

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¹ These calls came in the wake of terrorist attack on Mumbai in which more than 200 people, including American, British and Israeli nationals were killed, and hundreds were injured.

299. Prime Minister Dr. Manmohan Singh's remarks at the All-Party Meeting to discuss the terrorist attack on Mumbai.

New Delhi, November 30, 2008.

Esteemed Chairperson UPA, respected colleagues and friends. I thank you all for being here at such short notice.

The ordeal at Mumbai, which occupied the attention of the entire nation, has finally come to an end. All of us share the grief of those who have lost their loved ones in this dastardly and brutal attack and also the pain and anguish of those grievously wounded. We cannot lessen their grief. But we will do all we can to alleviate their suffering. I give you my solemn assurance that we will look after the needs of those who survive this horrible tragedy¹.

We salute the bravery of our security forces who fought the terrorists in exceptionally difficult circumstances. They tried their utmost to save innocent lives at great personal risk. Twenty officers and men made the ultimate sacrifice by laying down their lives. The entire nation owes a debt of gratitude to these men that we can never repay.

1. Meanwhile India privately insisted that it had proof of the involvement of Pakistan's Inter-Services Intelligence agency in terrorist attacks in Mumbai but avoided public accusation of Pakistan to cool down the ensuing tension in bilateral relations which could be used by those responsible for the attack. According to media reports official sources said investigators had "the names of the handlers and trainers, the locations where the training was held, and some of their communication through Voice over Internet Protocol, have addresses that have been used by known ISI people before." It was further clarified that contrary to media reports in India and Pakistan, the demarche which was handed over to the Pakistani side earlier in the week did not contain the list of 20 most wanted terrorists that had first been given to Islamabad in 2000. Once the media started saying India was demanding the immediate handing over of the 20 fugitives, New Delhi could hardly contradict those reports since their return was a long-standing Indian demand. The present demarche made only a pro forma reference to the return of unnamed fugitives but was otherwise exclusively focused on the Lashkar-e-Taiba and its leader Hafiz Saeed, whom New Delhi regards as the perpetrators of the Mumbai terror strikes. The media stories scrupulously avoided blaming the Pakistani civilian government but added it would be surprising if the ISI were able to operate without the military leadership's knowledge. Media believed Pakistan had a fragmented power structure hence the complexity. In pretending its earnestness to act against terrorist elements, Pakistan half-heartedly mounted an "intelligence-led operation" against the banned militant outfits in Pakistan-occupied Kashmir and made several arrests. Military spokesman Major-General Athar Abbas did not specify that the target of the operation or the names of those arrested. He also declined to divulge the exact number of those arrested. Media quoted some independent sources to say that security forces raided a "centre" of the Jammāt-ud-Dawah, a LeT front organisation, 5 km from the POK capital

We have had terrorist attacks before also. But this attack was different. It was an attack by highly trained and well-armed terrorists targeting our largest city. They came with the explicit aim of killing large numbers of innocent civilians, including foreign visitors. They sought to destroy some of the best known symbols of our commercial capital.

We share the hurt of the people and their sense of anger and outrage. Several measures are already in place to deal with the situation. But clearly much more needs to be done and we are determined to take all necessary measures to overhaul the system.

We are further strengthening maritime and air security for which measures have been initiated. This will involve the Navy, the Coast Guard and the coastal police, as well as the Air Force and the Civil Aviation Ministry.

The anti-terrorist forces of the country will be further strengthened and streamlined. The National Security Guard, which is the principal anti-terrorist force of the country, will be given additional facilities and the size of the force is being augmented. Steps have also been initiated to establish another 4 NSG hubs in different parts of the country. Additionally, the special forces at the disposal of the Centre would be appropriately utilized in counter insurgency operations.

Muzaffarabad, and that Lakhvi was among those taken into custody. The Dawn newspaper reported he was among those arrested after the operation began on December 8 afternoon. Pakistani media estimated that the arrests ranged from nine to 20. In order to cool New Delhi's temper, Pakistan Foreign Secretary Salman Bashir had a meeting the next day (December 9) with the Indian envoy, Satyabrata Pal, and suggested that a "high-level delegation" from Pakistan should visit New Delhi "as soon as possible" as that would help to carry forward investigations that it had initiated "on its own" into the alleged involvement of "any individual or entity in Pakistan" in the Mumbai attacks. He reiterated Islamabad's offer of a joint investigation of which India continued to be wary. The Pakistani Cabinet Committee on Defence, after its meeting on December 9, clarified "that all actions taken will be within the ambit of Pakistani law." The Defence Committee reiterated its tall claim that Pakistan would not allow its soil to be used for any kind of terrorist activity anywhere in the region or the world, and the offer of "full cooperation with India, including intelligence sharing and assistance in investigation as well as setting up of a joint investigative commission. The Lashkar and Jamat-ud-Dawah instead of being repentant or feeling remorse reacted angrily to the military action and said the raids on their outfits would "crush Azad Jammu and Kashmir" and described the action as under "Indian pressure" and therefore "unwarranted".

Maulana Fazlur Rehman of the Jamiat-e-Ulema Islami hit out at the government for acting under "external pressure," saying that if Pakistan had acted on its own initiative it was another thing. Qazi Hussein Ahmed, leader of the hardline Jamat-e-Islami, was also critical of the government for coming under pressure from India and the US. "It is a sign of the government's weakness," he said.

We have finalized a set of legal measures based on the recommendations of the Administrative Reforms Commission which includes the setting up of a Federal Investigating Agency.

In the face of this national threat and in the aftermath of this national tragedy, all of us from different political parties must rise above narrow political considerations and stand united. We should work together in the interest of the country at this critical juncture.

We should build a consensus on what needs to be done to strengthen the ability of our system to meet these threats. The terrorists and enemies of our nation must know that their actions unite rather than divide us.

I do hope that at the end of our discussions today we will be able to give our collective assurance to the nation that, across the political spectrum, we stand together at this hour. I look forward to hearing the views of each one of you."

The Prime Minister then requested his cabinet colleague Shri P. Chidambaram to open the discussions.



The actions of the Pakistan government were to be seen in the background of the visit of US Secretary of State who visited Islamabad. She left the Pakistani leaders in no doubt what the Washington made of these developments and what the international community expected of Pakistan. Dr. Rice on return to Washington said that there was evidence of involvement of elements "somehow" operating from Pakistan soil in the Mumbai terror attacks and pressed Islamabad to act quickly to arrest suspects to ensure there was no "follow-on attacks." She also advised an "outraged" India to exercise restraint. "I think we do believe that there was - there is evidence of involvement somehow of Pakistani soil...even if these were non-state actors, which I believe they were - non-state actors operating on Pakistani soil. It is still Pakistan's responsibility to respond," she told Fox News.

She said she had stressed during her visit to Pakistan last week how important it was for Islamabad to act quickly but denied there was a 48-hour deadline to take action, as reported in the media. Ms. Rice was asked to comment on a report that she had asked Pakistan government to arrest a former head of Pakistani intelligence outfit, ISI. "Well, I don't want to get into the details of this. This is counter-terrorism work. And obviously, I don't want to tip their hand or ours. But this is a time when Pakistan must act. They must act in concert with India, with the United States. Great Britain is helping," she said. "I was absolutely convinced that President Zardari, Prime Minister Gilani and other officials understand this that it is also Pakistan's fight, because it is trying to root out terrorism and terrorists within that country. So, I did feel that there was a good, strong commitment there. But now we have to see follow-through," she said. Dr. Rice added for good measure that though she could understand the frustration and anger of India, New Delhi should restrict itself from any action that could make the situation worse.

300. Press Release of the Ministry of External Affairs on the calling in of the High Commissioner of Pakistan.

New Delhi, December 1, 2008.

1. The High Commissioner of Pakistan¹ was called to the Ministry of External Affairs this evening. He was informed that the recent terrorist attack on Mumbai was carried out by elements from Pakistan. Government expects that strong action would be taken against those elements, whosoever they may be, responsible for this outrage.
2. It was conveyed to the Pakistan High Commissioner that Pakistan's actions needed to match the sentiments expressed by its leadership that it wishes to have a qualitatively new relationship with India.



¹ Pakistani High Commissioner Shahid Malik was summoned by T. C. A. Raghavan, Joint Secretary and Head of the Pakistan, Afghanistan, and Iran Division in the MEA. With evidence pointing to involvement of Pakistani terrorists in the Mumbai terrorist attacks, he conveyed India's "outrage" to him which it was said had dealt a "serious setback" to ties. Separately Minister of State Anand Sharma said the attacks in Mumbai has dealt a "serious setback to the ongoing process of improving environment in the region and normalisation of relations (with Pakistan)." The decision to summon the Pakistani envoy was taken at the all-party meeting convened by the Prime Minister the previous day and the sentiments expressed in the demarche were more or less on the lines of the observations made at that meeting and by External Affairs Minister Pranab Mukherjee. "Mumbai was a serious development. The response has to be measured and calibrated and in keeping with the status of India as a responsible power, We have decided that we will collate all the information and piece together the picture and then act," media quoted informed official sources while pointing out that Prime Minister Manmohan Singh had not named Pakistan for the attacks while Mr. Mukherjee had said "certain elements" in Pakistan appeared to have backed the terror strikes. Media reports said that the Government had no immediate plans to augment troops strength on the borders with Pakistan.

On December 2, speaking after an Indo-Arab function in New Delhi, Mr. Mukherjee said India had called for handing over several persons suspected of having committed acts of terror on its territory and New Delhi would wait for Pakistan's response. "Now, we have in our demarche asked [for] the arrest and handover of those persons who are settled in Pakistan and who are fugitives of Indian law... there are lists of about 20 persons. [These] lists are sometimes altered and this exercise is going on and we have renewed it in our demarche," he said. On the same day on December 2 in a policy statement telecast over Pakistan TV Pakistani Foreign Minister Shah Mahmood Qureshi made the offer of joint investigation by a mechanism headed by the National Security Advisors of the two countries, which India did not accept in view of the earlier experience since it did not produce any results in the past.

There were strong indications that Pakistan tour of the Indian cricket team in January 2009 may be cancelled. But it was clarified by official sources that no final decision had been taken. The Sports Minister Dr. M. S. Gill later said that the Indian team should not tour Pakistan. Later, on the advice of the Government of India, the Board of Control for Cricket in India cancelled the Indian team's tour of Pakistan scheduled for January 2009.

301. Press Release of the Ministry of External Affairs on the briefing for Foreign Heads of Mission.

New Delhi, December 2, 2008.

A briefing was held in the Ministry of External Affairs today to convey the deepest condolences of the Government of India to those countries whose nationals were killed in the terrorist attack in Mumbai. Heads of Mission from these countries were present in the briefing. They were also informed of details of the terrorist attack and the investigation so far¹.



1 Reacting to the remarks by the US President-elect Obama that every sovereign nation has the right to protect its territory, External Affairs Minister Pranab Mukherjee said the same day (December 2) "time will show" what action India will take in response to the Mumbai terror attacks. Every sovereign nation has the right to protect its territorial integrity and take action as it saw fit, Mukherjee told journalists. He, however, cautioned against misinterpreting his observation to mean military action. "What will be done, time will show and you will come to know," EAM said when asked about U.S. President-elect Barack Obama's suggestion that India had the "right to protect itself." Mr. Mukherjee's remark came even as three influential United States Senators, including John McCain "struck by the emotions" expressed by Prime Minister Manmohan Singh and Mr. Mukherjee, urged India not to consider the option of war. Media said that highly placed official sources also dismissed the talk of India mobilising troops on the border, suspending air and rail links and putting a halt to the peace process as "motivated propaganda," aimed at diverting the attention from the Mumbai attacks. Meanwhile speaking after an Indo-Arab function in New Delhi, Mr. Mukherjee said India had called for handing over several persons suspected of having committed acts of terror on its territory and New Delhi would wait for Pakistan's response. "Now, we have in our demarche asked [for] the arrest and handover of those persons who are settled in Pakistan and who are fugitives of Indian law... there are lists of about 20 persons. [These] lists are sometimes altered and this exercise is going on and we have renewed it in our demarche," he said. India was so much anguished by the complicity of Pakistani elements in the Mumbai attack that it did not accept Pakistan's offer of a "joint investigating mechanism" to probe the attacks. Pakistani Foreign Minister Shah Mahmood Qureshi made the offer in a "policy statement" telecast over the state-owned Pakistan Television. President Asif Ali Zardari rejection of India's demand to hand over Lashkar-e-Taiba (LeT) chief Hafiz Mohd. Sayeed and other fugitives in the wake of the Mumbai terror attacks, and his expression of doubt whether the arrested terrorist was a Pakistani, anguished India further and confirmed New Delhi in its view that Pakistan offer of cooperation was only half-hearted at best. But he conceded the possibility that the terrorists could be non-state actors, who were operating throughout the region. It did not take long for Pakistan to show its real intention of non-cooperation when in a US television show 'Larry King Live' on CNN, Pakistan President Asif Ali Zardari rejected India's demand to hand over Lashkar-e-Taiba (LeT) chief Hafiz Mohd. Sayeed and other fugitives in the wake of the Mumbai terror attacks, and once again expressed his doubt on India's claim that the captured gunman was a Pakistani national. "We have not been given any tangible proof to say that he is definitely a Pakistani. I very much doubt that he's a Pakistani." Denying Pakistan's involvement in the attacks, he said the terror strikes were executed by "stateless actors," who wanted to hold the "entire

302. Press Release of the Ministry of External Affairs on the visit of US Secretary of State Dr. Condoleezza Rice to offer the condolences of the U. S. Government on the killings of innocent citizens in a terrorist attack in Mumbai.

New Delhi, December 2, 2008.

The US Secretary of State, Dr. Condoleezza Rice is visiting New Delhi on December 3, 2008. Her visit is in the context of the terrorist attack in Mumbai that had targeted innocent civilians including tourists from all parts of the world.

Both President Bush and Secretary Rice have been in telephonic contact with PM and EAM since November 27, 2008 and have offered any assistance that India may need.

On November 30, 2008 President Bush had spoken with PM and, reiterating the commitment of the United States to stand in solidarity with the people of India in working together against such Extremism, indicated that he would be asking Secretary Rice to visit India.

Secretary Rice will be meeting Prime Minister, External Affairs Minister and is likely to meet Home Minister and NSA.



world hostage." "These [terrorists] are stateless actors, who have been operating throughout the region. They include gunmen and the planners and are holding the entire world hostage. The State of Pakistan is not responsible for the attacks in Mumbai... even the White House and the CIA have said so," he said.

Giving some essential details of the proof in its hands the Indian media quoting the sources said investigators had "the names of the handlers and trainers, the locations where the training was held, and some of their communication through Voice over Internet. Police have addresses that have been used by known ISI people before." The sources said that India did not believe the civilian government in Pakistan was involved in the incidents. Asked about the Pakistani Army chief's potential role, they said it would be surprising if the ISI were able to operate without the military leadership's knowledge. Describing Pakistan as a country with a fragmented power structure, the sources said India's response to what has happened in Mumbai could not be the same as in December 2001, when a terrorist attack on Parliament triggered the offensive deployment of troops on the border and the suspension or downgrading of transport and diplomatic links. "Then, we were dealing with one Pakistan. There was Musharraf and that was it. Today, the situation is different."

In a move to ward off the accusations for its inaction from Western world the Pakistan Foreign Secretary in a meeting with the Indian High Commissioner in Islamabad on December 8 told him that the Government of Pakistan had initiated investigations on its own into the allegations that have surfaced concerning involvement of any individual or entity in Pakistan in the Mumbai attacks. He however added for good measure that "to carry forward these investigations, we require detailed information/evidence." In this context, while reiterating Pakistani suggestion for joint investigations, the Foreign Secretary proposed that a high level delegation from Pakistan may visit New Delhi as soon as possible.

303. Press Release of the Ministry of External Affairs on the message on Specter of terrorism issued by the Conference on Financing for Development.

Doha, December 2, 2008.

The United Nations Conference on Financing for Development closed in Doha today. Among its key message was that the spectre of terrorism is on the rise and has serious implications for economic development and social cohesion, apart from its horrific human misery. The international community resolved to act together stronger than ever to address terrorism in all its forms and manifestations. This was piloted by the Indian delegation.

The Conference had opened on Saturday, November 29, 2008 observing a minutes silence in memory of the victims of the terrorist attacks in Mumbai. Heads of State / Government and Ministers who addressed the plenary of the Conference spoke in near unanimity in condemning the attacks, and expressing sympathy and solidarity with India. The United Nations Secretary General also echoed a similar sentiment in his opening remarks.

The Conference resolved that the United Nations will hold a conference at the highest level on the world financial and economic crisis and its impact on development.



304. Interview of External Affairs Minister Pranab Mukherjee on NDTV: 'Tonight Programme'.

New Delhi, December 2, 2008.

Interviewer (Ms Nidhi Razdan): Well, as the country grapples with the aftermath of the terror strikes in Mumbai, tensions are rising between India and Pakistan. The question is, has the peace process been severely affected and could these tensions escalate further. Joining us on NDTV Tonight, the External Affairs Minister, Mr. Pranab Mukherjee.

Mr. Mukherjee, thank you for speaking to us. Is the Mumbai attack in your opinion, a big setback to the peace process?

External Affairs Minister (Shri Pranab Mukherjee): It has vitiated the atmosphere, no doubt. First, in the attack on our Mission in Kabul, two of our diplomats and certain other staff, apart from a large number of innocent persons, including school-going children, were killed. Then this attack. Naturally it has vitiated the peace process. While we have no intention of not carrying on with peace process, but definitely when peoples' sentiments are affected, it creates an atmosphere which is not conducive to carrying on business as usual, it has some impact. Therefore, these incidents, and if these are not adequately addressed by the other (Pakistani) side, create an atmosphere in which it becomes difficult to carry on normal business including the peace process.

Interviewer: Are you saying, Sir, that it is possible that India could rethink the peace process; that we could perhaps suspend the Composite Dialogue process?

External Affairs Minister: We have sent a demarche. We are expecting to receive a reply. Moreover, we expect Pakistan to take certain concrete action because they themselves have committed not to allow Pakistani territories to be used to carry on terrorist activities against India.

Interviewer: So, the Composite Dialogue, Sir, could be affected, if you are not satisfied with their reply?

External Affairs Minister of India: What we expect is not only a reply. Much more important than reply or response is action. We have suggested to them to take action against the terrorist organizations located in Pakistan, against the persons to whom the needle of suspicion points. If they take appropriate action, definitely the process would be invigorated.

Interviewer: But it could also be suspended, if they do not?

External Affairs Minister: Conclusion is yours. I have given the reply.

Interviewer: Sir, you have said that elements in Pakistan are behind the attack. Would you say that these are non-state elements or do you believe there could be sections of the military or the intelligence agencies also involved?

External Affairs Minister: Investigations are still going on. I mentioned about preliminary information available out of the investigation. And when full investigations would be completed, then all further details will be available to us.

Interviewer: Sir, today there were comments that we saw in the newspapers of Barack Obama saying that sovereign nations have a right to defend themselves. Is a military option on the cards at all for us at this point?

Interviewer: As and when it takes place, then people will come to know. Nobody publicises it or advertises it.

Interviewer: So, it is not ruled out?

External Affairs Minister: I am not making any comment on military option. What I am saying is that, every sovereign country has the right to protect its territorial integrity and take appropriate action as and when it feels necessary.

Interviewer: Sir, your colleague Mr. Veerappa Moily, the Spokesperson of the Party, actually said today that if necessary we will liquidate the terror camps in PoK.

External Affairs Minister: I have not seen it. But sometimes political leaders express their views.

Interviewer: What are your expectations though from the Pakistani Government? I ask you this question because President Zardari in an interview said that even if it is found that Pakistan-based terror groups are responsible for what happened in Mumbai, do not blame the Pakistani Government; and that we are fighting the same enemy. What would you say to him?

External Affairs Minister: It is not a question of blaming anybody. It is a question of taking action on the basis of information available. It is a question of fulfilling the commitment. It is a question of fulfilling the commitment which has been given to us not once but twice. When the Pakistan Foreign

Minister or Pakistani leaders say that in the fight against terrorism we are with you, does it mean merely words or is it an expression of intention? To me it means concrete action to fight against terrorism wherever possible. Therefore, in this instant case we have given them some information and we expect them to act on that information, not merely give an expression of intention or say some words.

Interviewer: Sir, that information that we have given them, is that in the form of the preliminary evidence that we have with regard to Mumbai? Have we been able to share any evidence with them so far?

External Affairs Minister: We are not providing information in a court to be tried and to be legally explaining on it. They expressed their intention that we will cooperate with you in the fight against terrorism. Earlier, before Mumbai serial blasts, a Joint Anti Terror Mechanism was established. In the Composite Dialogue, particularly in the dialogue at the level of the Home Secretary, this is an important element, i.e. both sides to cooperate, to strengthen the anti-terror mechanism. Therefore, these are commitments for action. But if the commitment is confined only to the expression of intention or remains limited to words, it leads us nowhere. That is the point I am trying to drive at. We want action.

Interviewer: There is a view, Sir, that India should share whatever evidence it gets with regard to Mumbai with the international community and with the world because even if you present Pakistan with evidence, they may not necessarily act on that evidence which is what you want to see, you want to see action. Are you thinking along those lines of sharing this evidence with America, with other countries, especially those whose nationals have died in these attacks?

External Affairs Minister: It is not a question of a subject between India and Pakistan. It is a matter of fight against terrorism. In this heinous crime, barbarous attack in Mumbai, about 200 persons were killed; about 300 persons were injured. These are the hard facts. And about 26 foreign citizens were killed and 22 injured. Therefore, whatever information we have up to now, we have shared with the representatives or Heads of Missions of those countries to which these foreign citizens belong. But at the same time I would like to point out that it is not a question of building up a campaign or anything like that. India is committed to fight against terrorism. We are determined. Whoever would like to cooperate with us, we would be glad to cooperate with them. This is an act which country is determined to fight against.

Interviewer: Sir, US Secretary of State Condoleezza Rice will be here tomorrow. What is the message that you would convey to her? And what is the role that you would like to see the United States play in this situation?

External Affairs Minister: Let me talk to them. Let me talk to her. Let her come.

Interviewer: What role do you think America could play?

External Affairs Minister: Before I talk to them, how could I presume what they are going to tell me or what they are going to convey to me?

Interviewer: Would you convey to them to put more pressure on Pakistan to act?

External Affairs Minister: I am not going to suggest anything suo motu. Let us have a discussion.

Interviewer: Sir, just one or two final questions. There has been a lot of speculation about whether the Indian cricket team would tour Pakistan even before this attack happened because of security concerns. Now there is speculation that the tour may be called off because of what happened. What is the position of that, Sir? Do you think that the two countries should be playing cricket right now?

External Affairs Minister: Any team, particularly cricket team, or a team for any other important event like that, we review the security situation prevailing there. Therefore, that was the exercise done. And in this situation I would not like to make any comment or what will be the future course of action. It is not possible to indicate right now.

Interviewer: But there are some reports in the press today that the part of the Composite Dialogue has been put on hold. For example, on Siachen and other issues because of the Mumbai attack. Is that the case? Are we suspending, informally suspending this dialogue?

External Affairs Minister: There is no question of formal or informal suspension. The question is that we must have the appropriate atmosphere conducive to carry on the dialogue. Unfortunately, that atmosphere has been vitiated. That is all.



305. Joint Press Conference by External Affairs Minister Pranab Mukherjee and US Secretary of State Dr. Condoleezza Rice.

New Delhi, December 3. 2008.

External Affairs Minister of India (Shri Pranab Mukherjee): Good evening, friends in the media, and Your Excellency Dr. Condoleezza Rice, US Secretary of State.

This evening I have just concluded discussions with Her Excellency Dr. Condoleezza Rice, US Secretary of State. She has specially come to express the solidarity of the United States of America with India in the wake of the heinous attack by terrorists who struck in several locations in Mumbai last week. We greatly appreciate this gesture, Madam Secretary, and I welcome it.

I informed Dr. Rice that there is no doubt that the terrorist attacks in Mumbai were perpetrated by individuals who came from Pakistan and whose controllers are in Pakistan. This is an assessment that is widely shared by the international community. I briefed Dr. Rice on the discussion we have had with the Government of Pakistan following the Mumbai terrorist attack and our expectation of cooperation from them to ensure that the terrorists and organizations who perpetrated these attacks are arrested and brought to justice. We expect all friendly governments and the international community to ensure that this happens.

I have also conveyed to Secretary Rice the feeling of anger and deep outrage in India following the terrorist attacks in Mumbai, which were preceded by similar terrorist attacks in other major cities of India earlier this year - in Jaipur, Bangalore, Ahmedabad, Delhi - and now in Mumbai. Almost 350 innocent lives have been lost in these attacks, and more than 733 people injured, of course, in the six incidents.

Government of India is determined to act decisively to protect India's territorial integrity and the right of our citizens to a peaceful life with all the means at our disposal. We look forward to the international community's cooperation in our longstanding struggle against terrorism.

I would now like to invite Secretary Rice to make her observations.

Thank you.

US Secretary of State (Dr. Condoleezza Rice): Thank you very much, and thank you Minister. I have not expected to return to India as Secretary

of State following my visit here just a couple of months ago. But I come because the President of the United States, the American people want India to know that the United States stands in solidarity with the people of India. I come with condolences for those who have lost their lives, for those who have been maimed, for their families, for the people of Mumbai for the ordeal through which they have just been, and for the people of India.

I think that Americans, perhaps as well as any, understand the feelings that run so deep at a time like this, having experienced the attacks of September 11. We certainly understand that there is a strong demand for bringing the perpetrators of such a crime to justice, and a deep desire to prevent any further attacks from taking place.

Minister, I came also to pledge the cooperation of the United States in both those tasks. We are going to work very closely with you in any way that we can to try and to get to the bottom of what happened and then to help you to act on that, but also recognizing that in matters of terrorism it is not just a matter of the punishment of the crime that has taken place, it is also a matter of preventing these terrorists who continue to plot and plan from perpetrating further crimes and further attacks.

I know too how difficult it is to take information and to make it into knowledge and then to be able to act on it. I have said that the United States also has a good deal of experience in the kind of terrorism fight and how one has to organize differently for that kind of terrorism fight. I know, Minister, and I have spoken with the Home Minister, that you are looking at reforms here in India as well. I applaud, for instance, the Prime Minister's emphasis on terrorist-financing and other ways to trap these killers.

I also want you to know that the United States believes strongly that having lost our own citizens in this attack...this is a matter of concern not just because of our relationship with India but because American lives were also lost. And so it is a matter of deep concern. And in that we have made very clear that we expect all responsible nations to participate and cooperate in bringing these perpetrators to justice, and that Pakistan has a special responsibility to do so and to do so transparently, fully, urgently; and that is a message that we have delivered. I have noted that President Zardari has pledged the cooperation of the Pakistani Government. It is a new civilian Government and we fully expect that those pledges of cooperation are going to be carried out and carried out fully.

Minister, I know that this is a very difficult time for the people of India, people of Mumbai. But I hope that it is a time also when you can feel the sense of solidarity and support that is there in the international community, from your friends. I was just in Great Britain. I know that the British are helping too. I hope that you know more than anything that you are not alone in this fight. There are many of us who have experienced this terror, and we stand united in our determination to defeat them.

Thank you.

Official Spokesperson: Thank you, Madam Secretary. Two questions will be taken from each side. Kindly introduce yourself and your organization and indicate whom the question is addressed to.

Question (Ms Parul Malhotra, CNN/IBN): Good evening. I have a question to each of the Ministers. Mr. Mukherjee, Sir, your Government has made it very clear, has in fact warned Pakistan of a pause in the bilateral relationship if Pakistan does not deliver on your demands. Today we have heard President Zardari actually rule out the deportation of twenty or twenty-one most wanted Indians and Pakistanis. How do you respond to that? Will you actually take action after this snub?

Ms Rice, do you see this statement from the President as evidence of cooperation? There are two parts of this question. My second question would be, you say you extend support and solidarity to the Indian Government. Would your Government be willing to support any Indian military strikes into Pakistan on those terror camps in self defence?

External Affairs Minister of India: So far as Government of India is concerned, what action will be taken by the Government will depend on the response which we have from the Pakistan authorities. We have given demarche. I am expecting the response. After obtaining the response, whatever Government will consider necessary to protect its territorial integrity, safety and security of its citizens, Government will do that. Thank you.

US Secretary of State: The response of the Pakistani Government should be one of cooperation and of action, and that is what we expect¹. We have been sending that message. In all responses, whether they are responses of Governments around the world or the response of the Indian Government,

¹ The next day (December 4) Condoleezza Rice was in Pakistan and in her meetings with the Pakistani leadership she asked the Pakistan government to provide "unequivocal assistance" to India in investigating the Mumbai attacks and to act "sincerely and quickly." A statement from the Office of the Pakistani Prime Minister

the goal should be to make certain that the investigation gets to the bottom of what happened; that the perpetrators are brought to justice; and that there is enough information and a depth of understanding so that an effort can be made to prevent further attacks.

The hard thing about terrorism is that it is not simple law enforcement. It is not a matter of waiting until a crime is committed and then you punish the perpetrators. The long pole in the tent, the effort has to be to prevent. And that is what we are going to help India, and others are going to help India. And we believe Pakistan has an essential role to play in this to make certain that these terrorists cannot continue to operate and operate in this fashion.

Any response needs to be judged by its effectiveness in prevention, and also by not creating other unintended consequences or difficulty. But we are going to work very closely over this time and, as I said, we are focused with India on both bringing the perpetrators to justice, and on preventing further attacks. I just want to underscore again, Americans were killed in this attack as well. It is a special concern to the United States.

Official Spokesperson: I solicit your cooperation. Kindly restrict yourself to one question.

said: "[Ms Rice] urged the Government of Pakistan to provide unequivocal assistance to India. Pakistan should be seen acting sincerely and quickly, she emphasised. Pakistan should also take the necessary steps to prevent any non-state actors from indulging in such activities against any country from its soil, she added." "This was a terrible attack. It was a sophisticated attack at a level of sophistication that we haven't seen here on the subcontinent before. That means there's urgency to getting to the bottom of it," Dr. Rice said. "There's an urgency to bringing the perpetrators to justice and there is an urgency to use the information to disrupt and prevent further attacks."

Media reports said as Ms. Rice sought to defuse the mounting tensions, Pakistani troops conducted exercises in an area close to the Indian border while the Army chief Gen. Ashfaq Parvez Kayani told his corps commanders that the Pakistan Army stood for "peace and security." A military press release said Gen. Kayani, who chaired the monthly corps commanders' meeting at the Rawalpindi General Headquarters, "hoped that peace and stability in the region will be maintained." The press release said the meeting discussed the security environment, and Gen. Kayani "expressed satisfaction on the operational preparedness of the Army." Media reported that troops of the Lahore division, meanwhile, conducted exercises at the Tilla firing ranges near Jhelum in Punjab province. Another military statement said the troops conducted "field firing and battle inoculation exercise" codenamed Battle Axe-52 "close to the operational environment." "This was the high point of a year-long intensive training exercise. The exercise encompassed application of firepower from aerial and ground platforms in synchronisation with tactical manoeuvres, involving fighting and supporting arms," the military said. The Pakistan Air Force also participated in the exercise, and a contingent of officers from the Nave War College witnessed the exercise.

Question (Ms Ann, Associated Press): A question to each of you. Madam Secretary, can you be more specific when you say that this attack was different and you are asking for a different kind of response from India and Pakistan? What specifically about it tells you that it is distinct from previous terror attacks? And, do you see the hand of Al Qaeda anywhere in it?

And Mr. Minister, I understand that just today some explosives were found in the train station in Mumbai. They had apparently been there for a week. What confidence can the Indian people have that you have found all that there is to find and that they are safe?

US Secretary of State: I did not mean to suggest that there have not been other attacks; there have been. My point was concerning the sophistication of this attack, the way in which it was carried out, the targets that were obviously simultaneously attacked. And that in itself I think is somewhat different than attacks that have been seen in the past. But the response has to be the same which is, the perpetrators have to be caught, they have to be brought to justice, and there has to be a maximal effort on preventing further attacks.

As to Al Qaeda, let me be very clear, we are not saying that Al Qaeda is the perpetrator here, and I want that to be very much understood. All of it suggests the sophistication of it which reminds us that these extremists – and there are no good terrorists, they are all extremist and they all have to be dealt with – are perhaps learning from each other; they move in the same circles. But clearly the sophistication of the attack was really what I was addressing.

External Affairs Minister of India: Of course, in intensity and modality there is a difference. But essentially it is the continuation of the series of attacks which India received just this year. I mentioned in my statement the number of cases where the attacks have taken place. And I believe there is a design. The targets of the attack were either the important tourist centres like Jaipur, national capital Delhi, financial capital Mumbai, if not capital but a very important place from the point of view of science and technology, Bangalore. Therefore, there is a design to strike at the developmental, scientific, and economic ability of the country. And these are just not sporadic or accidental. Thank you.

Question (Mr. Manish Chand, IANS): This question is addressed to Madam Secretary of State. Madam, you are traveling to Islamabad

tomorrow. Pakistan President Asif Ali Zardari has blamed non-state actors for terrorist activities in the region. India believes that some of these elements continue to be patronized by sections of the Pakistani establishment and could be responsible for the Mumbai mayhem. In such a situation, how should India and the United States cooperate in dealing with terrorism flowing from Pakistan? And also, did the Indian side present some evidence, solid evidence, to you linking Pakistan-based elements to Mumbai blasts? Thank you.

US Secretary of State: Well, I am not going to speculate on what might be found when investigations are complete. I do know that the Pakistani Government under President Zardari has pledged its complete cooperation, and that it needs to be transparent in that cooperation. The fact is that non-state actors sometimes operate within the confines of the state, on the territory of the state. When that is the case, then there has to be very direct and tough action against them. So, that is really the issue here. I think we need to let the facts lead where they may. The investigation is still under way. It can be done with as much forensic help as is needed from international parties. I know that Britain has expressed the desire to help. We have expressed the desire to help. But what we really need to do is to let the leads go where they may without premature speculation of how this might have actually taken place. But non-state actors, that is still a matter of responsibility, if in fact it somehow relates to your territory.

Question (Ms. Sylvia, AFP): Madam Secretary, how are you going to improve the intelligence sharing between India and Pakistan? Do you have any special step in mind or a regional mechanism? And, Mr. Minister, what would you think about such a mechanism with the US as a partner?

US Secretary of State: Well I think the key here is that we have to think very less about what mechanisms there may be and more about just getting the job done. I think that there is a lot of information that various parties have concerning what happened on this attack. As the forensics go forward to look at what happened in the actual attack on the scene and people are interviewed more information will become available. I do not think we need to worry so much about a specific mechanism. I do think we need to make certain that there is proper coordination. And this can be done, you know, through regular channels of the various parties. So, I do think the United States and others have a lot to add.

Let me just make a point. Everybody needs help. The United States has needed help in intelligence sharing, in cooperation. This is not a matter that any country handles on its own. The very nature of this terrorist threat is that it crosses borders. The very nature of this terrorist threat is that it locates different elements in different parts of the world. So, when we talk about cooperation, we are talking about something that is inherent in the nature of dealing with a terrorist threat that is global, not confined to a particular area. And so, there is not really anything new in that sense. India and the United States have been cooperating. We have been cooperating with Great Britain when there have been threats against Britain or against the United States. We are ...(inaudible)... that sometimes required cooperation with India. So, we have developed contacts for doing this. That we are going to do it in a more intensive and urgent manner because again I want to emphasize that yes, it is extremely important to bring these people to justice, but it is really important that we remember that when you are dealing with terrorists your goal is to also have prevention very much in mind.

External Affairs Minister of India: We have a mechanism in which we share the intelligence with the USA and also with other countries. The importance of sharing this mechanism is more now because terrorism is to be fought collectively by the international community. It is not confined to one country. Terrorism has no limit, either geographical or otherwise. It is the biggest menace to the world peace and tranquility in the post-cold war era. Therefore, it requires united action by the entire international community. And for that, intelligence sharing is an important input. Thank you.

Official Spokesperson: Thank you. This brings the event to a close. Thank you for coming.



306. Statement by External Affairs Minister Pranab Mukherjee on the hoax telephone call to President Zardari of Pakistan.

New Delhi, December 7, 2008.

I have seen several misleading stories about a hoax telephone call¹ from me to President Zardari of Pakistan. The facts are as follows.

We were informed by friends from third countries that Pakistan President Zardari believed that he had received a threatening telephone call from me on 28 November, after the attack on Mumbai. We immediately clarified to those friends, and we also made it clear to the Pakistan authorities, that I had made no such telephone call. My last and only conversation with President Zardari was in Islamabad during my May 2008 visit to Pakistan. The only telephone conversation that I have had with a Pakistani leader since the attack on Mumbai was on the evening of November 28 when I spoke to the Pakistan Foreign Minister Shah Mahmood Qureshi who was then in New Delhi.

It is, however, worrying that a neighbouring state might even consider acting on the basis of such a hoax call, try to give it credibility with other states, and confuse the public by releasing the story in part. I can only ascribe this series of events to those in Pakistan, who wish to divert attention from the fact that a terrorist group operating from the Pakistani territory, planned and launched a ghastly attack on Mumbai.



1 The External Affairs Minister was reacting to news reports from Pakistan claiming that the President Asif Ali Zardari apparently received a telephone call from Mr. Mukherjee threatening military action against Pakistan and hence there was panic in Islamabad. Both the Ministries of External Affairs and Defence dismissed claims that additional Indian troops were being moved to the western borders. Media quoted official sources that the MEA thought that this disinformation could only mean that the Inter-Services Intelligence's dirty tricks department was working overtime to create panic in Pakistan to try to divert internal and external attention from their complicity in Mumbai terror and thereby clawing their way into public acceptability in Pakistan. India felt strongly that there was attempt to muddy the waters of India – Pakistan normality. The government decided not to react to such disinformation after acquiring much diplomatic capital in impressing the world that there was no move to amass troops on the border. The Indian Establishment both in the MEA and Defence Ministry underlined the fact that there was no move to send additional troops to the borders and any extra activity in the area was usual for this time of the year, when small unit level exercises are staged. New Delhi was not unaware that the ISI continued to make attempts to sow misinformation to bring about a situation in which western countries would lose sight of the main issue at hand.

307. Presidential Statement¹ issued at the end of the debate on terrorism in the UN Security Council.

New York, December 9, 2008.

"The Security Council, underlining that peace and security in the world are indivisible and taking into account the interconnection and interdependence of the world, reaffirms that terrorism in all its forms and manifestations constitutes one of the most serious threats to international peace and security and that any acts of terrorism are criminal and unjustifiable regardless of their motivations, whenever and by whomsoever committed. It further reaffirms its determination to combat threats to international peace and security caused by acts of terrorism by all possible means in accordance with the Charter of the United Nations.

"The Security Council welcomes recent statements by intergovernmental organizations condemning all forms of terrorism, including suicide bombing and hostage taking, which build upon the universal condemnation by the international community of unlawful acts of terrorism, including against civilians, that cannot be justified or excused under any circumstances or pursuant to any political, philosophical, ideological, racial, ethnic, religious or other consideration and reaffirms the need for Member States to work together urgently to prevent and suppress such acts.

"The Security Council emphasizes the central role of the United Nations in the global struggle against terrorism.

"The Security Council reaffirms the importance of all its resolutions and statements on terrorism, in particular resolutions 1373 (2001) and 1624 (2005), and stresses the need for their full implementation.

"The Security Council renews its call on States to become parties as soon as possible to all relevant international conventions and protocols relating to terrorism and to implement those they are party to.

"The Security Council believes that terrorist safe havens continue to be a significant concern and reaffirms the need for States to strengthen cooperation in order to find, deny safe haven and bring to justice, on the basis of the principle of extradite or prosecute, any person who supports,

¹ The Statement by the President came after members expressed deep concern over "continuous terrorist attacks around the world", during which some speakers warned that the Mumbai carnage of 26 to 29 November could mark a new stage in the violence.

facilitates, participates or attempts to participate in the financing, planning, preparation or commission of terrorist acts or provides safe havens.

"The Security Council reaffirms the importance of the work of the committees established pursuant to resolutions 1267 (1999), 1373 (2001) and 1540 (2004) and continues its support and guidance to the committees.

"The Security Council particularly expresses its support for, and commitment to contributing to the implementation of, the United Nations Global Counter-Terrorism Strategy (A/60/288) of 8 September 2006 and welcomes the adoption by the General Assembly of resolution 62/272 which reaffirmed this strategy and its four pillars and called for its implementation in an integrated manner and in all its aspects.

"The Security Council emphasizes that enhancing dialogue and broadening the understanding among civilizations, in an effort to prevent the indiscriminate targeting of different religions and cultures, and addressing unresolved regional conflicts and the full range of global issues, including development issues, will contribute to international cooperation, which by itself is necessary to sustain the broadest possible fight against terrorism.

"The Security Council condemns in the strongest terms the incitement of terrorist acts and repudiates attempts at the justification or glorification of terrorist acts that may incite further terrorist acts. It reaffirms the importance of countering radicalization and extremism that may lead to terrorism and preventing exploitation of young people by violent extremists.

"The Security Council, reaffirming that the promotion and protection of human rights for all and the rule of law is essential to an effective counter-terrorism strategy and that effective counter-terrorism measures and the protection of human rights are complementary and mutually reinforcing, reminds States that they must ensure that any measures taken to combat terrorism comply with all their obligations under international law, in particular international human rights, refugee and humanitarian law.

"The Security Council emphasizes the importance of technical assistance aimed at increasing the capabilities of Member States in the fight against terrorism by addressing their counter-terrorism needs.

"The Security Council believes that the strengthening of mutual trust among Member States of the United Nations will facilitate the creation of conditions

for a successful fight against terrorism, and that success in that fight will positively reinforce peace and security in the world.

"The Security Council, deeply concerned with the continuous terrorist attacks around the world, calls on all Member States of the United Nations to renew the degree of solidarity manifested immediately after the tragic event of 11 September 2001, and to redouble efforts to tackle global terrorism, dedicating significant attention to bringing to justice the perpetrators, facilitators and masterminds of terrorist acts while expressing deep compassion with all victims of terrorism.

"The Security Council will continue to follow developments in order to organize as efficiently as possible its efforts in combating terrorism."



308. Excerpts from the Intervention of Prime Minister Dr. Manmohan Singh in Lok Sabha during discussion on the Recent Terrorist Attack in Mumbai.

New Delhi, December 11, 2008.

Mr. Speaker Sir, As I rise, I am acutely conscious of the fact that acts of terror are on the increase and we have lost lives of many citizens in these dastardly acts. I am conscious that our systems and procedures need review. On behalf of the Government, I would like to apologise to our people for the fact that these dastardly acts could not be prevented.

As far as Mumbai is concerned, it was a very calculated and sinister attack, intended to cause widespread terror and damage to the image of India. The forces behind these attacks wanted to destabilize our secular polity, create communal discord and undermine our country's economic and social progress.

Each one of us has condemned this horrible incident and also extended our deepest condolences to the bereaved families and sympathies to those who have suffered injuries. We have all saluted the courage and patriotism of the Police and security forces, including the special forces, like the NSG and the Naval Commandos. This nation is proud of them. I also note with great sorrow the number of foreign nationals who have been victims of this onslaught. I have personally spoken and written to leaders of countries apologizing for the loss of their nationals.

Nothing that we can say or do will compensate for the lives that have been lost. But it is important to ensure that the memory of their sacrifice does not get dimmed with the passage of time. Parliament must resolutely reinforce our nation's determination to defeat terrorism and destroy it root and branch. The scourge of terrorism has to be, and will be, fought with determination. All means and measures needed for this purpose will be utilized.

Our immediate priority is to restore a sense of security to the people of India. We will not countenance a situation in which the safety and security of our citizens are violated with impunity by terrorists or other militant forces.

I believe that we have to work at three levels. Firstly, we have to galvanize the international community into dealing sternly and effectively with the epicentre of terrorism, which is located in Pakistan. The infrastructure of terrorism has to be dismantled permanently. This is for the good of the

entire world community, including the well being of the people of Pakistan themselves.

Several Heads of State and Government have spoken to me in the wake of the terrorist attacks in Mumbai. Each one of them praised India for demonstrating restraint. They agreed that strong action should be taken against those responsible for these acts. I conveyed to them that we could not be satisfied with mere assurances. The political will of the international community must be translated into concrete and sustained action on the ground. It is time for the international community to squarely confront the challenge of terrorism. The use of terrorism as an instrument of state policy is no longer acceptable. There should be no double standards in the global fight against terrorism. There are no good or bad terrorists. There is no cause that justifies the massacre and killing of innocent people.

We need effective steps not only to bring those responsible for the Mumbai attacks to justice, but also to ensure that such acts of terrorism do not recur.

I am happy that the United Nations has taken the step today to put sanctions on four individuals of the LeT, including Hafiz Muhammad Saeed, and on the front organizations under which the LeT was operating such as the Jamaat-ud-Daawa. This is the kind of purposeful action that we believe should be pursued in a sustained manner by the world community to ensure that the entire infrastructure of terror is dismantled.

Secondly, we have taken up strongly with the Government of Pakistan the use of their territory for launching an attack of this kind and the need for the strongest possible action against the perpetrators of such ghastly acts. The world community must be convinced that action by Pakistan against the brutal perpetrators of these crimes against humanity will be effective and will be sustained over time.

We have so far acted with utmost restraint. But let not our commitment to civilized norms be misconstrued as a sign of weakness. Every perpetrator, organizer and supporter of terror, whatever his affiliation or religion or location, must pay the price for such cowardly and horrific acts against our people. We have noted the reported steps that have been taken by Pakistan. But clearly much more needs to be done and the actions should be pursued to their logical conclusion.

Thirdly, we need to recognize as a nation that we cannot depend on either of these two approaches for obtaining the outcomes that we desire. The Mumbai incident has highlighted gaps in our preparedness to deal with these kinds of assaults. We need to equip ourselves more effectively to deal with this unprecedented threat and challenge to our country's integrity and unity.

The Home Minister has already outlined a number of steps that are being taken. The Administrative Reforms Commission report has taken a comprehensive look at the problem of terrorism and the course of action that the Commission has indicated is under the active examination of the Government.

The need for stronger measures to protect our coastline has been highlighted before, but the progress on ground in this regard has obviously been tardy and too slow. We are strengthening maritime security against asymmetric threats from the sea. Since there are currently multiple agencies tasked with coastal security, it has been decided that the sole responsibility of guarding the coastline would be entrusted to the Coast Guard. The Indian Navy would provide the necessary back-up support to the Coast Guard for this purpose. This would come into effect immediately. Special security and protective arrangements are being put in place for all major ports. Similar steps have been initiated for guarding sensitive installations in the vicinity of our shore line.

Arrangements for securing our air space taking into account conventional as well as non-conventional threats have been streamlined. Real time monitoring of aircraft movement jointly by the Air Force and the civil authorities has begun. Air defence measures to prevent intrusion of rogue / unidentified aircraft are in place.

The attacks highlighted the need to be able to act in response to such incidents with much greater speed. We have worked out a mechanism for a comprehensive crisis management response. It has already been decided that the National Security Guard should be decentralized and dispersed and should be located in major metropolitan areas. At the same time, arrangements must be put in place such that rapid response units can reach other locations without loss of time. Till such time as the strength of the NSG is increased, and new units are trained, the Special Forces available with the Army, the Air Force and the Navy and other civilian agencies will be used. Commando units would be created by each State.

We have already decided to strengthen the legal framework to deal with terror and also to set up a national investigation agency. As promised by the Home Minister these Bills would be brought to the House at the earliest.

As has been indicated, mechanisms have already been put in place to provide more timely intelligence to pre-empt future terrorist attacks. Daily meetings at the level of the Home Minister are being taken. The Multi Agency Centre of the Intelligence Bureau will be concentrating exclusively on collecting, collating and disseminating information relating to terrorist threats. Integration and coordination among the various intelligence agencies is being improved. The States have been requested to energize intelligence collection at the district level to produce more actionable intelligence.

While we will be taking a number of short-term and long-term measures, there is a general consensus that the long-term strengthening of our security will only take place by strengthening the police establishment, particularly at the local level. We are committed to police modernization and will spare no effort and no resource to undertake this task within a definite timeframe. We must provide our security forces with the modern and sophisticated equipment they require to tackle the increasing sophistication of terrorist crimes. The morale of our security forces is of utmost concern and importance and if there are any deficiencies these will be made good. The country needs a modern and efficient police force to deal with the twin challenges of security and development in this day and in this age.

The terrorist attacks in India have tried to sow communal divide in the country and weaken our polity and our social fabric. We have emerged stronger with every challenge, and will do so again. I have no doubt that the Mumbai attacks will also fail in their nefarious designs. All political parties have an obligation to unite against communal hatred and discord. We cannot fight and win this war against terrorism if we are a divided house.

In conclusion, I wish to say that it is in times of adversity that the true mettle of a nation is tested. We must remain calm and be resolute. We should stand firm as one nation and one people to meet this challenge posed by terrorism. We will give a fitting rebuff to our enemies. The idea of India as a functioning democracy and a pluralistic society is at stake. This is a time for national unity and I seek your cooperation. Truth and righteousness are on our side and together we shall prevail.



309. Intervention of External Affairs Minister Pranab Mukherjee in the Lok Sabha during the debate on terrorist attack in Mumbai.

New Delhi, December 11, 2008

Thank you, Mr. Speaker, Sir. First of all, I would like to express my thanks to all the three hon. Members who have made their contributions up to now, and many more who would be participating.

While making his Statement my colleague the hon. Home Minister pointed out that I would intervene to point out certain external factors and elements associated with this attack. Had it been merely confined to a law and order situation arising out of the violent attack, perhaps there would have been no need of my intervention as the External Affairs Minister. But all of us are fully aware, and it has been pointed out now that the epicenter of this attack and not only this one, but also the series of attacks prior to this attack – is located in a neighbouring country.

Mr. Speaker, Sir before I proceed I would through you like to make an appeal. Perhaps, this is one of those debates of this House, which will draw maximum international attention: we are meeting immediately after the attack. Its international dimension have been noticed since the 26th of November and is still continuing. Concerns have been expressed by a large number of leaders from international community. More than 16 Heads of the States and Governments have spoken to Prime Minister over telephone and expressed their concern. Almost every Head of the State or Government have sent written messages. I have received a very large number of calls from my counterparts all over the world, and most of them not only expressed their solidarity with us but they have also expressed their confidence that India would be able to overcome this problem.

Mr. Speaker: I want to also inform that I have got messages from the Presiding Officers of the National Assemblies of many, many countries, to share our agony.

Shri Pranab Mukherjee: Thank you, Sir.

So, this is the atmosphere in which we are discussing this issue. Democracy is always accompanied by dissension but at the same time there are occasions when keeping aside dissension on minor issues, we unite on major issues, and we express our views in a united manner. Therefore,

this is one such occasion I would like to suggest to hon. colleagues that all of us should rise to this occasion.

Sir, 164 precious lives were lost. More unfortunately is that of these 164—every death is unfortunate but this is much more—more than 26 persons who lost their lives belong to other countries. They were our guests. When I expressed my condolences to the Foreign Ministers of those countries, the first thing I did was that I conveyed my apology, my regret to the 13 Foreign Ministers whose citizens were killed, including the Foreign Minister of Israel. I said that they were our guests and we could not protect them, I sincerely apologize to you. Of course, most of them pointed out that it is not our fault because terrorism has assumed a dimension which is not confined to any individual country and not confined within the territorial boundary of any State. It has really become cross-border. It has really become an international phenomenon.

We have all expressed our sense of outrage and the anger which the Indian people have felt. Had it been a single occasion, perhaps, it would not have happened to this extent and would not have assumed that level of anger and sense of outrage which we have witnessed this time.

When this event was taking place, when the attacks were going on, just a couple of hours before that, I was in bilateral talks with the Foreign Minister of Pakistan who was in India as my guest and who had come to India on my invitation. The next day we were to attend a joint seminar at Chandigarh essentially to discuss how to further improve people-to-people contact and improve the relationship between our two countries. This attack took place just then. Of course, after that, it was not possible for me to go to Chandigarh. The Pakistan FM returned after two days. I will come to this aspect a little later.

But, with reference to the depth of anger and the sense of outrage in the country, our people expect us, the people expect this country to rise to the occasion and to come to a resolute action which will convey the message that the territorial sovereignty, the territorial integrity of this country cannot be played with, it cannot be ignored and nobody should dare to attack us. This message must be conveyed.

Look at the series of events which have taken place and the location of recent bomb attacks. Jaipur is a most important tourist centre, Bangalore is the hub of Indian intellectuals and of science and technology, Ahmedabad is one of our most important industrial centres and Mumbai is our financial

capital, the commercial capital of India. Are these mere coincidences? Are these only accidental? Or, is there a design? There is a method behind these. This is not the time to dissect the entire framework because that will take some time. Most respectfully I would like to submit that whatever be the depth of our anger, we shall also have to keep in mind that this is a phenomenon which cannot be easily switched off or switched on. We shall have to patiently confront it. Those who have propagated the thesis of inflicting thousand cuts upon us after failing to win a battle or to defeat this country in open armed conflict, they have done so as a deliberate exercise to cause great harm to this country but this country has grown from strength to strength.

We are not provoked. We have no intention to be provoked. All sorts of propaganda have been built up. That we have mobilised our Armed forces, that we have suspended air links, stopped every other activity, etc. Nothing in fact has happened. Yes, we have conveyed our sense of outrage and have conveyed the depth of our feeling. I talked to the Pakistan Foreign Minister over the phone on the 28th of November and every word of it was from a written text as per diplomatic norms and every word of this conversation is on record

A canard was spread simply depending on a hoax call that India is going to attack Pakistan; that our Armed Forces are mobilized; and that the Indian Foreign Minister has threatened the Pakistan President over the telephone. Most respectfully, I would like to submit that I have great respect for Mr. Asif Ali Zardari, the President of the Republic of Pakistan. But I have had a conversation with him only once and that was when I visited Pakistan in May 2008 and called on him. This was before he became the President and he was the Leader of his Party. It was the first and the last conversation that I have had with him.

Nobody would believe, and particularly in the case the establishment of a duly constituted Government as to how can the Foreign Minister of one country simply pick-up the phone and talk to the President of another country? These things cannot be done. These calls are fixed in advance. Even if the Foreign Minister speaks to another Foreign Minister, the time is fixed, the call is fixed, and all these things are routed through the foreign office. This type of thing does not happen. But what is worrying us is that if the establishment of a duly constituted Government believes in these types of things and tries to act on it, then it may sometimes cause major problems.

Various issues have been raised from the Foreign Ministry angle, and I would like to respond to some of them. Mr. Advani has suggested that we should go to the United Nations Security Council (UNSC). Mr. Salim has suggested that we should build-up an international campaign. I agree with both. Yes, we should build-up an international campaign against terrorism, and we should talk to all the countries concerned that this is not an India-Pakistan issue. This is not an issue related to the Jammu and Kashmir. This is an issue which is part of the whole issue of global terrorism. In almost every Annual Session of the UN General Assembly we, from India, have been tabling a Resolution that it is high time that there should be a Comprehensive Convention to deal with the problem of cross-border terrorism, it is the biggest menace to world peace and tranquillity in the post cold-war era. Unfortunately, it has not been possible to achieve this yet, but we are trying and will continue to do so.

We must keep in view that international relations depend on very delicate relations, and we should not try to distort a situation. We have our own domestic problems, and the Government of the day will have to deal with that. But this is an issue where adequate pressure has to be built-up and adequate pressure is being built-up.

This is an assurance that I can give you. I have spoken to more than two dozen Foreign Ministers and all of them agree – this is just not our view, this view has been shared by a large number of countries with whom we had interactions and with whom we had discussions – that they came from Pakistan and the whole exercise required long-term planning. It is just not that somebody comes with AK-47 rifle and indiscriminately fires and kills people and then tries to run away, or is killed. It was not like that at all in this case.

A most important dimension of this terrorist attack is that for the first time a terrorist attack in India has targeted foreigners – the targets were the Jews and other foreigners present. I have talked to my counterparts and informed them of the steps we have taken. Formally, I spoke to the Pakistan Foreign Minister on the 28th evening around 7-7.30 p.m. which was followed up by what is described in the diplomatic language as a 'speaking note'. Thereafter, on the 1st of December, we lodged a formal demarche. There we urged that they must take action against certain organizations which are indulging in terrorist activities and against a number of fugitives who have committed crimes in India and who have violated the Indian laws and are taking shelter there. We said please arrest them and hand them over to us.

The Leader of the Opposition wanted to know whether we have taken up the extradition and return of Dawood Ibrahim. This has been done in every meeting with Pakistan at the level of the Home Secretary, at the level of the Foreign Secretary and at the four meetings of the Joint Anti-Terror Mechanism. We have given them a list of 42 persons – not one; not 20, but a list of 42 persons. We have also pointed out that mere denial is not going to resolve the issue. We said that you may deny their existence, but how are you going to convince your own people when these faces appear on the television screen?”

I have been asked or suggestions have been made to me as to why I am not responding when some arrests have taken place in Pakistan. As per newspaper reports, some camps have also been closed. My response is very simple. I was waiting for the Parliament to commence its sittings. I will respond here. Please follow it up seriously as exactly the same scene was played after the attack on Parliament in 2001. Therefore, action has to be carried to its logical conclusion by banning the organizations and by complete dismantling of the infrastructural facilities available on that side to facilitate the terrorist infiltration and terrorist attacks in India. Lashkar-e-Toiba is a banned organization in Pakistan. But by simply changing names and changing signboards, its activities have continued. How does that help us? The headquarters are the same, the ideologies are the same and activities are the same.

I am glad to inform you that this morning the UN Security Council has declared Jamat-ud-Dawa, the latest outfit of Lashkar-e-Tayyiba, as a banned organisation. Four people, including those who we had suggested, are listed as terrorists by the UNSC. We are told that in the names included is that of Hafiz Sayed. We were told by an international interlocutor that there was information that this man was arrested. However, within twenty minutes I heard from our Mission that this man was appearing on the television screen in an interview!

Masood Azhar has been house-arrested. What does ‘house arrest’ mean? The law in Pakistan is the same as the Indian Penal Code. The criminal laws are the same. In criminal cases there are two kinds of custody that could be contemplated - one is judicial custody and the other is police custody. Is this a convincing step?

I have no quarrel with the democratic Government of Pakistan. We welcome the return of democracy to Pakistan. Perhaps I was amongst the first Foreign Ministers to visit Pakistan after the new Government was installed. On

behalf of the Government of India I conveyed our sincere desire to take steps to move forward and to build up our cooperation. I invited the Foreign Minister of Pakistan to come and also to participate in a seminar in Chandigarh jointly to explore the possibilities of enhancing people-to-people contacts.

On the question of the non-state actors, are the non-state actors coming from heaven? Are they coming from a different planet? These non-state actors are located in the territory of a particular country. The non-state actors are operating from within a particular country. What we are most respectfully suggesting to the Government of Pakistan is that please act. Mere expression of intention is not adequate.

We have been assured by Pakistan in this regard, not once but twice. On the 6th of January, 2004 – Shri Advani was the Deputy Prime Minister and Shri Atal Bihari Vajpayee was the Prime Minister then – President Musharraf in his joint statement with Prime Minister Vajpayee gave the solemn assurance that Pakistan's territory will not be allowed to be used by terrorists. This was reiterated on 24th September, 2008 by another President of Pakistan, President Asif Ali Zardari. But, you find that terrorists are still coming from Pakistan.

The Home Minister has more information. It appeared in some newspapers that the controllers of these attacks, of those who were conducting the attack, when the action was underway, were instructing them to do this and do that, are in Pakistan. We do feel sometimes, and I do agree with Mr. Salim in this, that we have to draw many lessons from this. In their anxiety to beat the other channels in publicity, some channels were showing crowds of people on the screen. Instructions then came to the terrorists to throw a grenade at the crowd.

Some lives were lost because of the anxiety to get publicity. If the camera was not focused there and if the crowd was not seen there by those who were monitoring from outside, perhaps these things would not have happened. So, we have to draw the lessons of where to stop and where to pause.

Our brave soldiers have sacrificed their lives, a graphic picture of which has been given by the Home Minister: the way the Maharashtra ASI took bullets in his body to facilitate the capture of the terrorist by other police personnel, we, ordinary mortals, cannot even think of such sacrifices. Hats off to him. I salute our security people. When they were sacrificing their

lives, from a safe distance if somebody thinks, that he will defeat his competitors by getting larger viewers by giving updated news, he may serve the interests of the company but surely he or she will not serve the interest of the nation. Most respectfully, I would like to submit that is the lesson we have to draw of where to stop and where we have not to go.

Mr. Speaker, Sir, I read the article of President, Asif Zardari in the New York Times. I have full sympathy for him when he says that events of Mumbai reminded him of the time when Benazir was assassinated. There is a book written by Mrs. Benazir Bhutto and published in Great Britain Schuster Limited in 2008. I am just quoting one point that will reflect the internal situation. I quote:

“But in Pakistan things are almost never as they seem. There are always circles within circles, rarely straight lines. This was meant to look like the work of Al-Qaeda and the Taliban and I do not doubt that they were involved. Elements from within the Pakistani Intelligence Services had actually created the Taliban in the 1980s and certain elements sympathised with Al-Queda ideologically and theologically. Some had recruited for and worked with it. I had identified those I suspect in my letter to the General.....”

(‘General’ means President Pervez).

“.... before my return.”

This is written by whom? If she was alive, she would have become the Prime Minister of Pakistan today or the President.

Now, that may be the internal situation. This is exactly what I told my interlocutors that you have to appreciate it and do not try to have a general straightjacket formula that this is a dispute between India and Pakistan, Kashmir is the bone of contention, solve the problem of Kashmir and everything will be in place.

Mr. Speaker, Sir, most respectfully I would like to submit, I do not believe in this straitjacket simple formula. It is a complex situation. I have no doubt of that. We want to encourage democratic institutions and the democratic system in Pakistan but it is not for us to decide how. We cannot deliver this. It is for the people of Pakistan, it is for the institutions of Pakistan and it is for the civil society of Pakistan to undertake this job. And most respectfully I would like to submit that simply by raising hysteria that a big power is going to attack Pakistan and trying to divert attention, taking the plea of a hoax call from the Indian Foreign Minister to the Pakistan President

is not going to yield results.

We expect some positive steps from Pakistan. Of course, it is for them to decide. Most respectfully I say that we have suggested several times, in all international and in all bilateral fora, in our dialogue and in our communication with them that please deny them sanctuary, accept the facts and try to resolve the situation, and that we are ready to help. While having discussions with the Prime Minister over phone, it was offered that Pakistan DG, ISI would be coming to India. But within hours, this was denied. That may be the internal problems of Pakistan, but how is it going to help India? If they are not able to resolve their internal problems, they will have to find a way out. The international community can only help them.

But we cannot completely ignore history. In the name of preventing the advance of communism, they are armed to the teeth, resulting in the rise of the Taliban. I remember a conversation between two former Prime Ministers sometime in the early 1980s. I can mention the names of the former Prime Ministers. It was Mrs. Indira Gandhi and Mrs. Thatcher. I was the eye witness and it was a breakfast meeting. In reply to a question Smt. Gandhi asked, "Tell me, is there a single shot from Pakistan that had been fired in any direction, other than India?" There was no answer.

We are fully aware of the situation; I am not indulging in jingoism or in any such sort of thing. But I am simply expressing my anger. This is the feeling of the Indian people. We have to deal with them – I know that I cannot change my neighbour and I cannot live with my neighbour in perpetual tension. That is the policy that we have been following. But we expect that the issues will be addressed, the issues cannot be ducked; and issues cannot be sidelined.

Mr. Speaker, Sir, with these words, I conclude.

Sir, I most respectfully submit that I have circulated a draft of a Resolution to the hon. Leaders. After this, we can sit with them, if they want to have some sort of a discussion. But as the very nature of the debate, the rule under which it is being discussed, it does not end in the adoption of a Resolution. So, it cannot be the outcome of the discussions, because if I understand correctly, you are allowing this discussion under rule 193; and normally the Parliament expresses its sense through a substantive motion, either under rule 184 or something like that. But they are technical issues. It does not matter, and so, at the end of the debate, we can adopt the Resolution.

Mr. Speaker: You may leave the issue of rules to me.

Shri Pranab Mukherjee: I am leaving it to you, Sir. You are the master and you will look into it. We express our views on this.

Shri Mohan Rawale: How long we are going to talk to Pakistan? You said there is evidence against Pakistan. Then why don't you attack Pakistan?(original in Hindi))

Shri Pranab Mukherjee: That is not the point. That is not the issue. I am making it quite clear that that is not the solution. Let us be very clear and frank that that is no solution. Thank you.



310. Intervention of External Affairs Minister Pranab Mukherjee during discussion in Rajya Sabha on the Terrorist Attack in Mumbai.

New Delhi, December 11, 2008.

Mr. CHAIRMAN: The hon. Minister for External Affairs wishes to intervene in the discussion.

The Minister of External Affairs (Shri Pranab Mukherjee): Mr. Chairman, Sir, while making the statement in the morning to the House, hon. Home Minister indicated that I would intervene in the debate from certain Foreign and External Affairs Ministry angle. Sir, had it been merely a question of violent action by some individuals or some groups on a property or on individuals, there would have been no necessity for my participation in the debate or in the discussion. That was perfectly within the domain of the Home Ministry.

But, there are certain external angles which are to be looked into and which are really a matter of concern. The point which we shall have to keep in mind is, perhaps, this is for the first time that in a terrorist attack a large number of foreigners belonging to 13 countries were the target. Sir, 26 foreigners lost their lives, about 22 injured and all of them belong to 13 different countries. I deeply mourn the loss of their lives. And, of course,

the loss of life of every individual who became the victim of this senseless violence is a matter of deep concern. The hon. Home Minister has, in his elaborate statement, pointed out and recognized that there were certain omissions and certain gaps. He was candid enough to admit it. And there is no hesitation to admit it. On his first visit to Mumbai after assuming the office, he tendered his apology and rightly so.

Sir, all the evidence available, unfortunately, point that the epicentre of this terrorist activity is in our neighbouring country. I do not blame the Government of Pakistan or the people of Pakistan. But, at the same time, I cannot ignore the fact that the elements who perpetrated this attack and even the controller of this entire operation were located in Pakistan. That is the evidence which is available, and this has been shared not only by a couple of countries, but a large number of countries shared this perception.

Sir, Mr. Yechury, while speaking, mentioned about mobilisation of international opinion. One feature which I have noticed after this attack is the overwhelming support, sympathy and expression of solidarity that we have received from the international community. Sir, more than 16 Heads of the States and Governments spoke to the hon. Prime Minister. Almost every Head of the State and Government sent message. A very large number of Foreign Ministers, almost everyday, since 27th November, have talked to me over telephone expressing their solidarity with us, extending their support, if we need, in this hour of difficulty. So, there is no lack of mobilisation of international support, because the message which we have conveyed and we have conveyed very clearly in my conversations as well as in the conversations with the Prime Minister is that this is not an India-Pakistan issue, this is a part of global terrorism. The terrorist activities are spreading, cutting across the territorial borders. Terrorists are no respecters of any geographical territory; it is an international phenomenon. Therefore, it has to be looked into from that perspective. And, the international community will have to fight against this terror.

When I talk of the international opinion, it includes the international opinion coming from our neighbourhood also. The Foreign Ministers, the Heads of States, the Heads of Government of every country, which you have referred to, have talked to us. I myself had discussions with the President of Sri Lanka, with the Foreign Minister of Nepal, with the Foreign Minister of Pakistan also. Therefore, please have some patience. And, I do not subscribe to the view that all our neighbouring countries are not friends of India. Each and every one of them is a close friend of India. If somebody

believes that all of them are subscribing to terrorism, he may have that belief but I do not subscribe to the belief that every neighbouring country is indulging in terrorist activities against India. It is not that. Therefore, we shall have to keep in mind that when we are expressing our views on the floor of this House, we shall have to be a little careful. Mr. Chairman, Sir, this debate is being watched by the entire international community, including our neighbours, to see how, after this incident, the Members of Parliament, representing all cross-sections, are responding to a situation that is considered an attack on India's sovereignty. So, everybody is watching how India is going to respond to it; how the leaderships of the political establishments, represented in both the Houses, are going to react to it. Keeping that in view, I would most respectfully, as one of your ex-colleagues and -- if I claim, I may not be wrong -- perhaps, as the longest serving Member of this House, like to submit that we shall have to keep that in the back of our mind while making our observations.

'Yes', we may have different views and different perceptions. On more than one occasion and more often than not, they will manifest themselves. After all, what is democracy? Democracy is the co-existence of dissensions. Without dissensions, there cannot be proper democracy. There will be divergence. There will be dissensions. But, there will be also occasions when the two Houses, political parties and political establishments will stand united and talk collectively. This is a menace on which we shall have to fight collectively. 'Yes', we can find fault. There is no harm in discussing and analysing it. But at the end of it, this menace has to be fought. There is no denying this fact. I was talking of the international dimension of the problem. It required detailed planning. I was not aware and I don't know how many hon. colleagues sitting here were aware that Nariman House; a particular place known as Nariman House was the hub of Jewish activities. Somebody coming from outside had detailed information. Why was it fixed as a target?

It is not that just some terrorists are coming and throwing grenades or suicide bombers are coming and just activating the explosives, killing their targets. The entire nature, as the hon. Home Minister has elaborately explained in his statement, was totally different. Its enormity, its ferocity, its dimension, the strength of its operations speaks of how much time, how much energy, how much training, how much planning was necessary for this operation. The point which I am trying to drive at is, the needle of suspicion points to Pakistan. Therefore, I sent my demarche to the Pakistani authorities. I spoke to the Foreign Minister. He was very much in India. He

was my honoured guest. I had invited him to discuss how to improve Indo-Pak relationship, not only at the Governmental level but at people-to-people level. On 27th of last month both of us were to address a seminar at Chandigarh where participants, apart from the Government officials, included a cross-section of people representing the general public. He came for that and it was also a part of his unfinished bilateral visit because when he came in response to my visit in May 2008, he had to rush back and cut short his visit because of a bereavement in his family. So, he wanted to fulfil these two objectives. In between, these things happened. When it happened, on 28th I talked to him. I spoke to him over phone. Shri Janeshwar Mishraji was a senior Minister in the Government, surely, he knows and many of you know that we do not make these types of conversations casually.

These conversations are recorded and they are called Speaking Notes in diplomatic language. I conveyed that diplomatic Speaking Note; every word of it was recorded and it was from the written text. I suggested three things to him. I suggested that we would expect Pakistan to act; to act to fulfil its own commitments made, not once, but twice, commitments made by the highest authorities in the Governments. On 6th January, 2004, in a joint statement issued by the then Prime Minister, Shri Atal Bihari Vajpayee and the then President, Shri Parvez Musharaff, the President committed that the territory of Pakistan would not be allowed to be used by terrorists.

This was reiterated on 24th September, 2008, in a joint statement issued by the President Shri Asif Ali Zardari and the Prime Minister, Dr. Manmohan Singh -- the same assurance -- that the territory of Pakistan would not be allowed to be used by terrorists. What I said in the demarche was to call on Pakistan to fulfil this commitment. The banned organisation, Lashkar-e-Taiba, has been declared as a banned organisation, but is operating under another name -- Jamat-ud-Dawah. It is just the change of name, or, the change of sign-board. Persons are the same, leaders are the same and objectives are the same. Please take action against it. Please take action against those persons who have taken shelter in your country, who have violated Indian laws. Kindly hand them over to us. And, not merely words, please act. Words are no consolation. Not only to Pakistan but also to every interlocutor with whom I have had a conversation, I have pointed out Indian people's sense of outrage and their feeling of anger. Please recognise that. And, it is required that words must be followed by action. Merely flat denial is not going to help. It has to be acted upon.

And you fulfil your own commitments. What you have asked us, we have given the names, not of one or two persons but of 42 persons. Meetings at the level of the Home Secretaries of India and Pakistan, at the level of the Foreign Secretaries have been held, and four meetings of the joint anti-terror mechanism have also been held. This mechanism was established in November 2006. March 2007 onwards, in every meeting--four meetings have taken place -- we give these names but the response which we get is a flat denial. That is why we had to point out and we pointed out that unless these issues are addressed, business, as usual, cannot go on. This aspect has to be kept in view. Somebody might have come out with a thesis that it is not possible to defeat this country through open war; therefore, inflict thousand cuts. Let them die bleeding. Somebody may have this fancy idea but our people are not going to die bleeding. India is emerging and India will rise. India has emerged as an strong economic power, more than a trillion dollars economy. Despite the worldwide melt down, in most of the ratings of our economic growth, the minimum growth which has been projected by the World Bank is more than six per cent, even in today's newspapers, it is 7.5 - 8 per cent which is the envy of the world.

But that is a different story. The Finance Minister will be dealing with it at the appropriate time. The short point which I am trying to drive at is that if you want to cause harm to the others, if you create a Frankenstein, a monster, ultimately it is the lesson of history and civilisation, that the monster destroys its creators. Umpteen examples could be cited. Therefore, I do appreciate the complexity of the internal arrangement of Pakistan. But I cannot help it. I cannot interfere in it. I cannot make any comment on it. It is for them to address that issue. We have to deal only with the incumbent Government. Now, whether the incumbent Government is in a position to deliver or not is not my look-out. I cannot look into it. With whom shall I have to interact? I have to interact with Foreign Minister, with President, with Prime Minister, with the established Government, not with somebody, the so-called real power behind the scene. That may be practical politics. But that is not the domain of diplomacy, and, in the international arena, I shall have to deal with established Government. Therefore, I shall have to convey to the Foreign Minister. Unfortunately, a canard was spread that I telephoned the Pakistan President. Later on, it was discovered that it was a hoax call. Most respectfully, I would like to submit, Sir, that only once in my life I had a discussion, not telephonic, but face-to-face, oral discussion, with the President when I visited Pakistan in May, 2008. I called on him because I knew his wife when she was the Prime Minister of Pakistan in the first half of the nineties. On several occasions I had interactions with

her. I knew her for quite some time. In fact, I was very keen to go and pay homage when she was killed but because of the prevailing situation in Pakistan, I could not go there.

Therefore, when the new democratic Government came, perhaps, India was the first country to send its Foreign Minister to have interaction with the newly elected Government. You have noticed that during the entire period, I have never commented a word, uttered a word, about the internal situation of Pakistan because when I was confronted by the foreign journalists, my response was 'I have great belief in the resilience of Pakistan's system, they will address their own problems. They will find a solution. Therefore, when the democratic Government came to power, was in place, I went there, started discussions, began the 5th round of composite dialogue, invited Foreign Minister. But after that, Kabul happened. On the 7th of July, there was an attack on our Embassy in Kabul. As per international law, attack on an Embassy is an attack on sovereignty, attack on the country. In the height of war, as per Vienna Convention, Embassies and Missions ought to be honoured. Afghan investigations pointed out the involvement of some elements in Pakistan. When we drew attention of the Pakistani Prime Minister and Foreign Minister to that, we got the response, 'we don't believe that evidence, we will investigate ourselves and we will let you know.' We are still waiting for the outcome of their own investigation into the Kabul incident.

If, after Kabul, Mumbai follows, can it be taken as business as usual? Can these incidents be erased or kept aside? I told my interlocutors in the international community that these issues ought to be addressed; you persuade them, you prevail upon them and you help them overcome their internal problem if there be any. I have no comment on it. I would not like to make any comment on their internal situation, internal mechanism and method of functioning. It is for them to address that. When there was the military government, we cooperated with them, but not at the dictats of somebody. That has been our practice. Whoever comes and gets recognised as the incumbent government, we recognise them. We are not to decide whether there will be a democratic government, whether there will be a military government or whether there will be an oligarchical government. It is for the people of the country to decide, not us. We recognised them. And, in our Foreign Policy, I must emphatically point out, that we do not believe in export of ideology. We believe that we cannot alter our neighbours. Neighbours are going to stay there and we have to live in peace with the neighbours. The question is whether we would live in

peace or in perpetual tension. During the entire period that we have been in office, even earlier, our efforts have been to live in peace. Therefore, there will be no lack of peace initiative. But, at the same time, these issues ought to be addressed; and addressed adequately.

A point has been raised that we should move international institutions like the United Nations Security Council¹. Yes, we have moved where it was found necessary that we should move. As per the Resolution of the UN Security Council, a committee was set up, it was the Al Qaida and Taliban Sanctions Committee. When we pointed out that evidence is available that the outfit in Pakistan, Jamat-ud-Dawah, was an extension of Lashkar-e-Toiba under a different name, and asked them to take action against them, I am happy to inform the House, they have taken action against them; it has been put in the banned list. I read the speech of the representative of Pakistan in the UN Security Council. He said that if the UN Security Council bans it, we shall ban it in Pakistan. We said, 'fine, you ban it'. What we suggested in the demarche was -- don't do it at our request; do it on your own, but please do it. You carry out investigations under your own law but please make efforts to do it seriously. Don't repeat what you did after the attack on Parliament. The same persons were arrested; the same organisations were declared banned when international pressure mounted. And we have seen what happened after that.

Somebody has been put under house arrest. What does house arrest mean in a criminal case? We understand that somebody is on bail given by the court or if somebody is in judicial custody or police custody. But these persons were openly making speeches and statements, indulging anti-Indian activities. Therefore, we demanded dismantling of the infrastructure, training camps and logistic facilities, which were being made available to these terrorist outfits.

We are not lacking in co-operation. On October 21st, we initiated cross

1 The Foreign Minister of Pakistan in a statement issued on December 12 following the adoption of the Statement of the Chairman of the UNSC took the position that while it was obligatory for Pakistan to take action against the Lashkar-e-Taiba and Jamaat-ue-Daawa and certain other trusts, as far as certain other individuals said to be of Pakistani origin in Mumbai terrorist attacks are concerned the Government of Pakistan had already initiated investigations on its own and but it was difficult to complete investigations and take action against them unless credible information and evidence was furnished by India." He added that New Delhi had not yet furnished those details. "As far as Pakistan's own investigations are concerned, these will be pursued in accordance with our own laws. Pakistan is committed to internationally respected concept of "due process," said Pakistan Foreign Minister Mr. Qureshi.

LOC trade between our two countries. We opened the bus routes starting from Lahore, and till today, there have been umpteen instances where we have extended our hand of co-operation. But, if somebody takes the hand and tries to twist it and expect that I will accept it without protest, I am afraid, that is too much. It cannot be allowed. The time has come when words must be followed by action and that is the simple request which we are making. Surely, we would not like to make Kashmir an international issue. We told our international interlocutors that this is an issue to be dealt with as per Shimla Agreement, as per Lahore Agreement.

It will have to be resolved bilaterally, however difficult, however strenuous, however time consuming it may be. There is no scope of any third-party intervention and we stick to that. Therefore, we would not like to internationalise it. It is as simple as that. Whatever arrangements, gaps in the security apparatus and other areas are - I am not competent to respond. The Home Minister and the Prime Minister are the competent persons. They will respond and reply. But, from the international point of view, certain facts have to be shared. Another point, which we have very respectfully pointed out to the Pakistani authorities, is that you are saying that the Government is not responsible. I have never claimed, I have never accused that Pakistan Government is responsible. Very carefully, I have used the words 'elements in Pakistan'. If they come from Pakistan, if the controller operates from Pakistan, if the satellite phone available on the ship records the conversation with the persons located in Pakistan, what does it mean? These things cannot be completely ignored – that is simply not possible. This is the short point which we have conveyed very clearly, unmistakably and we expect that they will act. And, if they do not act, then, it cannot be expected that there will be business as usual. There will be some sort of a situation which we do not want because we strongly believe that our development is linked together. But, there must be arrangements in place within the system prevailing in Pakistan to control these elements. And, they themselves are suffering because of it. Therefore, instead of shielding them or protecting them, please take action against them. They have suggested a high-level delegation. What would be the impact of the high-level delegation?

What will it mean? There is no dearth of talks. There is no dearth of mechanisms. Joint anti-terror mechanism is there; Framework of Composite Dialogue is there; eight subjects have been identified, and where we want, we can have talks; we have had talks. Till now the Indus – Water Treaty Pact is working well. Despite open declaration of war, nobody violated the conditions of that Treaty. But in the area of taking concerted actions, strong

actions against terrorism, I am afraid that there is something lacking which is to be addressed. This is the message we have conveyed clearly to them and to all other international interlocutors with whom we have had discussions. Surely, we are in touch with everybody, and we are strongly against internationalising, or making any effort to internationalise, India-Pakistan relationship, or Kashmir issue. Those are not issues under discussions at all.

These attacks as a part of global terrorism have to be addressed but it has to be addressed with patience, with courage and with conviction. There is no need to unnecessarily become too strong in formulations, in our approaches. I do not believe in it. If somebody suggests that there should be an eye for an eye, I do not subscribe to that because Gandhiji once said, in that case, the whole world will be blind. I believe in that. Many years ago, Moses, perhaps, brought out this philosophy of "An eye for an eye, and, a tooth for a tooth" but today the civilization has made more advancement. We would like to resolve the issues coolly, and, we do hope that good sense will prevail.

I remember having read the article of Mr. Zardari, I appreciated it. I felt the anguish of the man who lost his wife in the senseless terrorist attack, and, the letter which she wrote to the then President was really revealing. It was published by a publishing house of London. I quoted a few lines from that book in the other House. I would not like to quote it again. But the message is that a complex system had been created in Pakistan, and, she said that everything is a circle within a circle, there was no straight line. Perhaps time has come when there should be straight lines. Sir, it would help them, and, it would help us. Thank you, Mr. Chairman,



311. Resolution passed by the Parliament on the terrorist attack in Mumbai.**New Delhi, December 12, 2008.**

THIS HOUSE

expresses its unequivocal condemnation of the heinous terrorist attacks in Mumbai by terrorist elements from Pakistan, destroying hundreds of innocent lives and seeking to destroy the values that India stands for;

Notes that this outrage follows acts of terror committed since the beginning of this year in various places across India and on the Indian Embassy in Kabul;

Notes with deep concern the fact that Lashkar-e-Toiba, a terrorist organization that is listed in the UN Security Council Resolution 1267 and is banned in Pakistan, has continued to operate and launch terrorist attacks against India;

Notes the Government's firm intention to review circumstances leading up to the attacks on Mumbai and to take further measures as may be necessary to safeguard national security;

ON BEHALF OF THE PEOPLE OF INDIA, FIRMLY RESOLVES THAT

- India shall not cease her efforts until the terrorists and those who have trained, funded and abetted them are exposed and brought to justice;
- India shall firmly counter all evil designs against its unity, sovereignty and territorial integrity;
- India will remain resolute and will be victorious in its fight against the barbaric menace of terrorism; and
- That the ideal of a secular and democratic India shall prevail.



312. Interview of External Affairs Minister Pranab Mukherjee with Karan Thapar in the TV programme: 'Devil's Advocate'.

New Delhi, December 14, 2008.

Interviewer (Mr. Karan Thapar): Hello and welcome to Devil's Advocate.

How should we assess Pakistan's response to the terror strike on Mumbai? That is the big issue I shall explore today with the Foreign Minister Pranab Mukherjee.

Foreign Minister, let us start with the responses from Pakistan so far. Reports say that LeT offices have been raided; Jamat-ud-Dawa offices have been sealed; newspapers claim that perhaps as many as seventy people have been either arrested or detained including Masood Azhar, Hafiz Mohammad Sayeed, Zaki-ur-Rahman Lakhvi; and they say that the action is continuing. Does this begin to look like a meaningful first step?

External Affairs Minister (Shri Pranab Mukherjee): Let us wait and see whether these actions are taken to their logical conclusion. You know what happened after the attack on Parliament in 2001. Almost similar type of action was taken at the initial stage when the international pressure was mounting. But after that it was let off. Therefore, we will have to see whether these are taken to their logical conclusion. So far as JuD is concerned, I understand that the Security Council Committee has declared it as an outfit of the banned Lashkar-e-Toiba. The response which we have received through the media - of course there is no official communication from Pakistani to us - is that the Foreign Minister and other Pakistan authorities reacted that they will fulfill their obligations as per the international requirement.

Interviewer: Are you now waiting to see that they keep that word?

External Affairs Minister: I am not waiting only for that; I am waiting to see whether these steps are pursued seriously; followed up to their logical conclusion; the infrastructure facilities available there for the terrorists are totally dismantled; and the outlawed or banned organizations do not reappear with a new name, with a new signboard but with the same old faces.

Interviewer: I understand that. But I also note that Admiral Mullen, the American Chairman of the Joint Chiefs of Staff, has described the steps

Pakistan has taken as very positive; he has called them great steps. Now today you met the American Deputy Secretary of State John Negroponte. What impression did he give you about America? Do they think Pakistan has taken effective steps or are they prepared to wait like you for full measures to happen?

External Affairs Minister: I would not like to disclose what transpired between me and Negroponte fully because I understand he is going to have an interaction with the media. But he shared his perception and we conveyed our perceptions to him. We clearly pointed out that we would like to see that these steps are taken to their logical conclusion; words must be followed by action.

Interviewer: Pakistan has proposed a high-level political delegation which they want to send to India. And they said that this is different from their original idea of a joint commission. How do you respond to that?

External Affairs Minister: I would like to have the official communication first. That is because in response to my demarche, in the first sentence itself it was stated that they were considering various aspects (of our demarche). As to what would be the composition, what would be the nature, what would be the task; we do not know anything. I must (first) know what is this high-level delegation which will come, what is the purpose.

Interviewer: So this has not been officially communicated to India as yet.

External Affairs Minister: No.

Interviewer: It has only been mentioned in the press by Pakistan.

External Affairs Minister: In their response they have said that they would like to send it but no details have been available to us.

Interviewer: So, you are awaiting clarification.

External Affairs Minister: Yes.

Interviewer: One of the proposals Pakistan has made earlier, which your Government has indicated you are not impressed by, is their suggestion of a joint investigative mechanism under a Joint Commission headed by the two NSAs to look at the evidence. Why is that not a step forward?

External Affairs Minister: From our past experience we have seen that various mechanisms are already in place. Take the case of the Joint Anti

Terror Mechanism. What was the purpose of Joint Anti Terror Mechanism? It was to share information, intelligence, and thereafter to follow it up. In four meetings which have taken place since its establishment, nothing has been produced. It has yielded no results. It was an exchange of views, and thereafter it was not followed up.

Interviewer: So, in fact, your experience leads you to believe that the investigative mechanism they are suggesting would be equally ...

External Affairs Minister: I am not coming to any conclusion but we think that whatever they committed, whatever they are to do, let them do it first.

Interviewer: Now, late last night the Pakistan Foreign Minister Shah Mehmood Qureshi went on television to say that the steps they have so far taken are on the basis of investigations they have done on their own, but now they need evidence from India to go further. Do you think that evidence from India can be made available since he is publicly asking for it?

External Affairs Minister: Whatever evidence we have we can make it available. But you know this is a case we are also investigating. We have not come to a definite conclusion. Therefore, at this juncture perhaps it would be premature to share the evidence.

Interviewer: But at the right time you are prepared to do so.

External Affairs Minister: We have shared the evidence in the past. The point I am repeating is that it has not been followed up and it has not been taken to its logical conclusion.

Interviewer: Absolutely. In the past they have, in a sense, not taken it further. But you are also saying that when you reach your conclusions you will be prepared to share evidence this time round.

External Affairs Minister: If it is needed, surely I would like to share it with them.

Interviewer: The Pakistan Ambassador at the UN has gone public on television to say that they would like access to the terrorist in India's custody Ajmal Kasab so that they can be satisfied that he is genuinely a Pakistani.

External Affairs Minister: I do not think I have received any formal communication from the Pakistan Embassy.

Interviewer: So, once again they are communicating through the media, not doing it officially.

External Affairs Minister: I do not know. At least to my knowledge it has not yet reached me. I do not know whether it has reached at a lower level. I will find it out.

Interviewer: But is this something that could be possible?

External Affairs Minister: How can I say it right now? Are they claiming that this man is a Pakistani citizen? I do not know! Have they claimed the dead bodies? I do not know!

Interviewer: In fact, their newspaper Dawn has done an interview with Ajmal Kasab's father who has recognized the picture and accepted it is his son.

External Affairs Minister: Everything is appearing in the media. But the fact of the matter is that there is a way of communication between two Governments.

Interviewer: And that is not happening.

External Affairs Minister: Up to now it has not happened.

Interviewer: From everything you know about what happened in Mumbai, do you believe that this was primarily the work of non-state actors, or is there any truth to a report put out by PTI late last week that the Government has evidence that suggests that ISI is officially involved as well?

External Affairs Minister: Look, I am not interested in having trial by media. These are the areas of investigation. After investigation it is taken to the court, the due process of law and procedure established by law should follow. Therefore, I am not in a position to share any of this information. It is due to the media inquisitiveness that people may be interested in it, but being in the Government I am not interested in it. The second point which I would like to suggest is that non-state actors are not coming from heaven, as I told Parliament yesterday. They do not come from a different planet. They live and function from and within the territory of a particular country.

Interviewer: In this case Pakistan.

External Affairs Minister: In this case Pakistan. That is why repeatedly I said, "elements from Pakistan". That is the phrase I have used meticulously.

Interviewer: And that is the phrase you prefer to use at this moment. You do not want to be more specific.

External Affairs Minister: I would not like to be more specific unless a definitive conclusion is arrived at by the investigating agencies and they prosecute the person. There is a legal system in our country, which will take care of it. Till then we will have to keep (retain) whatever information we have, in the interest of the prosecution and a fair trial.

Interviewer: I understand. Let us come briefly to the demarche you have given to the Pakistan Government. There has been a lot of speculation about it in the press. Am I right in saying that the truth is you have given Pakistan three or four names but you have not specifically asked for extradition; what you have asked for is that you would like them to take action; and you are happy if that action happens without ascribing it to India? Am I correct in characterizing it like that?

External Affairs Minister: No. What I have told them is that there are two categories of people involved. There are some people who have committed crimes in India, have left India and have taken shelter in Pakistan, like Dawood Ibrahim. We are asking the Pakistan authorities to hand over persons like these to Indian authorities so that there can be trials as per Indian laws here. There are persons who are Pakistan citizens, who are indulging in terrorist activities. Let them be arrested, let them be tried as per Pakistan laws. One person I am particularly mentioning is Masood Azhar. He was in Indian custody. We had to hand him over to the hijackers of the Indian plane in Kandahar. He is available in Pakistan. Very often he appears on the television screen in Pakistan. I do not understand what difficulty Pakistan Government has in handing him over to us? Pakistan Government did not demand his return. The hijackers demanded that they would release our passengers in the hijacked plane if we handed over the man who was in our custody. So, why can't the Pakistan Government hand over that man to us? And what is the point of keeping him under house arrest?

Interviewer: I understand. This is in a sense a critical test of their sincerity and their genuine cooperation.

External Affairs Minister: I am not making a value judgment. I am asking them to do what I wanted them to act upon. I am telling them that twice at the highest level they had given assurances that Pakistani territories would not be allowed to be used by terrorists to carry on activities against India. Please dismantle them, and please prove that it (Pakistani territory) is not being so used!

Interviewer: In these circumstances, as Foreign Minister, would it be proper and fitting for the Indian cricket team's tour of Pakistan to go ahead? Or do you think it should be reconsidered?

External Affairs Minister: Do not mix politics with cricket. Of course, I do not think that a conducive atmosphere prevails right now. But the authorities (who decide) are different. Taking into account all circumstances they will decide.

Interviewer: But as you say, do not mix politics with cricket.

External Affairs Minister: Yes.

Interviewer: How do you respond to Asif Ali Zardari's article in The New York Times? Do you see it as an expression of political sentiments that are genuine and warm?

External Affairs Minister: The article speaks of the agony of a person who himself is the victim of a terrorist attack. Therefore, everybody who has read that article will have sympathy and will be in agreement with him. Therefore, it is not a question of persons or individuals. When you discharge some public functions, how are you discharging that public function is important. What role he plays as President of Pakistan to fulfill the commitment which he gave to our Prime Minister is important here.

Interviewer: In other words, his words may be reassuring, but they must be matched by proper action.

External Affairs Minister: Proper action. Words must be followed by proper action.

Interviewer: So, when Asif Zardari writes in his article that reconciliation and rapprochement is the best revenge against the dark forces that are trying to provoke a confrontation between Pakistan and India. You say, "As a sentiment that is fine, but if you do not have action, then it does not work."

External Affairs Minister: It will remain merely a sentiment. It will produce nothing.

Interviewer: So, at this moment, Asif Zardari has to prove he means what he says, he means what he writes.

External Affairs Minister: Not only that, it is not a question of an individual. It is a question of the holder of the high Constitutional executive office.

Interviewer: Does he, as you analyse his position, actually have power to do and implement what he says; or is he checked by the Army and checked by the ISI?

External Affairs Minister: How can I comment on the internal mechanism of Pakistan? It is not for me, it is for the authorities of Pakistan, people of

Pakistan, to decide who will function as per their own Constitution; in what manner, in what way. I am not sitting in judgment on that.

Interviewer: Mr. Mukherjee, let me start this part by putting to you something that Veerappa Moily, the Congress Spokesman and General Secretary, has said on television about a week ago. He says that if Pakistan does not shut down terrorist camps, India will step in and act on its own. Is that your Government's position, or is that just a statement Mr. Moily has made?

External Affairs Minister: Government's position, which I have already stated, is that every sovereign Government would like to take all steps necessary to protect its citizens and to protect the territorial integrity of the country and its sovereignty. So far as Congress Spokesperson Veerappa Moily's observations are concerned, it is the reflection of the sense of outrage and sense of anger among the Indian people, at this attack on Mumbai by terrorist elements from Pakistan.

Interviewer: On Thursday in Parliament, I believe in response to a question that was asked, you ruled out the option of war. But Yashwant Sinha, one of your predecessors, went public that night and said that India must not rule out the military option.

External Affairs Minister: Every individual is entitled to hold his view. So, I cannot gag Mr. Yashwant Sinha or anybody else. What I can say is what I believe and what the position of the Government of India is that war is not the solution to the problem.

Interviewer: In which case, how much time are you prepared to give Pakistan before you come to the conclusion that they simply are not taking effective action?

External Affairs Minister: It depends on how fast, how quickly Pakistan responds; or whether they respond at all or not. Therefore, it is not possible for me to indicate any timeframe right now.

Interviewer: Are you worried that at the moment anger and passion in India is at a high pitch, and may be people will become impatient if you give Pakistan too much time; and yet if you do not give Pakistan enough time to act, there is pressure on you internationally? In a sense you seem to be caught in between.

External Affairs Minister: No, this is not a question of being caught between

two. This is a question of getting things done the way one should feel it should be done. We have demanded certain things from Pakistan. We hope and expect that the new dispensation - which has come in Pakistan through the democratic process, with the restoration of democratic system there - would fulfill its commitments. That is our hope and expectation, though we know from our past experiences that these assurances are observed more by breach than by compliance.

Interviewer: A lot of your hopes and expectations centre around the new civilian regime and Asif Zardari has only been President for less than three months. Are you a little perturbed by this hoax call controversy that the system in Pakistan and perhaps the President himself were a little gullible and got taken in by a hoax call?

External Affairs Minister: I am a little concerned about the type of hysteria which developed as a result of this hoax call. If the Government is guided or takes certain actions on receiving a hoax call, then surely it is a matter of concern to everybody. But factual position is that, as I explained earlier, there was no question of me calling the President of another country. Normal diplomatic courtesy demands that the President should be spoken to by the Prime Minister and I can have a conversation with my counterpart which ...

Interviewer: And Asif Zardari should have known this?

External Affairs Minister: ... which I actually had with the Pakistani Foreign Minister Mr. Qureshi. But that was not in Islamabad. He was very much here in Delhi at that point of time on 28th evening. And every word of it was recorded as per our system - (there is) no question of calling up President Zardari. Why should I call him?

Interviewer: Pakistan has multiple centers of power and no one is certain who is the absolute authority. There is the army, there is the civilian President, there is the ISI. How difficult is it to deal with a country where you are not quite sure where power lies?

External Affairs Minister: It may be difficult but we have no option. I cannot change the internal mechanism of functioning in Pakistan. That is for the Pakistan authorities and rulers to decide.

Interviewer: Mr. Mukherjee, a pleasure talking to you on Devil's Advocate.



313. Response of Official Spokesperson to question about protest from Jamiat-i-Hind to the Ministry of External Affairs at the reference made by the Pakistan's Permanent Representative to the United Nations at the UNSC debate.

New Delhi, December 16, 2008.

"The Jamiat-Ulama-i-Hind has complained¹ to the Ministry of External Affairs protesting at the language used and aspersions cast in the statement by the Pakistani Permanent Representative at the UN Security Council during the open debate on Threats to International Peace and Security on 9th December, 2008. In the protest, it was pointed out that this was a shameful attempt to deflect attention from the real culprits. It is understood that the Jamiat-Ulama-i-Hind has sent protest letters to the Pakistani High Commissioner in New Delhi as well as to the United Nations Secretary General.

Statements such as the above by the Pakistani Permanent Representative are indeed regrettable. The Darul Uloom Deoband is one of our highly respected institutions of Islamic learning."



1. It may be recalled that during the UNSC debate in New York on December 9 on the question of terrorism, the Pakistani Representative Abdullah Haroon had made a gratuitous suggestion that the respected clerics at Deobandi school in Deoband in the Indian State of Uttar Pradesh issue a fatwa (religious edict) appealing to Pakistani terrorist organizations to give up the path of terrorism, implying perhaps that this highly venerated organization, dedicated to propagating the finer points of the holy Quran, and its universal message of brotherhood, had links with the Pakistani terrorist outfits. It was natural for them to protest to the Government of India at this uncalled for and unwarranted remarks.

314. Response by Official Spokesperson to a question on alleged Pakistani air space violations.

New Delhi, December 18, 2008.

"Today morning the Pakistani Foreign Office handed to our Mission in Islamabad a Note Verbale alleging air space violations by Indian aircraft five days ago. These same allegations were first reported in the Pakistani and international media for several days and are a part of Pakistani disinformation campaign¹.

It had been made clear by Gol when we saw the reports that no violations of Pakistani air space by Indian aircraft have taken place. This was also conveyed to the Pakistani side when the Pak DGMO raised it verbally with our DGMO on the evening of 16th December 2008, three days after the alleged violations.

The Note Verbale given by the Pakistani Foreign Office today will be examined and responded to appropriately by the Government of India."



1. It is noteworthy that the alleged violations, denied by the Indian Air Force, said to have taken place a week earlier when Pakistan had taken hardly any note describing them as "technical" and "inadvertent" and not an unusual occurrence when planes fly at a height of 40,000 to 50,000 feet. Now suddenly Islamabad chose to express concern about the incidents. The demarche made to the Indian Deputy High Commissioner, Manpreet Vohra, listed four 'violations' by IAF aircraft on December 12 and 13. Under the agreement between the two governments, the two air forces must not cross into a 10-km zone from the border on their own side. Pakistan now alleged that in two incidents, the aircraft crossed this 10-km limit. Two other alleged incidents, in which the IAF planes were alleged to have crossed into Pakistan, fell into the category of "airspace violations." While the IAF denied these intrusions ever happened, President Asif Ali Zardari said earlier this week that the planes had committed a "technical" incursion. Pakistan's Information Minister Sherry Rehman said the violations were "inadvertent." What was interesting about the demarche at this time, was that it came in the backdrop of the media reports of heightened activity of Pakistani air force along the India-Pakistan border, and this disinformation was intended to justify it.

315. Press Release issued by the Ministry of External Affairs on the handing over of a letter to Pakistan Acting High Commissioner from Kasab.

New Delhi, December 22, 2008.

The Acting High Commissioner of Pakistan was called to MEA this evening and handed over a letter written by the Pakistani national in our custody, Mohammed Ajmal Mohammed Amir Kasab, who was involved in the terrorist attack on Mumbai on 26-28 November 2008. In his letter addressed to the Pakistan High Commission, Kasab has stated that he and the other terrorists killed in the attack were from Pakistan and has sought a meeting with the Pakistan High Commission¹.



316. Response of Official Spokesperson to a question on Pakistan's statements about defending their borders.

New Delhi, December 23, 2008.

"The talk of war or creating war hysteria is diversionary. The issue is not defense of Pakistan but a terrorist attack¹ on India from Pakistan."



1. In the three-page letter written by the lone surviving Lashkar-e-Taiba terrorist Mohammad Ajmal Amir Kasab involved in the attacks in Mumbai on November 26, claimed his Pakistani identity and asked the High Commission to extend to him legal aid etc. He also insisted that the other killed terrorists were also Pakistani nationals. The Acting High Commissioner of Pakistan Afrasiab was handed over the letter. The terrorist claimed his entitlement to legal help from his country to fight his case in Indian courts. Media quoted senior Mumbai police officials to say that the letter contained minute details of each of his nine accomplices. It mentions not only their addresses but also the names of their handlers, including four important Lashkar-e-Taiba figures: Hafeez Saeed, Zakir-ur-Rehman Lakhvi, Kahafa and Abu Hamza.

1. In order to obfuscate the issue of Mumbai terror attacks, the Pakistani leadership issued bellicose statements and media picking up the cue also whipped up hysteria in the wake of reports of Pakistani troops movement and its fighter aircraft making maneuvers on major Pakistani cities.

317. Response of Official Spokesperson to a question about arrest of alleged Indian nationals in Pakistan.

New Delhi, December 26, 2008.

"There have been reports in the Pakistani media that several Indian nationals have been arrested over the last two days in Lahore and Multan, and are being accused of being terrorists¹.

Since it has also been reported in the Pakistani media yesterday that the senior police officer in Lahore was unaware of the arrest in his city, it seems that this is the work of other agencies in Pakistan that operate outside the law and civilian control.

Indian citizens are therefore advised that it would be unsafe for them to travel or be in Pakistan."



¹ To obfuscate the issue of terror attacks on Mumbai by Pakistani nationals, Islamabad perhaps created an incident and arrested a person which it was claimed was an Indian national. No details were provided to establish the identity of the arrested man. The Lahore police said they were not aware of any incident of this nature in the city on that date. The Government of India thought it prudent to advise its citizens not to travel to Pakistan for the time being lest they should be framed in such fictitious and dubious cases by the Pakistani authorities to get even with India.

SRILANKA

318. Statement of Official Spokesperson in response to questions about Sri Lankan Government's abrogation of Ceasefire Agreement¹.

New Delhi, January 4, 2008.

For India, any step that leads to a reduction in levels of violence and human suffering in Sri Lanka is welcome. Unfortunately, what we have seen recently has been an increase in violence, tension and conflict in Sri Lanka. At the same time, we are acutely conscious that what is required in Sri Lanka is a settlement of political, constitutional and other issues within the framework of united Sri Lanka with which all communities in Sri Lanka are comfortable. It is only through such a settlement that a lasting peace can return to that troubled country. We strongly believe that there is no military solution to the issue.



1 On January 3 Sri Lanka Foreign Minister Rohitha Bogollagama informed the Indian High Commissioner in Colombo that Sri Lanka had decided to abrogate the 2002 Cease Fire Agreement with the LTTE. On his part the High Commissioner told the Sri Lanka Foreign Minister that New Delhi was concerned about the current situation in the island and would like to see faster progress on a political package for the resolution of the ethnic conflict. On January 4 Mr. Bogollagama said the role of Norway in the peace process would be "re-defined" following the abrogation of the 2002 Cease Fire Agreement (CFA). At a news conference he said Norway had been engaged in the peace process since 2000 though he was not in a position to give an outline of its new role. He said the government was yet to approach Norway in this regard. A day earlier Sri Lanka had formally notified Oslo of its decision to terminate the CFA. "This notification was in terms of Article 4:4 of this Agreement and will take effect 14 days from the date of this notice i.e. 16th January 2008." Accordingly, Mr. Bogollagama said, the Status of Mission Agreement (SOMA) on the Establishment and the Management of the Sri Lanka Monitoring Mission (SLMM) dated 18th March 2002 between the Royal Norwegian Government and the Government of the Democratic Socialist Republic of Sri Lanka would also stand terminated with effect from January 16. The Minister said the CFA was executed by the then Ranil Wickremesinghe government without proper consultation with even the Cabinet. He said its original copy was not available with the government. Maintaining that the termination decision had been taken after careful consideration, he said the Agreement was "seriously flawed from the very inception". "It was entered into without proper consultation by the government of the day, with even the Cabinet Ministers not being privy to its contents. Legitimate concerns of the security forces had not even been taken into account. It had the effect of alienating the democratic Tamil political forces and focused solely on the LTTE. "However, notwithstanding these shortcomings evidently made in the hope that sustainable peace could be achieved, at no stage in its six rounds of talks from Sept 2002- March 2003 with the then government

**319. Extract from the T. V. Interview of External Affairs Minister
Pranab Mukherjee with Karan Thapar for the CNN - IBN.**

New Delhi, January 13, 2008.

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Karan Thapar: Last week the Sri Lankan government announced that with effect from January 15 it intends to abrogate the ceasefire agreement with the LTTE. In your eyes is this a mistake or this given the spate of LTTE attacks in recent months both understandable and perhaps also inevitable?

Pranab Mukherjee: We shall have to see what impact it has. Of late clashes between Sri Lankan forces and the LTTE terrorists have increased. So far as terrorism is concerned India's position is quite clear: zero tolerance. Therefore, any country that takes action against terrorists is free to do so within their legal system.

Karan Thapar: But you are not criticising Sri Lanka for abrogating the ceasefire accord?

Pranab Mukherjee: Because we are not party to it, please remember that. We were never a party to it; attempts were made to drag us to be a party to it but we scrupulously avoided it for obvious reasons.

Karan Thapar: I understand so you have no comment to make on the abrogation either.

Pranab Mukherjee: What I have stated is that so far as the fight against terrorists is concerned, it is one issue. But so far the solution to the problems of ethnic minority, including the Tamilians, so that their legitimate aspirations

did the LTTE seek to engage in any substantive political discussion aimed at moving towards a political settlement," said the Minister. He said the LTTE spurned all offers of discussing issues for a political settlement and continued its "duplicious action" of escalating CFA violations. He said the government while dealing militarily to eliminate the scourge of terrorism would spare no effort in its bid to arrive at a practical and sustainable political settlement. On January 4 itself Sri Lanka also announced that the Indian Prime Minister Manmohan Singh would not participate in the 60th Independence Day celebrations of Sri Lanka on February 4. Mr. Bogollagama clarified that though Sri Lanka had extended an invitation to Dr. Singh, the dates of his visit were yet to be worked out. Earlier the Minister had told Parliament that Sri Lanka had invited Dr. Singh to be the chief guest of the function on February 4 marking the 60th Independence Day. It would have been the first bilateral visit by an Indian Prime Minister in two decades.

are fulfilled within the system of Sri Lanka, that effort must not go lax and should continue to arrive at a solution.

Karan Thapar: It is well known that the Prime Minister has been invited to Sri Lanka to be the chief guest at their 60th anniversary celebrations, which are on February 4. Clearly this is a significant honour for the Prime Minister; the question is will he accept.

Pranab Mukherjee: It has not yet been decided.

Karan Thapar: But isn't it getting a bit rude and discourteous to Sri Lanka not to make up your mind, one way or the other?

Pranab Mukherjee: No, because we require time. As and when it is decided we will let you know, but no decision has been taken.

Karan Thapar: Are you hostage to Indian Tamil politics?

Pranab Mukherjee: No, that has nothing to do with it. Sri Lanka is going to host the SAARC summit this year, naturally we will be going there.

Karan Thapar: That is a commitment?

Pranab Mukherjee: Of course! That is a SAARC commitment, if it takes place. But if they don't hold this summit, then how would I go.

Karan Thapar: Then you are sure about the SAARC summit but you are not sure about February 4?

Pranab Mukherjee: Listen, if they hold the summit we would surely be going but so far to participate in their Independence Day no decision has yet been taken.

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**320. Extract relating to Sri Lanka from the Media Briefing by
Official Spokesperson.**

New Delhi, January 24, 2008.

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Question: I have a question on the Sri Lanka devolution package...

Official Spokesperson: Government of Sri Lanka has been good enough to share with us the interim steps which have been recommended by the All Party Representative Conference of Sri Lanka or the APRC for implementation of the devolution provisions and official language provisions of the Sri Lankan Constitution.

As you know, it has been consistently our view that a settlement of the issues in Sri Lanka is to be done by the Sri Lankan people themselves in a manner that is acceptable to all communities within the framework of a united Sri Lanka. The Government of India will continue to work with Sri Lanka and its people to bring about such a settlement of the issues in Sri Lanka. To the extent that the All Party Representative Conference's proposals contribute to such a settlement, they are a welcome first step.

Question: You welcome it. So, you are happy with it. Are you saying that?

Official Spokesperson: I just gave you a very detailed response. You will have to think and analyze it.

Question: Have they communicated any features of the devolution package?

Official Spokesperson: They have shared with us the interim steps that have been proposed by the APRC.

Question: What are those?

Official Spokesperson: It is not for me to share those with you.

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321. Extract relevant to Sri Lanka from the Statement of External Affairs Minister Pranab Mukherjee in the Lok Sabha on Foreign Policy Related Developments.

New Delhi, March 3, 2008.

India is closely monitoring developments in Sri Lanka and is concerned about the recent upsurge in the violence and conflict in that country. As hon. Members are aware, our policy towards Sri Lanka is based on the conviction that there is no military solution to the conflict. The way forward lies in a peacefully negotiated political settlement within the framework of a united Sri Lanka acceptable to all communities, including the Tamils. The interests of the Tamil community in Sri Lanka are a matter of particular significance to us in our dealings with Sri Lanka. With this in mind, we have welcomed as a first step the declared intention of the Sri Lankan Government to fully implement the 13th Amendment. We are also fully conscious of the need to provide for the safety of our fishermen. While it is important for our fishermen to respect the International Maritime Boundary Line (IMBL), especially keeping in mind the on-going operations in Sri Lanka, we have impressed on the Sri Lankan Navy to act with restraint and for our fishermen to be treated in a humane manner.

On March 19 the External Affairs Minister replied to a Short Duration Discussion in the Rajya Sabha on his above Statement made on March 3 and said¹ :

Sir, as far as the issues relating to Sri Lanka are concerned, we are addressing these issues. So far as laying of mines is concerned, there is an international convention and every country is signatory to it. Therefore, that will be taken up as per international norms and practice. In regard to the problems of fishermen, we are currently engaged and perhaps we will be able to arrive at a solution which would be acceptable to both countries and the fishermen will be benefited to a considerable extent. So far as training and other facilities are concerned, Sri Lanka is one of the countries which sends the largest number of trainees to our different Defence institutions, not today, but for quite some time. In regard to

1. For full text of the two statements of the External Affairs Minister Please see Document Nos.19 and 23.

political solution, I have already stated that we are encouraging them, we are advocating them and we want them to have this political solution which they have agreed to by the 13th Amendment of their Constitution by devolution of power so that the large ethnic minority feel assured that their legitimate aspirations are fulfilled within the constitutional framework of Sri Lanka.



322. Press Release of the Ministry of Home Affairs extending the ban on the LTTE.

New Delhi, May 15, 2008.

The Central Government has extended the ban¹ on the Liberation Tigers of Tamil Eelam (LTTE) as an unlawful association by two years. The notification to this effect was issued yesterday.



1. The ban was first placed on LTTE for a period of two years under Section 3 (I) of the Unlawful Activities (Prevention) Act, 1967 vide Notification dated May 14, 1992 and has been renewed every two years thereafter. The ban came in the wake of involvement of LTTE in the assassination of former Prime Minister Rajiv Gandhi. India's request for the extradition of its leader V. Prabhakaran is still pending with the Sri Lankan Government. In announcing the ban in the Parliament on May 14, 1992 the then Home Minister S. B. Chavan had said: "...Keeping in view the threat that the continued presence of LTTE in India poses to the security, sovereignty and Integrity of India, the Government of India has taken the decision to declare the LTTE as an unlawful association with immediate effect."

323. Briefing points by Official Spokesperson on the visit of Sri Lanka Foreign Minister Rohitha Bogollagama.

New Delhi, June 16, 2008.

- Foreign Minister of Sri Lanka H.E. Mr. Rohitha Bogollagama is currently paying a visit to India to convey invitations for the 15th SAARC Summit to the Indian Leadership. The SAARC Summit is to be held in Colombo in the beginning of August 2008.
- Mr. Bogollagama met the External Affairs Minister Shri Pranab Mukherjee and personally conveyed the invitation. He also briefed the EAM on the preparations for the forthcoming Summit particularly the need to continue the theme of connectivity which was the focus of the 14th SAARC Summit in Delhi last year. The two Ministers also discussed other SAARC related issues, such as the SAARC Development Fund, SAARC Standards Organization, South-Asia University and the SAARC Food Bank.
- The EAM also hosted a working lunch for the Sri Lankan Foreign Minister. Discussions over lunch covered developments in Sri Lanka, India ;V Sri Lanka bilateral relations and regional issues.
- Mr. Bogollagama is scheduled to call on the PM this evening.



324. Media Report on the visit of a High-level Indian delegation to Colombo.**Colombo, June 22, 2008.**

A high-level Indian team represented by the National Security Adviser M.K. Narayanan, Foreign Secretary Shiv Shankar Menon and Defence Secretary Vijay Singh made a two-day visit to Colombo. No announcement about the visit of the team was made officially either during the visit or at its end. Ostensible purpose of the visit was said to be consultations between the Indian and Sri Lankan officials on matters of mutual interest and as a precursor to Prime Minister Manmohan Singh's visit to attend the SAARC Summit scheduled in Colombo for the first week of August.

The visit aroused keen interest in the media in view of Indian anxiety to find a solution to the ethnic conflict in Sri Lanka acceptable to all stakeholders, the endeavours of the Rajapaksa government for a consensus within the country, the ongoing war in the north between the security forces and the LTTE. On June 21 media reports quoting sources in the Indian delegation expressed the hope that Colombo would find a peaceful solution to the ethnic conflict within the framework of a united Sri Lanka and reiterated its position that there was no military solution to the strife. The Indian viewpoint was articulated by the Indian team represented by National Security Adviser M.K. Narayanan, Foreign Secretary Shiv Shankar Menon and Defence Secretary Vijay Singh in a meeting with President Mahinda Rajapaksa.

A senior Indian official briefing the media informally said that the team held in-depth discussions with senior Sri Lanka government officials on issues of bilateral interest including the current security situation in the country against the backdrop of the war in the north between the security forces and the LTTE as well as matters related to the SAARC Summit scheduled in Colombo in August. "It is a very successful visit. The nature of discussions was constructive and useful," was how the Indian official summed up the outcome of series of meetings between the Indian team and its Sri Lankan counterparts.

The report said that the Indian side held extensive talks with Lalith Weeraratunga, Secretary to the Sri Lankan President, Defence Secretary Gothabhaya Rajapaksa, Basil Rajapaksa, Senior Adviser to the President, and the service commanders. The Indian team also met with representatives

of three Tamil parties, the Ceylon Workers Congress (CWC) leader and Minister, Arumugam Thondaman, PLOTE leader Dharmalingam Siddarthan and Tamil National Alliance Parliamentary Leader, R. Sampanthan. (The Tamil National Alliance is the parliamentary face of the LTTE.)

The perennial problem of fishermen of the two sides straying into each others waters and their subsequent treatment were also discussed.

The Sri Lankan side gave a detailed briefing to the Indian side on the efforts being made by the Sri Lanka President to forge a consensus within the country on a solution to the ethnic conflict acceptable to all sides, the commitment on the part of the regime for full implementation of the 13th Amendment to the Constitution pertaining to devolution of powers to provinces and the recent election to the Eastern Provincial Council.

A senior Sri Lanka official told the media: "The visit is part of the regular exchange of contacts at the highest official level between the two countries." It would be recalled that a three-member Sri Lankan official team had visited India in September 2007 and the present visit could be stated to be a return visit. (The Sri Lankan team had comprised Secretary to the President Lalith Weeraratunga, Defence Secretary Gothabhaya Rajapaksa and Senior Advisor to the President Basil Rajapaksa.)

Though there was no official briefing or word on the talks, a senior official of the Sri Lanka government termed the talks as 'free, frank and fruitful' covering the whole gamut of India-Sri Lanka relations. "India is not just our immediate neighbour but a close friend and major player in the region. This spirit was reflected at the talks," said the official.



325. Media Report on the meeting between Prime Minister Dr. Manmohan Singh and Sri Lanka President Mahinda Rajapaksa on the sidelines of the SAARC Summit.

Colombo, August 1, 2008.

Sri Lanka President during his meeting with the Indian Prime Minister told him that his regime was committed to implementing 'comprehensively' the provisions of the 13th Amendment to the Constitution on power devolution. Besides discussing situation in Sri Lanka, the two leaders also exchanged views on wide range of issues of bilateral and regional concern.

The plight of fisher folk straying into each other's waters figured prominently in the course of the talks. Both agreed on the need to deal with fishermen apprehended in Sri Lankan waters in a 'humanitarian manner.' A statement issued by the President's Secretariat after the talks said: Colombo urged India "to continue to discourage Indian fishermen from crossing the International Line of Demarcation, as their presence is used by the LTTE as cover for its activities." Mr. Rajapaksa told Dr. Singh that the All Parties Representative Conference (APRC) was expected to submit recommendations to forge a further political consensus of solution to the current crisis.

The Sri Lankan President said the security operations in the North were progressing and the security forces had been told to exercise utmost caution against casualties among civilians.

Prime Minister Dr. Singh conveyed to Mr. Rajapaksa that one cannot envisage a prosperous India without strong links with her neighbours, and the present SAARC Summit in Colombo provided an opportunity for such a partnership.

Sri Lanka was equally reassuring and President Rajapaksa told the Prime Minister that Sri Lanka valued the economic benefits Sri Lanka derived from the investments of Indian entrepreneurs. He took the opportunity to thank the Indian government for the development cooperation to Sri Lanka, including the rehabilitation of the tsunami-affected Southern Railway, for which a Memorandum of Understanding was due to be signed.

(During his stay in Colombo Dr. Singh also met the former Prime Minister, Ranil Wickremesinghe, the Tamil National Alliance (TNA) parliamentary leader R. Sampanthan and other political representatives.)



326. Press Release of the Ministry of External Affairs on the summoning of the Sri Lankan Deputy High Commissioner by the National Security Adviser.

New Delhi, October 6, 2008.

The Sri Lankan Deputy High Commissioner was summoned by the National Security Adviser today to express India's grave concern and unhappiness at the growing casualties of unarmed Tamil civilians as a result of military action¹. The escalation of hostilities in the North and the resultant fall out was leading to a great deal of concern in India. It was pointed out that there was need for the Sri Lankan Government to act with greater restraint and address the growing feeling of insecurity among the minority community. To stem the deteriorating humanitarian situation, the need to

¹ As the military operations in the Northern province of Sri Lanka against the LTTE led to displacement of a large body of Tamils in the North, thereby causing a major humanitarian problem, the Tamils in India particularly in the State of Tamilnadu expressed grave concern for the welfare of the Tamils in Sri Lanka. The political parties in Tamilnadu also equally felt concerned and articulated their concern to the Government of India to take necessary steps with the Government of Sri Lanka for the amelioration of the sufferings of the Tamils in the island. New Delhi naturally felt obliged to voice its concern to Colombo on the plight of the people there. New Delhi in doing so certainly did not have in mind any intention to interfere in the internal affairs of the neighbour but to draw its attention to the humanitarian problem and impress upon the Sri Lankan Government its oft repeated policy that there could not be a military solution to the ethnic problem which required a political solution. Colombo too was not unmindful of the humanitarian angle to the military operations and was deferential to New Delhi's concerns.

The Sri Lanka Foreign Minister Bogollagama in a statement in Parliament on October 7 said "LTTE does not represent the Tamil community in Sri Lanka. Therefore, military action against the LTTE should never be perceived as action against our brethren, the Tamil community. We are concerned about them and will work with them to ensure their welfare, security, and aspirations since they are our fellow citizens." Reminding members about reports of Mr. Narayanan expressing concern on the situation, the Minister reiterated Sri Lanka's policy of maintaining a close dialogue with India, with whom it has a 'time-tested relationship based on mutual goodwill and trust.' There was a clear recognition in the statement of the Foreign Minister that the problem was essentially a political one and therefore needed a political solution. Sri Lanka Government was at pains to impress on New Delhi and the international community that while looking for a political solution, its military operations were only directed against the terrorist organization, the LTTE which too was a proscribed organization in India for its involvement in the assassination of former Indian Prime Minister Rajiv Gandhi. To that extent there was convergence in the views of both India and Sri Lanka. The Senior Advisor to the President Basil Rajapaksa, who also is the brother of President said on October 12 that India's main concern was about the civilians in the North and the issues faced by the fisherfolk. "We have already taken serious note of addressing these issues and if there are some shortcomings we will address them soon".

revive the political process was highlighted. It was essential that vital supplies to the affected population were not disrupted in any manner.

Serious concern was also expressed at the continuing attacks on Indian fishermen, including the recent incident on September 27-28. This was not in keeping with the spirit of the understanding reached between India and Sri Lanka and recently reiterated in meetings held at the highest levels. The Sri Lankan Navy should cease such attacks and not lose sight of the humanitarian and livelihood dimensions of this issue.



327. Remarks of Prime Minister Dr. Manmohan Singh to journalists on the situation in Sri Lanka.

New Delhi, October 15, 2008.

On October 15, the Prime Minister Dr. Manmohan Singh told journalists in New Delhi that Sri Lanka must respect the human rights of ethnic Tamils. India already conveyed its views to Colombo, including when National Security Adviser M.K. Narayanan summoned Sri Lankan Deputy High Commissioner G.G.A.D. Palithagenegoda last week. Dr. Singh said the Centre was concerned at the escalating hostilities, losses suffered by civilians and increasing number of displaced persons. "We always believe that the situation in Sri Lanka does not call for military victory. It calls for a negotiated, political settlement which respects the unity and integrity of Sri Lanka and at the same time respects the essential human rights of minorities, particularly Tamil minorities." Dr. Singh expressed concern over harassment and killing of Indian fishermen by Sri Lankan Navy personnel. "We have made representations to the Sri Lankan government," he said and referred to Mr. Narayanan summoning Mr. Palithagenegoda last week to "let [him] know of India's intentions."



328. Statement by External Affairs Minister Pranab Mukherjee on the situation in Sri Lanka.

New Delhi, October 16, 2008.

The situation in Sri Lanka remains a matter of grave concern to us in India. We are particularly worried about the humanitarian¹ effect of

1 The official statement from the External Affairs Minister came on the heels of Prime Minister speaking to journalists the previous day expressing "serious concern" over the developments in Sri Lanka and urged Colombo to find a negotiated settlement rather than look for a "military victory". These concerns emanated from New Delhi as the LTTE in Northern Island came under heavy pressure from the Island's security forces and the Tamil politicians in Tamilnadu urging the Government of India to intervene to save the Tamils in Sri Lanka. Sri Lanka must respect the human rights of ethnic Tamils, Dr. Singh told journalists on October 15. (India had already conveyed its views to Colombo, when the National Security Adviser M.K. Narayanan summoned Sri Lankan Deputy High Commissioner G.G.A.D. Palithagenegoda last week.) Dr. Singh said the Centre was concerned at the escalating hostilities, losses suffered by civilians and increasing number of displaced persons. "We always believe that the situation in Sri Lanka does not call for military victory. It calls for a negotiated, political settlement which respects the unity and integrity of Sri Lanka and at the same time respects the essential human rights of minorities, particularly Tamil minorities." The Prime Minister also expressed concern over harassment and killing of Indian fishermen by Sri Lankan Navy personnel. "We have made representations to the Sri Lankan government," he said and referred to Mr. Narayanan summoning Mr. Palithagenegoda last week to "let [him] know of India's intentions."

Earlier on the 15th October itself Union Shipping Minister and DMK parliamentary party leader T.R. Baalu had apprised Prime Minister and External Affairs Minister of the situation in Sri Lanka. He handed over to Dr. Singh a letter written by Tamil Nadu Chief Minister M. Karunanidhi detailing an all-party resolution and action to be taken by the Centre to restore peace and protect the lives and livelihoods of Tamils in Sri Lanka. National Security Adviser M.K. Narayanan was present at the meeting between Mr. Baalu and the Prime Minister. Meanwhile Congress spokesman Manish Tewari said the United Progressive Alliance government had taken various steps at the highest level in Sri Lanka in the last few weeks. "We will continue to remain engaged with the Sri Lankan government and ensure that India's concerns get reflected." At the same time, he said, the Centre would ensure that its actions did not amount to interference in the sovereignty of the island nation.

In Colombo a senior Foreign Ministry official, however, said the government was "alive to the political sensitivities of various constituencies" in India and had been "engaged on a continuous basis in addressing the legitimate concerns" of New Delhi. "Indian High Commissioner too had a few meetings in Colombo including with President Mahinda Rajapaksa, reiterating the Indian concerns articulated in the demarche on October 6 when the Deputy High Commissioner was summoned by the NSA. Assurances have been conveyed at the highest level to New Delhi that Sri Lanka would take measures to address its legitimate concerns and the government does not believe in a military solution to the ethnic strife," the official told *The Hindu* in Colombo. Subsequently, senior adviser to President, Basil Rajapaksa, said on record that the government would take "some measures" to address New Delhi's concerns over humanitarian issues triggered by the ongoing war.

the continuing conflict on civilians who have been caught up in circumstances not of their making. It is essential that their rights be respected, that they be immune from attacks, and that food and other essential supplies be allowed to reach them. We have consistently made it clear that a return to normalcy cannot be brought about by military means or battle field victories. What is required in Sri Lanka is a peacefully negotiated political settlement which allows each community to realize its own potential within the framework of a united Sri Lanka.

2. Government of India will do all in its power to achieve this goal, to ameliorate the humanitarian conditions in Sri Lanka and has been making representations to the Government of Sri Lanka at several levels.
3. The other issue which is engaging Government's effort is the harassment and killing of Indian fishermen in neighbouring areas which must cease forthwith. Government will be taking steps to ensure this.



Mr. Rajapaksa emphasized that humanitarian issues related to the internally displaced in the north had been addressed. The main concern of India was about the civilians in the north and the problems faced by its fisher folk. "We have already taken serious note of addressing these issues and if there are some shortcomings we will address them soon," he said. Tamil Nadu Chief Minister M. Karunanidhi said on October 24 that the confidence reposed in the Union government that it would take appropriate steps on the Sri Lankan Tamils issue had not gone in vain. He told a public meeting in Chennai that the Prime Minister had spoken to him and assured him of prompt action. He also referred to Mr. Mukherjee's statement in Parliament on October 23 and said that all these had shown their concern for the welfare of the Tamils.

On October 16 in a telephonic interview to the Chief Editor of *The Hindu* Sri Lankan President Mahinda Rajapaksa said: "I am firmly committed to a just and enduring political solution" to the Tamil question in Sri Lanka and "am clear that there are no military solutions to political questions. Addressing the humanitarian situation of displaced people and civilians affected by the military conflict in the Wanni, he reiterated that his government was doing its utmost to meet their essential needs: "We are sending them food. We are feeding the LTTE, in fact, we know that 70 per cent of the food sent by the government goes to them."

The first reaction from Sri Lanka to New Delhi's expression of concern was a little disappointing in that the Foreign Minister Rohitha Bogollagama said he was surprised as to why those who are "screaming of a non-existing humanitarian catastrophe in Wanni" were silent about the plight of over 1 lakh Muslims forcibly evicted by the LTTE

329. Press Release of the Ministry of External Affairs on the telephone conversation between President of Sri Lanka and Prime Minister Dr. Manmohan Singh.

New Delhi, October 18, 2008.

President of Sri Lanka His Excellency Mahinda Rajapaksa telephoned Prime Minister Dr. Manmohan Singh today to discuss the recent developments in Sri Lanka.

During the telephone conversation, the Prime Minister expressed his deep concern on the deteriorating humanitarian situation in the North of Sri Lanka, especially on the plight of the civilians caught in the hostilities. He emphasised that the safety and the security of these civilians must be safeguarded at all costs. The Prime Minister also said that, in order to address the humanitarian situation, continued and uninterrupted relief

from the north in 1990. Mr. Bogollagama, who was on a visit to Australia, called on the UN Working Group under the Security Council's Counter Terrorism Committee to list the LTTE as an international terrorist group, while addressing the Australian Strategic Policy Institute. There was a further disappointment when the Sri Lanka Radio broadcast a 'misleading' news that President Mahinda Rajapaksa conveyed to New Delhi that his government would not halt the military operations in the north as demanded by some political parties in Tamil Nadu. But soon Colombo made it known that it was investigating as to from where the report emanated. The government ordered withdrawal of the item. "The question of the President conveying any message to India in the light of latest developments in Tamil Nadu simply does not arise as Colombo views it as an internal matter of India. Yes, on October 6 the government of India served a demarche on our Deputy High Commissioner in Delhi, articulating some concerns on the situation in the island and assurances at the highest level have been conveyed that Sri Lanka would do all it can to address the problems of the Tamils," the Secretariat told *The Hindu*.

When the Indian High Commissioner to Sri Lanka called on the Foreign Minister on October 17 and conveyed the 'grave concern' of India about the humanitarian crisis triggered by the ongoing war between the government forces and the LTTE, a statement issued by the Sri Lanka Foreign Ministry said, "The discussion centered on current issues pertaining to Indo-Lanka bilateral relations in the context of developments in the North and the East of Sri Lanka." Concerns being expressed in this regard in India were conveyed to Minister Bogollagama by the High Commissioner. "Foreign Minister Bogollagama stated that Sri Lanka is fully conscious of the concerns being expressed and understands the context in which these matters are being raised. The Minister assured that in the spirit of existing excellent bilateral relations, Sri Lanka intends to further discuss these issues bilaterally to address those concerns. It was indicated that bilateral consultation process in this regard could continue at appropriate levels," said a statement issued by the Sri Lanka Foreign Ministry. Senior political and official representatives of the Rajapaksa government were at pains to emphasise that Colombo was "alive and sensitive" to the "legitimate concerns" of New Delhi on various aspects related to the ongoing "operation liberation from LTTE terror" and its fall-out on the civilians caught in the cross fire.

supplies be ensured for the Internally Displaced Persons. President Rajapaksha assured the Prime Minister that all necessary measures are being taken to ensure the safety and wellbeing of the Tamil community in Sri Lanka.

Prime Minister Dr. Manmohan Singh further mentioned that the rights and the welfare of the Tamil community of Sri Lanka should not get enmeshed in the on-going hostilities against the LTTE. He reiterated that there was no military solution to the conflict and urged the President to start a political process for a peacefully negotiated political settlement within the framework of a united Sri Lanka. He also emphasised the need to nurture the democratic process in the Eastern Province.

The Prime Minister asked President Rajapaksa to instruct the Sri Lankan Navy to desist from firing on Indian fishermen and reiterated that killing of fishermen is unacceptable. They agreed to work on practical arrangements to prevent such incidents.



330. Suo Motu Statement by External Affairs Minister Pranab Mukherjee in Parliament on "Sri Lanka".**New Delhi, October 22, 2008.**

I rise to apprise this august House of the recent developments in Sri Lanka.

The situation in Sri Lanka is of serious concern to the Government, in particular the deteriorating humanitarian situation in the northern part of Sri Lanka. We are concerned about the plight of the civilians caught in the hostilities and the growing number of internally displaced persons. We have emphasised to the Sri Lankan Government that the safety and the security of the civilians must be safeguarded at all costs and that food and essential supplies be allowed to reach them unhindered. We have been assured that the safety and wellbeing of the Tamil community in Sri Lanka will be taken care of. In this connection, Member of Parliament and Senior Adviser to the President of Sri Lanka, Hon'ble Basil Rajapaksa is due to visit India shortly.

Let me reiterate our conviction that there is no military solution to the ethnic conflict. What is required in Sri Lanka is a peacefully negotiated political settlement within the framework of a united Sri Lanka respecting the legitimate rights of the minorities including the Tamil community. The rights and the welfare of the Tamil community of Sri Lanka should not get enmeshed in the on-going hostilities against the LTTE. We encourage the government of Sri Lanka to continue to nurture the democratic process in the Eastern Province as well.

The government has also taken up with the Sri Lankan Government the need to ensure the safety of our fishermen. While it is important for our fishermen to respect the International Maritime Boundary Line, we have impressed on the Sri Lankan Navy to desist from firing on Indian fishermen. Our two governments have agreed to work towards concluding practical arrangements to prevent such incidents.

On October 23, External Affairs Minister provided certain clarifications sought by the members in the Rajya Sabha.

The Minister of External Affairs (Shri Pranab Mukherjee): Mr. Deputy Chairman, Sir, I express my gratitude to the hon. Members who have participated in this discussion seeking clarifications. The Hon. Leader of the Opposition, to my mind, -- he described the statement as non-statement

-- unfortunately, mixed up the entire gamut of the strategic interest with the present concern of the civil Tamilians in Sri Lanka. Sir, these are two different issues.

First of all, it is not that we have made the statement simply because of the House. The House met on 17th. Even what was the condition of the House how the Statements could be made or not made is well known. Even yesterday, I could not make the statement in the other House, not because of any other thing, but simply because the Members were not interested. In this House also, another important statement we could not make, and, most humbly, I will request through you, Sir, it is courtesy which is being extended by the Executive to the House by making a statement to keep the House informed about what major developments have taken place in the intervening period. But, unfortunately, a new culture has developed nowadays, that is, the larger interest of the Parliamentary propriety is being completely ignored. I am not going to explain the strategic interest which we have in the Indian Ocean region, in our backyard.

It is too well known to the Leader of the Opposition who was also the Defence Minister, the Finance Minister and the External Affairs Minister. And, personally, he has extensive knowledge in these areas because this is not the occasion. On 18th, the Sri Lankan President talked to the Prime Minister over telephone. Prior to that, I myself issued a statement even before the Parliament Session began when the situation accentuated there. Two issues are to be made quite clear in this regard. These are different issues. We are primarily concerned with the plight of the civilians. We are primarily concerned with a negotiated settlement and somebody has asked whether we have given up the 1987 Accord. That is the basis on which it was agreed upon that within the framework of the Sri Lankan Constitution and integrity, the legitimate aspirations of the minorities, civilian minorities, would be protected. All minorities including Tamilians would be protected. And we should encourage them, as the election to the provincial council had taken place; we are telling them that military solution is no solution and that there should be a devolution of powers which has been recommended by the high powered political representative committee appointed by the Sri Lankan President himself; please implement that; the ultimate solution lies there.

The Leader of the Opposition has been talking about it for four-and-a-half years. I would like to most respectfully remind him that the Ceasefire was abrogated by the President of Sri Lanka in January this year. Ceasefire

prevailed earlier, prior to that, but things started heating up after this. Questions have been raised about military training provided to the officers in our academy. Our defence academies, our military academies are well-known all over the world. Trainees come in from various parts of the world. We have a very comprehensive relationship with Sri Lanka, which includes the relationship on security. It is necessary. Therefore, these are nothing new, but we have repeatedly impressed upon them, and in my whole statement there is one thing constant, that military solution is not the solution and that the ultimate solution lies in having peaceful negotiations where the legitimate aspirations of the minorities, including the Tamil minorities are protected. As for the question on information, we have to get it from them. Some of the international organisations, mainly the International Red Cross, are operating there.

The information that we have received is that food convoys accompanied by six to seven UN personnel have been despatched to areas where there are a large number of displaced persons. It is true. As a result of this conflict, more than 200,000 persons have been displaced and we are impressing upon them that it is their responsibility, and we would not like to have a situation where there would be an influx of refugees into Tamil Nadu because of a situation arising over which we have no control. Therefore, please ensure that that doesn't happen, and it is your responsibility to provide food, shelter and medicine to your displaced persons. It is difficult, but, at the same time, it is well-known to the Leader of the Opposition that even in the midst of war, as per the various conventions, there are certain rules in the rule of war that arrangement for a certain amount of protection for the civilian population is made. That is nothing new to the laws of international treaty and war.

Therefore, what we are impressing upon them is that they would have to ensure that people are not subjected to sufferings. Their fight is against the terrorists. This is another unfortunate incident which has made the problem more complex. A section of the civilian population is being used as human shield by these terrorist organisations. Therefore, the problem has become complicated but whatever complication there may be, it will have to be ensured that they are not subjected to sufferings. So far as the question of providing aid and other things is concerned, we are ready to provide it. We are constantly in touch with international organisations and if they require aid, we shall provide it.

And we are encouraging them that you deploy International Red Cross Organisation, you ensure that the process of political dialogue begins, and if the process of political dialogue begins it would be possible to resolve the issues. In our country, whenever there are divergences of views, conflicts of interests, we try to resolve it through the dialogue, through the debate and through the discussion and that is the only way through which we can resolve these issues. Questions have been raised about some Indian citizens being injured. Yes, we gave them some equipment. Somebody wanted to know what is a non-lethal weapon. If I give a transport, if I give a truck, it is not a lethal weapon. Therefore, there are some distinctions. An aircraft or a cargo aircraft is not a military aircraft or a fighter aircraft. Therefore, we have, as I mentioned in my observations earlier, a very comprehensive relationship with one of our very close neighbours. In our anxiety, we should not forget the strategic importance of that island and it is not only their security, it is closely connected with our security. Keeping that in view, we are engaged with them. The Leader of the Opposition wanted to know what these three senior Civil Servants did. Yes, exactly they discussed. They discussed the cooperation. We told them that we can meet their security requirement provided you do not look around. What type of security arrangements should be made, what type of assistance they will require and what is their security requirement, there should be some common assessment because it is so close to us. Surely, we would not like to have the playground of international players at our backyard. These aspects are to be kept in view while making an assessment of the situation. Now, what has happened after that talk between the Prime Minister and President Rajapaksa? It has been agreed upon that he is sending his Political Advisor, Member of Parliament, Mr. Basil. He is expected to be here by this week-end. There will be some discussions and we will provide whatever assistance they require for the rehabilitation, relief and providing succour to the distressed persons. But the final solution will arrive through the implementation of the recommendations of their high-powered committee, devolution of power, giving the autonomy in certain areas in certain respects which they have been recommending in the broad framework of reserving the issue and maintaining the territorial integrity and unity of Sri Lanka.

In respect of fishermen, I myself have taken it up; the Prime Minister has taken it up at the margin of our meeting at Colombo. We made it quite clear that there is no justification by Sri Lankan Navy shooting the Indian fishermen. If somebody has crossed the international border, you can arrest

them and some persons sometimes have been arrested. With Pakistan, it is happening more often. They are also confiscating their boats, and the dispute is that they are not returning their boats.

And, their argument is that they do not retard the boats because again, fishermen will use the boats to come to their territorial water. That is a different issue. We are taking it up. But, there is no reason why the Sri Lankan Navy will fire upon the Indian fishermen. Fishermen are not carrying arms. So, they have agreed to work out a mechanism through which it will be possible to have a practical solution to resolve this issue. Mr. Raja himself has replied to his own query about right of Indian fishermen on Katchateevu. In 1976, the position was clarified by the same Government, which was in Office in 1974, and that position was, "Yes, there is a right for resting, for drying the nets, but not for fishing", and that is the contention of the Sri Lankan authority. We are discussing with them and one of the objectives of these visits is that we will try to resolve the issue of Indian fishermen also. We are making certain other arrangements making adequate propaganda and we would like to ensure that they are adequately worked. Sometimes, it happens. This is an abnormal situation. We cannot deny the facts. I am not taking you back to the memories of 20 years ago, but we are fully aware of what has happened and, therefore, keeping that in view, this is really a very sensitive issue, and let us not politicise it. We try to politicize everything. It does not help us either. Therefore, these are the grave issues. People are suffering and we shall have to do whatever we can do. By simply showing temper here and using strong languages, Mr. Deputy Chairman, Sir, I do not feel, that these issues can be resolved. For that, we shall have to patiently work out, talk and negotiate with the parties concerned. Thank you, Sir.



331. India-Sri Lanka Joint Statement on Fishing Arrangements.**New Delhi, October 26, 2008.**

Keeping in mind the humanitarian and livelihood dimensions of the fishermen issue, India and Sri Lanka have agreed to put in place practical arrangements to deal with bonafide Indian and Sri Lankan fishermen crossing the International Maritime Boundary Line (IMBL). This was agreed to during the visit to New Delhi on 26th October 2008 of Honourable Basil Rajapaksa, Member of Parliament and Senior Adviser to the President of Sri Lanka.

As part of these practical arrangements, following the designation by the Government of Sri Lanka of sensitive areas along the Sri Lankan coastline and their intimation to the Government of India, Indian fishing vessels will not venture into these identified sensitive areas. Further, there will be no firing on Indian fishing vessels.

It was agreed that Indian fishing vessels would carry valid registration/permit and the fishermen would have on person valid identity cards issued by the Government of Tamil Nadu.

India and Sri Lanka have agreed to continue with their discussions, initiated in 2005, on the proposed Memorandum of Understanding on development and cooperation in the field of fisheries.



332. Joint Press Release issued after the discussions between the Sri Lankan President's Special Envoy Basil Rajapaksa and the External Affairs Minister Pranab Mukherjee and other Senior Officials.

New Delhi, October 26, 2008.

Keeping in mind the close bilateral relations between India and Sri Lanka, President of Sri Lanka Mahinda Rajapaksa sent as his Special Envoy Honourable Basil Rajapaksa, Member of Parliament and Senior Advisor to the President of Sri Lanka to visit New Delhi, on 26th October 2008. During his visit, the Sri Lankan Special Envoy held discussions with External Affairs Minister, National Security Advisor and Foreign Secretary.

The Indian side appreciated deeply the initiative of President Mahinda Rajapaksa to send his Special Envoy. The discussions were positive and constructive and centered around a range of issues.

India conveyed its concern at the humanitarian situation in the northern part of Sri Lanka, especially of the civilians and internally displaced persons caught in the hostilities and emphasised the need for unhindered essential relief supplies¹. Mr. Rajapaksa briefed the Indian authorities of the efforts by the Sri Lanka Government to afford relief and ensure the welfare of the

¹ Speaking to journalists after his meetings in New Delhi, Rajapaksa said "Every assurance we have given (to) look after the human behaviour needs and whichever way we can." (Incidentally Basil Rajapaksa besides being Special Advisor to Sri Lanka President is also his brother). Asked about the medical aid from India, he said "yes, that issue was brought up and we will take a positive look on it." He also replied in affirmative when asked whether the Sri Lankan Government would allow Indian medical aid to Sri Lanka. He did not confirm any possible visit by Mr. Mukherjee to Colombo in the near future. In a parallel development LTTE leader Prabhakaran in an email interview to a Tamil Magazine Nakkeeran asked India to lift the ban on his outfit in order to "fulfil the aspirations of the Tamil people" while admitting that Sri Lankan Security forces were knocking at the doorstep of key town Kilinochchi. He was of course, in full praise for Tamil Nadu Chief Minister. "Tamil Nadu Chief Minister, Kalaignar is a Tamil nationalist. He has not only voiced his concern against the Sinhala state terrorism in Tamil Eelam, but has also showed it in action," he said. Armed with the joint Statement and assurances of Sri Lanka, the External Affairs Minister met the Tamil Nadu Chief Minister in Chennai on October 26, when the latter expressed his satisfaction at the action taken by the Government of India to protect the Tamil civilians in Sri Lanka affected by the on-going conflict.

That Government of India's efforts did bring about some fruitful results was evident from the interview given by Sri Lankan President Mahinda Rajapaksa to Senior Editor of *The Hindu* N. Ram in Colombo on October 27. He told N. Ram: "Let me reiterate that my government is firmly committed to a negotiated political solution - based on devolution of power and ensuring the democratic, political, including linguistic, rights of all our Tamil brethren within an undivided Sri Lanka." He went on to add:

civilian population in the North. He assured that the safety and wellbeing of the Tamil community in Sri Lanka is being taken care of.

As a gesture of goodwill, India has decided to send around 800 tonnes of relief material to Sri Lanka for the affected civilians in the North. The Government of Sri Lanka will facilitate the delivery. Both sides agreed to consult and cooperate with each other in addressing these humanitarian issues.

Both sides discussed the need to move towards a peacefully negotiated political settlement in the island including in the North. Both sides agreed that terrorism should be countered with resolve. The Indian side called for implementation of the 13th Amendment and greater devolution of powers to the provinces. Mr. Basil Rajapaksa emphasized that the President of Sri Lanka and his Government were firmly committed to a political process that would lead to a sustainable solution.

Both sides agreed to further nurture the democratic process in the Eastern Province. Mr. Rajapaksa briefed the Indian side of the large development effort underway in the Eastern Province.

With regard to issues relating to fishermen, in view of the humanitarian and livelihood dimensions involved, both sides agreed to put in place

"As President of Sri Lanka, I am absolutely clear that there is, and can be, no military solution to political questions. I have always maintained this. A military solution is for the terrorists; a political solution is for the people living in this country." Noting the tardiness of the All Party Representative Committee (APRC) in coming up with its final proposals, he asserted: "I myself will take charge of the political process and see it through politically." He again emphasising said that "our military operations are directed exclusively at the Liberation Tigers of Tamil Eelam" - a terrorist and secessionist organisation banned or designated as terrorist in more than 30 countries, including India - he renewed his call to the LTTE even at this late stage to "lay down its arms, surrender, and enter the democratic political process." Mr. Rajapaksa said that "the military operations directed against the LTTE are not intended to harass Tamil civilians or cause any harm or hardship to them." His government was doing, and would do, everything in its power "to mitigate and resolve the plight of the civilians displaced or affected by the conflict." In addition to ensuring that food, medicines, and other essential commodities were "within the reach of every one of our Tamil brethren affected by the conflict," it would rehabilitate "every civilian affected by the conflict in a fair and transparent manner." He expressed happiness over "the positive and constructive outcome" of the discussions his Special Envoy, Basil Rajapaksa, had in New Delhi with External Affairs Minister Pranab Mukherjee and senior Indian officials. He welcomed India's decision to contribute, as a gesture of goodwill, 800 tonnes of relief material for the affected civilians in the North. He appreciated Tamil Nadu's offer to make an additional contribution to this humanitarian endeavour.

practical arrangements to deal with bona fide Indian and Sri Lankan fishermen crossing the International Maritime Boundary Line and to continue discussions on the proposed MOU on development and cooperation in the field of fisheries.

Discussions in New Delhi during Mr. Rajapaksa's visit were characterized by a spirit of constructive engagement on both sides. Both Governments will remain in close touch.



333. Media Report on the meeting between Prime Minister Dr. Manmohan Singh and Sri Lankan President Mahinda Rajapaksa on the sidelines of the BIMSTEC Summit.

New Delhi, November 13, 2008.

Prime Minister Manmohan Singh during his meeting with Sri Lankan President Mahinda Rajapaksa stressed the need to "ensure at all costs" the safety and welfare of the Tamil community. Conveying the concerns of the Tamil Nadu Legislative Assembly as contained in the unanimous resolution passed by it on November 12 Prime Minister emphasised the need for a negotiated settlement to the conflict within the framework of a united Sri Lanka.

He also mentioned the need to adhere to the joint statement on fishing arrangements agreed upon by both sides during the recent visit of Sri Lankan President's special envoy, Basil Rajapaksa, to ensure that no Indian fisherman was killed.

Mr. Rajapaksa on his part gave an assurance that his Navy was exercising the utmost restraint and that Sri Lanka was committed to the joint statement.

The Prime Minister referred to the 2,000 tonnes of food and other relief material being sent by the State Government of Tamil Nadu and being coordinated by the Government of India, for distribution to the internally displaced persons.

External Affairs Minister Pranab Mukherjee, who was present, also stressed the need for a negotiated settlement and desired regular supply of food

and other items to civilians and those affected by the conflict. He underlined the need for further devolution of power to the provinces and full implementation of the 13th Amendment.

Mr. Rajapaksa said he was committed to a negotiated settlement and urged the Liberation Tigers of Tamil Eelam (LTTE) to lay down arms before talks could be held. He assured the Prime Minister that all efforts were being made to ensure the safety of civilians and internally displaced persons in conflict areas and food supply to the affected Tamil population was continuing uninterrupted. Mr. Rajapaksa acknowledged India's concern for the well-being of Tamil civilians caught in the battle between the armed forces and the LTTE, but said Colombo wanted to finish off the militant outfit before initiating political talks.

"We must eradicate terrorism first. We can't pass this on to the next generation," Mr. Rajapaksa observed. At the same time. "We assure you. We assured the Prime Minister and the entire world that we will look after the Tamils. Nothing will happen to them. We are looking after our people. It is my duty," Mr. Rajapaksa told the media after his meeting with Dr. Singh.

Meanwhile the Tamil Nadu Government continued to remain concerned about the welfare of the Tamils in Sri Lanka. On November 21, Tamil Nadu Chief Minister desired the Prime Minister to remind Sri Lanka that 'nations do not bomb their own people merely because there were some terrorists in their midst'. He said no country was immune from terrorism and every country had its share of terrorists.



334. Press Release of the Ministry of External Affairs on India's humanitarian assistance for the internally displaced and affected civilians in Northern Sri Lanka.

New Delhi, November 17, 2008.

In keeping with the commitment of India to provide humanitarian assistance¹ for the internally displaced and affected civilians in Northern Sri Lanka, the Government of India on 13th November 2008 dispatched nearly 1,700 metric tonnes of relief material mobilised by the State Government of Tamil Nadu. The humanitarian aid comprises of 80,000 ready-to-use family packs of rice, dal, sugar and other food items as well as clothing. The ship carrying 100 containers of relief material reached Colombo on 15th November. The High Commission of India in Colombo is facilitating the distribution to the affected population in Northern Sri Lanka through the International Committee of the Red Cross in Sri Lanka.



1 It may be recalled that during the visit to New Delhi on October 26 of Sri Lankan President Mahinda Rajapaksa's brother Basil Rajapaksa as his Special Envoy it was agreed that India would send humanitarian assistance for the Internally Displaced Persons for distribution through the ICRC. When Prime Minister met President Rajapaksa in New Delhi on the sidelines of the BIMSTEC Summit on November 13 he too had referred to Tamil Nadu sending 2,000 tonnes of food and other materials for IDPs in north Sri Lanka. "This is the first time that India has provided humanitarian aid to conflict-affected people in Sri Lanka through the ICRC. We have seen the relief items and they do indeed correspond to the needs of the displaced people we see in Wanni. We look forward to receiving this relief consignment here in Colombo in the coming days," said Paul Castella, ICRC's head of delegation in Sri Lanka. "Security and stability are a pressing concern for the displaced people in Wanni. Many of them have had to flee several times since hostilities escalated in July," said Hicham Mandoudi, head of ICRC's operations in Wanni. "What these displaced people want is a place where they can stabilise their lives. They're exhausted after moving from one place to another, each time leaving behind more of their belongings."

335. Response by Official Spokesperson to a question about media reports pertaining to a derogatory comment made by the Sri Lanka Army Chief about Tamil Nadu politicians¹.

New Delhi, December 9, 2008.

Our High Commissioner in Colombo took up the issue strongly with the Sri Lankan Defence Secretary. The Defence Secretary of Sri Lanka promised to look into the matter and conveyed regrets should any such comment have been made.



1 Gen. Fonseka was reacting to the perceived pressure of Tamilnadu politicians on the Government of India wanting to call upon Colombo to call for an immediate ceasefire in Northern Sri Lanka since the security operations against the LTTE were causing a lot of suffering for the civilian Tamil population in the region. General Fonseka reportedly said in an interview with the *Sunday Observer*: "It [New Delhi] would not listen to the political jokers of Tamilnadu whose survival depends on the LTTE ... If the LTTE is wiped out, those political jokers like [Tamil Nationalist Movement leader) P. Nedumaran, Vaiko and whoever who were sympathising with the LTTE will most probably lose their income from the LTTE." The Lake House Group, publishers of the *Sunday Observer*, immediately announced the replacement of its Editor-in-Chief presumably for carrying the interview.

It may be recalled in this connection that on December 3 a group of Tamilnadu politicians including the Chief Minister of the State had called on Prime Minister Manmohan Singh to express their concern at the suffering of the Tamils in the ongoing security operations in the Northern Province of Sri Lanka. He had then told them that External Affairs Minister Pranab Mukherjee would visit Sri Lanka "as early as possible" to hold talks with Colombo on the issue of Tamils living there. They had demanded India's intervention for bringing an immediate ceasefire in Lanka; monitoring of relief and rehabilitation measures for the affected Sri Lankan Tamils and taking measures for recommencing peace talks for a political solution. The Tamilnadu Chief Minister later told the media that they also met UPA chairperson Sonia Gandhi and sought her intervention and assistance on the issue. On reports that the Indian government was still supplying arms and ammunition to Sri Lanka, he said he had taken up the issue with the Centre earlier too. "Even today I raised the issue with the Prime Minister. But they are denying it." Mr. Karunanidhi clarified that they only wanted India's intervention to protect the civilian Tamils who were getting killed or injured in the war.

**(ii) SOUTHEAST - EAST ASIA
AND PACIFIC**

AUSTRALIA

336. Press Release of the Ministry of External Affairs announcing the visit of External Affairs Minister Pranab Mukherjee to Australia for the 2nd. Foreign Minister's Framework Dialogue.

New Delhi, June 20, 2008.

Hon'ble External Affairs Minister is visiting Australia on 22 and 23 June 2008 to hold the Second Foreign Minister's Framework Dialogue, with his Australian counterpart Hon'ble Mr. Stephen Smith¹, MP. The previous round was held in 2005 in New Delhi.

1 The Australian Foreign Minister Stephen Smith on the same day said in Perth that his country was "determined" to elevate its ties with India to "a new economic and strategic level" by shaping "practical initiatives" and by going "far beyond" the sensitive issue of Canberra's uranium export norms. Praising India's "strong record on non-proliferation," he however, gave no indication of exempting India from "the Australian policy not to supply uranium to non-Nuclear Non-Proliferation Treaty countries." He said the Kevin Rudd government's policy "is long standing and well known". "The important point, however, is that Australia's relationship with India goes far beyond this single issue." He spoke of Australia's proposal of forming "a new Asia-Pacific Community" for "greater strategic stability in our rapidly-developing part of the world," which he said he proposed to discuss with Mr. Mukherjee, and desired New Delhi to become a member of the existing Asia-Pacific Economic Cooperation (APEC) forum when its "membership moratorium ends in 2010." Hailing India as a "positive force in Asia's future," he said Canberra "strongly believes" that New Delhi "should have a permanent seat on a reformed United Nations Security Council." On the nuclear cooperation he said "India shares our ultimate objective of nuclear disarmament. ... Indian participation in the International Commission on Nuclear Non-Proliferation and Disarmament would of course be of great assistance. Australia is developing a mature and broad-ranging relationship with India, one that can and does accommodate differences of opinion on particular issues, and one that still moves forward constructively and positively," he added.

On June 22, however, External Affairs Minister said in Canberra on arrival from New Delhi that he would raise the issue of uranium sale with Australia to carry forward the momentum in bilateral ties. "We are going to discuss all issues of our expanding cooperation. We are going to review the international situation on uranium. Keeping that in view, whatever will be relevant will be discussed..." Mukherjee, said on his maiden two-day visit to Australia. Ahead of the visit, the Rudd Government, which is pushing for closer political and economic ties with India, had played down its decision not to sell uranium to New Delhi in the wake of its opposition to NPT. It may be recalled that the previous John Howard Government had in principle approved the sale of yellow cake to India. The Australian Foreign Minister on the eve of the talks said: "This century Australia and India can cooperate on a scale and partnership not seen before between the two," adding that the countries could look forward to unprecedented cooperation in the coming years. He added he was looking forward to holding wide-ranging talks with the Indian minister covering key bilateral, regional and international issues. (This was the fifth such (framework) dialogue and the first since 2005.)

India-Australia relations have been expanding rapidly in the last few years. There is immense scope for expanding trade, and cooperation in areas such as science & technology, information & communication technology, energy, education, agro-industries and tourism. Partnership with Australia in the resources sector encompassing mutual investments and joint projects, and also a growing engagement in advanced technological areas and renewable energy, will be focused upon during the forthcoming dialogue. Keeping in view the demands of our rapidly growing relationship, India opened a Consulate General in Melbourne in 2006.

The resources sector is an important element of our economic engagement. The demand for resources in India is expected to grow substantially as we work towards faster economic growth. Australia is an important supplier of coking coal to India. We are now increasingly engaging in the oil and natural gas sector and we expect sourcing of LNG from Australia to India to commence in the near future.

India Australia trade has been growing at about 30% a year, and was A\$10.75 bn in 2007. Mutual investments and presence of our companies in each other's country have been growing. An Indian company recently took over closed coalmines in Australia and turned them around. One such closed mine, which has started production in New South Wales recently, is now employing about a hundred people.

Our trade in services sector has also been growing. An interesting feature here is that Australia is one of the few countries with which we have a deficit in our trade in services. Information technology is an important component of our services exports to Australia. The presence of IT companies in Australia has been expanding. They operate 13 development centres in Australia; have invested over A\$ 98 mn. (including acquisitions); and employ over 1300 Australians.

Education and tourism are the main components of Australian export of services to India. The growing number of Indian students has contributed to Australian services exports, both in terms of their studies, as well as travel of the students and their family members to Australia. The number of Indian students in Australia has indeed been growing rapidly. In 2007, there were over 63,000 Indian students enrolled in Australian institutions, compared to 37,000 the previous year.

The Indian community has been making useful contribution to the social and economic life here. While integrating well with their adopted country, they have also maintained their family and cultural linkages with India. They should act as a bridge for future generations to understand each other better.

India-Australia relations go back to the 18th century. Trade started as early as 1792 with the supply of food items and spices from Kolkata to Australia. The first exports of coal from Australia to India were in 1799. A Trade office was opened in 1941 in Sydney, which later became our Consulate General, and the first High Commissioner arrived in Canberra in 1946.



337. Media Briefing by Official Spokesperson on the visit of External Affairs Minister Pranab Mukherjee to Australia.

New Delhi, June 20, 2008.

External Affairs Minister Shri Pranab Mukherjee will be visiting Australia on 22nd and 23rd June for the Second Foreign Ministers' Framework Dialogue. His counterpart will, of course, be the Australian Foreign Minister, hon'ble Mr. Stephen Smith. The Previous such round of dialogue was held in 2005 in New Delhi.

India-Australia relations actually date back to the 18th century. Trade started as early as 1792 with the supply of food items and spices from Kolkata to Australia. The first exports of coal from Australia to India were recorded in 1799. A Trade Office was opened in Sydney in 1941 and later it became our Consulate General.

Over the last few years there has been considerable expansion in the bilateral relationship. The areas for further expansion are trade, science and technology, information and communication technology, energy, education, agro industries, and tourism. Advanced technological areas such as renewable energy are also areas of interest and will be part of the focus of the dialogue in the forthcoming round. In view of all this expansion we actually opened a Consulate General in Melbourne recently in 2006.

Our economic engagement is also substantially based on the resources sector here. The demand for resources is expected to grow substantially as we work towards faster economic growth. Australia is already an important supplier of coking coal. We are increasingly engaging in the oil and natural gas sector. We also expect to source energy from Australia in the near future. Trade, which has been growing at 30 per cent a year, is Australian dollars 10.75 billion. Mutual investments have also been growing and the presence of companies in each other's country is also growing.

Services sector has been growing particularly well. Incidentally, Australia is one of the few countries with which we have a deficit in our trade in services. Information technology is an important component of our services exports. Thirteen development centers in IT operate in Australia employing over 1300 Australians.

Education and tourism are likely to be particularly interesting growth areas. Number of Indian students going to Australia is increasing. There were 63,000 Indian students last year in Australian institutes compared to 37,000 in the previous year. The Indian community which is present there is making useful contributions, and would naturally be continuing to act as a bridge to the further enhancement of this relationship.

External Affairs Minister is expected to leave tomorrow for this dialogue. We will keep you briefed after the discussions.

These are the two issues I have from my side.

Question: There is an Indian community, including taxi drivers in Australia. Will issues pertaining to the Indian community be taken up during the talks?

Official Spokesperson: It is difficult to predict how the discussions would go. So, I think we would rather wait till the discussions are over to give you specific elements. I have given you the broad areas. Yes, Indian students in Australia is our area. Indian community plays an important role. I am sure that the hon'ble Minister will have an opportunity to meet the Indian community. Naturally, if this issue of concern comes up, we will see in what format it comes up and where it comes up. We will let you know.

Question: Anything on nuclear cooperation with Australia?

Official Spokesperson: Energy security certainly is a possible discussion.

Question: Australia has expressed reservations about selling uranium.

Official Spokesperson: Yes, they have a position on that issue.

Question: Are we going to ... ideas to ...

Official Spokesperson: The hon'ble Minister is going for wide-ranging foreign office dialogue. I have just informed you of the entire gamut of the subjects that would be discussed. I do not think he would be going there with one specific agenda item.

* * * *

Question: What about the Australian role in the NSG?

Official Spokesperson: They are members of NSG.

Question: Will there be any effort to try and see what role Australia can play in helping India win support within NSG?

Official Spokesperson: I think we have all gone down this road before. So, everybody is aware of the position, where things stand. So, we will let it be at that.



338. Joint Statement issued at the end of India-Australia Foreign Ministers Framework Dialogue.

Canberra, June 23, 2008.

At the Australia-India Foreign Ministers Framework Dialogue in Canberra on 23 June, the Australian Minister for Foreign Affairs, Stephen Smith, and the Indian Minister for External Affairs, Pranab Mukherjee, underlined the strong bonds and enduring shared interests which underpin the Australia-India relationship. They affirmed that the two governments were committed to taking bilateral links to a new, higher level. They noted that existing and new forms of cooperation in a wide range of areas exemplified the growing depth and breadth of the Australia-India partnership¹.

1 Addressing a joint press conference on June 23 after holding talks the two ministers reaffirmed their "strong support" for non-proliferation, while Canberra expressed its willingness to "consider," if and when needed, New Delhi's civil nuclear energy accord with the United States. Mr. Smith said: "If and when the 123 Agreement comes before either the Nuclear Suppliers Group or the International Atomic Energy Agency, we will give consideration to it at that point in time." At the same time, Mr. Mukherjee said, "Australia's commitment to non-proliferation is firm, and we respect that." EAM called on Prime Minister Kevin Rudd, and was, in a rare goodwill gesture, escorted to the floor of Parliament during question time. And, in Mr. Mukherjee's presence, Mr. Smith answered a question on Australia-India ties. (Visiting dignitaries are usually received at the Parliament gallery and not the floor itself.) As part of the framework dialogue, India and Australia signed an extradition treaty and a mutual legal assistance pact to "address criminal matters" in a practical and collaborative fashion. They announced the decision to commence dialogue at the level of the chiefs of defence forces from the two sides. The first session of the high-level defence dialogue will be held in Australia later in the year. Mr. Mukherjee remarked, during the press conference, that his visit to Australia now was "very short, almost like a 20-20 encounter" in cricket. And, Mr. Smith replied that "we need to make sure we apply ourselves to the Indian relationship, as if it were a test match day in, day out." Meanwhile Mr. Mukherjee responding to a question from *the Hindu* correspondent based in Singapore, P. S. Suryanarayan, whether he felt confident that the NSG would amend its guidelines in favour of India for its Civil Nuclear Energy programme said: "The test of pudding is in [the] eating." He said "it is not a question of doing enough or not doing enough" to woo the members of the NSG. (He was on his way back home from Australia) On the issue of whether the Manmohan Singh government had mobilised sufficient international support before pressing for domestic political backing for India's civil nuclear energy deal, Mr. Mukherjee said: "Unless we reach that stage ... The 123 Agreement has been signed. The text has been agreed and initialled. But, the IAEA India-specific safeguards agreements, amendment of the NSG guidelines, and the further ratification are yet to be done." On the nuclear issue as it figured in his talks with Australian leaders, Mr. Mukherjee told Suryanarayan : "Prime Minister [Rudd] explained his scheme of a nuclear-weapons-free world. And, it was a happy coincidence that 20 years ago Rajiv Gandhi gave his plan for creating a nuclear-weapons-free world. But, to us mere disarmament is not the ultimate objective. The ultimate objective is, as Rajiv Gandhi pointed out in his Action Plan: over a specific

The Ministers welcomed the diversification and strengthening of political links between Australia and India, two democracies committed to the rule of law, pluralism and respect for human rights. They emphasised that regular high-level political contact would continue to underpin bilateral relations. Mr. Smith said he looked forward to visiting India in September. Mr. Mukherjee welcomed the visit and said this would provide another opportunity for continuing the dialogue.

International and regional cooperation

The Ministers had an in-depth and wide-ranging discussion about international and regional issues. They underlined the significant capacity for enhanced regional cooperation between Australia and India, including in the context of the East Asia Summit. They also confirmed the need for effective multilateralism and more representative international institutions which reflect the realities of the 21st century. Mr. Smith reiterated Australia's strong support for a permanent seat for India on the United Nations Security Council (UNSC). He also highlighted Australia's firm support for India's membership of the Asia Pacific Economic Cooperation grouping when the membership moratorium ends in 2010.

Mr. Mukherjee welcomed Australia's bid for a non-permanent UNSC seat for the 2013-14 term. He noted India would follow with interest Australia's initiative in appointing an envoy to explore how an Asia-Pacific Community might evolve over time to respond to emerging opportunities. He further said India supported Australia's application for observer status at meetings of the South Asian Association for Regional Cooperation.

Mr. Smith and Mr. Mukherjee discussed the current food security and energy security challenges facing the world and underlined the capacity of Australia

timeframe, there must be the elimination of all nuclear weapons and a prevention of both horizontal and vertical proliferations. And, these obligations lie particularly with the nuclear-weapon states." Mr. Rudd was also briefed that India's 1998 nuclear tests had not diluted its commitment to total nuclear disarmament. "Voluntarily, we accepted a moratorium on further [nuclear] tests, [and] no first-use and no-use against non-nuclear-weapon states [as principles]. And, before the international community made noise, we announced these immediately after the second Pokhran test. Keeping all these in view, I do feel that we should try to create a world which will be free of nuclear weapons." The world should also be free of clandestine proliferation groups such as the A.Q. Khan network. To a further question whether Mr. Rudd had suggested that India join his proposed non-proliferation and disarmament commission, either as a member or co-chair, Mr. Mukherjee said: "No. It was not offered as such. This is an idea which is unfolding itself. First, it should be non-official. He explained his idea. We also made a general response. But, who will be co-chair, who will not be: we have not reached that

and India to work together, including at ministerial level, to address these issues in a mutually beneficial manner. They noted Australia's capacity to cooperate actively in these areas as India's economy continues to expand.

The Ministers reiterated their strong support for nuclear disarmament and non-proliferation. They noted that Australia and India have stepped up their dialogue on strategic issues. They welcomed the decision to establish regular chief of defence force level talks. The inaugural talks are scheduled to take place in Australia in the near future.

Recalling the recent bombings in Jaipur, Mr. Smith and Mr. Mukherjee stressed that Australia and India were united in the fight against terrorism. Looking forward to the next meeting of the bilateral Joint Working Group on Counter-Terrorism and Immigration in New Delhi later this year, they noted the need for practical cooperation in areas such as intelligence, law enforcement, border security and counter-terrorist financing and money laundering. The ministers underlined the desire of both countries to strengthen intelligence cooperation, including on counter-terrorism issues.

Mr. Smith and Mr. Mukherjee stressed the importance of an effective and comprehensive global response to climate change and reaffirmed the UN Framework Convention on Climate Change. They noted the positive contribution being made by joint Australian-Indian projects under the Asia-Pacific Partnership on Clean Development and Climate, including in relation to deploying clean technology. They announced the creation of a new bilateral water dialogue to share ideas about the best way to handle scarce water resources.

stage." On India's response to Mr. Rudd's proposal of a new Asia Pacific Community, Mr. Mukherjee said: "We are watching with interest, and ... we are interested. A mere proliferation of organisations is not the answer. But it's a good idea. We are not averse to Earlier on June 10 during his visit to Japan, Mr. Rudd while ruling out sale of uranium to India until it signed the Nonproliferation Treaty (NPT), on June 9 announced setting up of a global body for nuclear disarmament, hoping to rope in "like-minded" countries. He announced creation of the Nuclear Non-proliferations and Disarmament Commission after laying a wreath in Hiroshima, the site of first atomic bombings in 1945. The commission, to be co-chaired by former foreign minister Gareth Evans, would examine the work of two similar earlier panels - the Australian-led Canberra Commission and Japan's Tokyo Forum - to develop a plan of action for the next (NPT) review conference in 2010. The first task of the panel was to report to a major international conference of experts in Australia late next year. "Australia has the largest known uranium reserves in the world. We can, therefore, understand the different concerns that different countries bring to this debate," he said, denying that the plan was a way to allow Australia

Political links

Mr. Smith and Mr. Mukherjee announced that the two countries had decided to extend the political partnership which binds the two countries together by establishing a new forum, the Australia-India Roundtable. Convened by the Lowy Institute and the Indian Council for World Affairs, the Roundtable will bring together leading individuals from both countries every year to discuss the opportunities and challenges facing Australia and India in the twenty-first century. Details regarding the holding of the Roundtable are being determined.

The Ministers welcomed Australia's decision to allocate up to \$10 million under its development assistance program for targeted technical assistance to build public sector linkages between the two countries. Projects funded under the scheme will address pressing public policy issues in various areas, including potentially on agriculture, climate change, water and resource management.

The Ministers announced the formation of a new joint working group on visas, passports and consular issues to facilitate greater practical cooperation in these areas. Mr. Smith said the Australian Government would continue to address concerns about the safety and well-being of Indian students in Australia in an active way. He stressed that Australia authorities would also continue to follow up any incidents involving Indian students quickly and efficiently.

Legal cooperation

Legal cooperation, especially in relation to law enforcement, is another key and expanding area of the Australia-India relationship. Mr. Smith and

to sell uranium to India, which was not a signatory to the NPT. Rudd said he understood the Indian arguments, and added the US administration had also put India's case to him, but the Labor Party was firmly behind the NPT. India would not be able to circumvent the NPT by joining the commission as "the commission that I proposed was a non-government body," he said. Rudd said the NPT was under great pressure with some countries developing nuclear weapons outside its framework and others like North Korea defying the international community and leaving the treaty altogether. "There are two courses of action available to the community of nations to allow the NPT to continue to fragment, or to exert every global effort to restore and defend the treaty," he said.

Going still back a little, in May the Australian Department of Foreign Affairs and Trade had sponsored a trip by some Indian journalists and during their visit, Australian Foreign Minister Steve Smith told them: "The Labor Party has a strong policy of not exporting uranium to any country that has not signed the nuclear non-proliferation treaty (NPT). We have made this clear to Indian officials that we are bound by the party policy. But

Mr. Mukherjee signed an extradition treaty and a mutual legal assistance treaty, underscoring the willingness of the two countries to collaborate and address criminal matters in a practical way.

Economic links

Mr. Smith and Mr. Mukherjee underlined the strength of the bilateral economic relationship, especially in the resources and energy sector, and welcomed the positive outcomes of the 11th Joint Ministerial Commission, co-chaired by the Australian Minister for Trade, Simon Crean, and the Indian Minister for Commerce and Industry, Kamal Nath, in Melbourne on 20 May. They noted that the base of the economic relationship was expanding into new areas such as information technology and biotechnology. They highlighted the proposal to create an Australia-India CEOs Forum to enhance business links, ensuring that the expanding economic relationship was underpinned by closer business links at the highest level. They reiterated that the two governments looked forward to receiving a report on the feasibility of a comprehensive FTA from the joint FTA study group by the end of 2008. They welcomed the proposal to enhance resources cooperation between the two countries by finalising the terms of a bilateral resources strategy.

Scientific and education cooperation

Recognising that science and education constitute one of the most dynamic parts of the Australia-India relationship, the Ministers underlined the capacity for scientific cooperation, including via the bilateral strategic research fund.

Australia's and India's premier science organisations, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the Council of Scientific and Industrial Research (CSIR), will sign a Memorandum of

if the 123 agreement is passed by Indian Parliament we could consider joining a consensus of the NSG and IAEA." Mr. Smith making another interesting observation said: "We see our party policy and India not being a signatory of NPT as two separate issues. We have made this clear to the U.S. and Indian authorities. We don't see our party policy automatically preventing us from joining the consensus of NSG and IAEA." Adding he said, "We will wait for the 123 agreement between India and the U.S. to emerge and then make a judgement." "Both the nations have differences over the issue of supply of uranium. But it is not disturbing the fundamental relations between us," Mr. Smith said, adding that Australia was in favour of India being given a permanent seat in the United Nations Security Council. "We support India in getting a permanent seat in the U.N. Security Council. We are for reforms of various multi-lateral bodies, including the U.N. Council. The Security Council reflects the 1950s," Mr. Smith said. "If India is made a permanent member of the Council, it would be a good development."

Understanding in July to further their scientific collaboration. This MOU will build on the recent signing of a research partnership between CSIRO and CSIR that focuses on research related to water, energy and sustainable agriculture. The Ministers noted the advantages of hosting the Square Kilometre Array, the world's largest radio telescope, in Australia.

Education is a cornerstone of the relationship, with more than 52,000 Indian students currently enrolled in Australian educational institutions. Ministers noted the positive role being played by Australia's Endeavour Scholarship Awards in strengthening knowledge links between the two countries.

People-to-people links

The Australia-India relationship is underpinned by diverse and expanding people-to-people links. The Indian diaspora in Australia is making a tangible contribution to enhancing bilateral links. Mr. Smith and Mr. Mukherjee called for more youth exchanges in various fields, including between young professionals, to build up connections and take the Australia-India relationship forward over the coming decades. Australia agreed to forward a proposal for sending a group of Australian Youth Ambassadors to India in the near future.

Sport has long been a strong bond between Australia and India. Taking our well-established cricket relationship in a new direction, ministers welcomed the decision of the Australia India Council to fund training programs for some of India's rising young women cricketers. They also acknowledged the good work of the Australian Sports Outreach Program (ASOP), which provides funding for sports projects in disadvantaged communities. ASOP will fund up to three projects in India over the next 12 months.



339. Extradition Treaty Between the Republic of India and Australia.

Canberra, June 23, 2008.

The Republic of India and **Australia** (hereinafter referred to as the 'Contracting States')

DESIRING to make more effective the co-operation of the two countries in the suppression of crime, including offences related to terrorism, by concluding a treaty on extradition

Have Agreed as follows:

ARTICLE 1

OBLIGATION TO EXTRADITE

Each Contracting State agrees to extradite to the other, in accordance with the provisions of this Treaty, any persons who are wanted for trial, or the imposition or enforcement of a sentence, in the Requesting State for an extraditable offence.

ARTICLE 2

EXTRADITABLE OFFENCES

1. For the purposes of this Treaty, extraditable offences are offences, however described, which are punishable under the laws of both Contracting States by imprisonment for a maximum period of at least one year or by a more severe penalty. Where the request for extradition relates to a person convicted of such an offence who is wanted for the enforcement of a sentence of imprisonment, extradition shall be granted only if a period of at least six months of such penalty remains to be served.
2. For the purpose of this Article, in determining whether an offence is an offence against the law of both Contracting States:
 - a. it shall not matter whether the laws of the Contracting States place the acts or omissions constituting the offence within the same category of offence or denominate the offence by the same terminology; and

- b. the totality of the acts or omissions alleged against the person whose extradition is sought shall be taken into account and it shall not matter whether, under the laws of the Contracting States, the constituent elements of the offence differ.
- 3. An offence may be an extraditable offence notwithstanding that it relates to taxation, customs duties, foreign exchange control or other revenue matters, or is one of a purely fiscal character. Extradition may not be refused on the ground that the law of the Requested State does not impose the same kind of tax or duty or does not contain a tax, duty, customs, or exchange regulation of the same kind as the law of the Requesting State.
- 4. Where the offence has been committed outside the territory of the Requesting State, extradition shall be granted if the law of the Requested State provides for the punishment of an offence committed outside its territory in similar circumstances. Where the law of the Requested State does not so provide the Requested State may, in its discretion, grant extradition.
- 5. Extradition shall be granted pursuant to the provisions of this Treaty irrespective of whether the offence for which extradition is sought was committed before or after entry into force of this Treaty, provided in all cases that:
 - a. it was an offence in the Requesting State at the time of the acts or omissions constituting the offence are alleged to have occurred; and
 - b. the acts or omissions alleged would, if they had taken place in the territory of the Requested State at the time of the making of the request for extradition, have constituted an offence against the law in force in that State.

ARTICLE 3

COMPOSITE OFFENCES

Extradition shall also be available in accordance with this Treaty for an extraditable offence, notwithstanding that the conduct of the person sought occurred wholly or in part in the Requested State, if under the law of that State this conduct and its effects, or its intended effects, taken as a whole, would be regarded as constituting the commission of an extraditable offence in the territory of the Requesting State.

ARTICLE 4
GROUND OF REFUSAL

1. Extradition shall not be granted if:
 - a. the offence of which a person is accused or convicted is a military offence which is not also an offence under the general criminal law;
 - b. if the person whose extradition is sought has, according to the law of the Requesting State, become immune from prosecution or punishment by reason of lapse of time;
 - c. if the offence with which the person sought is accused or convicted, or any other offence for which that person may be detained or tried in accordance with this Treaty, carries the death penalty under the law of the Requesting State, unless the extradition request includes an undertaking that the death penalty will not be imposed or, if imposed, will not be carried out.
2. Extradition may be refused if the offence of which it is requested is an offence of a political character. For the purposes of this Treaty the following offences shall not be regarded as offences of a political character:
 - a. an offence in respect of which the Contracting States have an obligation to extradite or submit the case to their competent authorities for prosecution, under a multilateral/international treaty or convention to which both Contracting States are parties;
 - b. an offence in respect of the taking or attempted taking of the life of a Head of State, Head of Government, or a member of that person's family;
 - c. murder, culpable homicide or manslaughter;
 - d. an offence, involving firearms, explosives, incendiaries, destructive devices or substances, causing death, grievous bodily harm or serious damage to property;
 - e. any other offence related to terrorism which at the time of the request is, under the law of the Requested State, not to be regarded as an offence of a political character; or

- f. conspiracy or attempt to commit, or participation in, or abetment of, any of the foregoing offences.
- 3. Extradition may be refused in any of the following circumstances:
 - a. if the person has been tried and finally dealt with in respect of the offence for which extradition is sought;
 - b. if the Requested State has substantial grounds to believe that the request for extradition has been made for the purpose of prosecuting or punishing a person on account of that person's race, sex, religion, nationality or political opinion or that that person's position may be prejudiced for any of those reasons;
 - c. if the person whose extradition is requested has been sentenced or would be liable to be tried or sentenced in the Requesting State by an extraordinary or ad hoc court or tribunal;
 - d. if the Requested State believes that the surrender is likely to have exceptionally serious consequences for the person whose extradition is sought, including because of the person's age or state of health.

ARTICLE 5

EXTRADITION OF NATIONALS

The nationals of one Contracting State may be extradited to the other Contracting State. If extradition is not granted, the Requested State shall, on the request of the Requesting State, submit the case to its competent authorities for prosecution in accordance with the provisions of this Treaty and the laws of the Requested State.

ARTICLE 6

EXTRADITION AND PROSECUTION

1. The request for extradition may be refused by the Requested State if the person whose extradition is sought may be tried for the extradition offence in the courts of that State.
2. Where the Requested State refuses a request for extradition for the reason set out in paragraph 1 of this Article, it shall submit the case to

its competent authorities so that prosecution may be considered. Those authorities shall take their decision in the same manner as in the case of any offence of a serious nature under the law of that State.

3. If the competent authorities decide not to prosecute the request for extradition shall be reconsidered in accordance with this Treaty.

ARTICLE 7

EXTRADITION PROCEDURES

1. The request for extradition under this Treaty shall be made in writing and communicated through diplomatic channels.
2. All documents submitted in support of a request for extradition shall be authenticated in accordance with paragraph 2 of Article 9. Three copies of the request and supporting documents shall also be provided. However, the copies need not be authenticated.
3. The request shall be accompanied by:
 - a. the details necessary to establish the identity and nationality of the person sought including, where possible, photographs and fingerprints;
 - b. a statement of the current location of the person, if known;
 - c. a statement of each offence for which extradition is sought;
 - d. a statement of the acts and omissions which are alleged against the person in respect of each offence for which extradition is sought;
 - e. the text of the laws creating each offence and describing the penalty which may be imposed; and
 - f. a statement as to whether there is any limitation in respect of proceedings or punishment.
4. If the request relates to an accused person, it must also be accompanied by a warrant of arrest, or a copy thereof, issued by a Judge, Magistrate, or other competent authority in the territory of the Requesting State and such documents or other information required by the Requested State as would reasonably establish that the person sought has committed the offence for which extradition

is requested and to establish that the person requested is the person to whom the warrant refers.

5. If the request relates to a person already convicted and sentenced, it shall also be accompanied by:
 - a. a certificate of conviction and sentence; and
 - b. a statement that the sentence is enforceable and how much of the sentence remains to be served.
6. If the Requested State considers that the documents or other information supplied for the purposes of this Treaty are not sufficient in order to enable a decision to be taken as to the request, additional documents or other information shall be submitted within such time as the Requested State may require.
7. If in any particular case the Requested State so requires, the Requesting State shall supply a translation of any document submitted in accordance with the provisions of this Treaty.

ARTICLE 8

CONSENT TO SURRENDER

If the person sought consents to surrender to the Requesting State, the Requested State may, subject to its laws, surrender the person as expeditiously as possible without further proceedings.

ARTICLE 9

EVIDENCE/ AUTHENTICATION

1. A document that, in accordance with Article 7, accompanies a request for extradition shall be admitted in evidence, if authenticated, in any extradition proceedings in the territory of the Requested State.
2. A document is authenticated for the purposes of this Treaty if:
 - a. it purports to be signed or certified by a Judge, Magistrate or an official in or of the Requesting State; and
 - b. it purports to be authenticated by the official seal of a Minister of Government, or of a Department or official of the Requesting State; or

- c. it has been authenticated in such other manner as may be permitted by the law of the Requested State.
- 3. Documents described in paragraph 1 of this Article shall be admitted in evidence whether they originated in the Requesting State or in a third State.

ARTICLE 10

PROVISIONAL ARREST

- 1. In case of urgency, a Contracting State may request the provisional arrest of the person sought, pending presentation of the request for extradition. A request for provisional arrest may be transmitted through diplomatic channels. The facilities of the International Criminal Police Organisation (Interpol) may be used to transmit such a request.
- 2. The application for provisional arrest shall contain:
 - a. a description of the person sought;
 - b. the location of the person sought, if known;
 - c. a brief statement of the facts of the case, including, if possible, the time and location of the offence;
 - d. a description of the laws violated;
 - e. a statement of the existence of a warrant of arrest, or a finding of guilt or judgment of conviction against the person sought; and
 - f. a statement that a request for extradition for the person sought will follow.
- 3. The Requesting State shall be notified without delay of the action taken on its application and the reasons for any denial.
- 4. A person who is provisionally arrested may be released from custody on the expiration of sixty (60) days from the date of provisional arrest pursuant to this Treaty if the executive authority of the Requested State has not received the formal request for extradition and the supporting documents required in Article 7.

5. The fact that the person sought has been released from custody pursuant to paragraph 4 of this Article shall not prejudice the subsequent re-arrest and extradition of that person, if the extradition request and supporting documents are delivered at a later date.

ARTICLE 11

CONCURRENT REQUESTS

1. Where requests are received from two or more States for the extradition of the same person, the Requested State shall determine to which of those States the person is to be extradited and shall notify the Requesting States of its decision.
2. In determining to which State a person is to be extradited, the Requested State shall have regard to all relevant circumstances and, in particular, to:
 - a. if the requests relate to different offences - the relative seriousness of the offences;
 - b. the existence of an extradition treaty with the other State or States;
 - c. the time and place of commission of each offence;
 - d. the respective dates of the requests;
 - e. the nationality of the person; and
 - f. the ordinary place of residence of the person.

ARTICLE 12

SURRENDER

1. The Requested State shall, as soon as a decision on the request for extradition has been made, communicate that decision to the Requesting State.
2. Where extradition is granted, the Requested State shall surrender the person at a time, and from a point of departure in its territory as may be decided in consultation with the Requesting State.
3. The Requesting State shall remove the person from the territory of the Requested State within such reasonable period as the Requested State

may specify and, if the person is not removed within that period, the Requested State may refuse to extradite that person for the same offence.

4. If circumstances beyond its control prevent a Contracting State from surrendering or removing the person to be extradited it shall notify the other Contracting State. The two Contracting States shall agree upon a new date of surrender, and the provisions of paragraph 3 of this Article shall apply.

ARTICLE 13

SURRENDER OF PROPERTY

1. To the extent permitted under the law of the Requested State all property found in the Requested State that has been acquired as a result of the offence or may be required as evidence shall be surrendered if extradition is granted and the Requesting State so requests.
2. Subject to paragraph 1 of this Article, the abovementioned property shall, if the Requesting State so requests, be surrendered to the Requesting State even if the extradition cannot be carried out.
3. Where the law of the Requested State or the rights of third parties so require, any articles so surrendered shall be returned to the Requested State free of charge if that State so requests.

ARTICLE 14

POSTPONEMENT OF EXTRADITION AND TEMPORARY SURRENDER

1. The Requested State may postpone the surrender of a person in order to proceed against that person, or so that the person may serve a sentence, for an offence other than the offence for which extradition is sought. In such a case the Requested State shall advise the Requesting State accordingly.
2. When the person is serving a sentence in the territory of the Requested State for an offence other than the offence for which extradition is sought, the Requested State may temporarily surrender the person to the Requesting State to be prosecuted for an offence for which extradition is sought. The person so surrendered shall be kept in custody in the Requesting State and shall be returned to the Requested State after proceedings against the person have

concluded, in accordance with written conditions to be mutually determined by the Contracting States.

ARTICLE 15

RULE OF SPECIALITY

1. Any person who is returned to the territory of the Requesting State under this Treaty shall not be detained or tried or subjected to any other restriction of her or his personal liberty, within the territory of the Requesting State for or in respect of any offence committed before he was returned to that territory other than:
 - a. the offence in respect of which the person was returned;
 - b. any other extraditable offence disclosed by the facts upon which the request for extradition was based, provided that the offence does not carry a penalty which is more severe than that which could be imposed for the offence in respect of which the person was returned; or
 - c. any other extraditable offence in respect of which the Requested State may consent to the person being dealt with.
2. A person extradited under this Treaty may not be extradited to a third State for an offence committed prior to his extradition unless the Requested State consents.
3. Paragraphs 1 and 2 of the present Article shall not apply if the person has had an opportunity to leave the Requesting State and has not done so within 45 days of final discharge in respect of the offence for which that person was extradited or if the person has voluntarily returned to the territory of the Requesting State after leaving it.
4. A request for the consent of the Requested State under the present Article shall be accompanied by such of the documents as mentioned in Article 7 of the present Treaty as may be sought by the Requested State.

ARTICLE 16

TRANSIT

1. Where a person is to be extradited to a Contracting State from a third State through the territory of the other State, the State to which the person is to be extradited shall request the other State to permit

the transit of that person through its territory. This does not apply where air transport is used and no landing in the territory of the other State is scheduled. A person in transit may be held in custody during the period of transit.

2. Upon receipt of such a request, which shall contain relevant information, the Requested State shall deal with this request expeditiously pursuant to procedures provided by its own law.
3. In the event of an unscheduled landing, the State to be requested to permit transit may, at the request of the escorting officer, hold the person in custody, subject to its law, pending receipt of the transit request to be made in accordance with paragraph 1 of the present Article.

ARTICLE 17

EXPENSES

1. The Requested State shall make all necessary arrangements for and meet the cost of any proceedings arising out of a request for extradition and shall otherwise represent the interests of the Requesting State.
2. The Requested State shall bear the expenses incurred in its territory in relation to the arrest and detention of the person whose extradition is sought until that person is surrendered to the Requesting State.
3. The Requesting State shall bear the expenses incurred in conveying the person from the territory of the Requested State.

ARTICLE 18

CONSULTATION

1. The Contracting States shall, at the request of either, consult concerning the interpretation and application of this Treaty.
2. The competent authorities of the Contracting States may consult each other directly in connection with the processing of individual cases and in furtherance of maintaining and improving procedures for the implementation of this Treaty.

ARTICLE 19**OBLIGATIONS UNDER INTERNATIONAL CONVENTIONS/TREATIES**

The present Treaty shall not affect the rights and obligations of the Contracting States arising from International Conventions/Treaties to which they are parties.

ARTICLE 20**ENTRY INTO FORCE**

1. The Contracting States shall inform each other in writing of the completion of their internal procedures required for entry into force of this Treaty. The Treaty shall enter into force thirty days after the date of the later communication.
2. Either of the Contracting States may terminate this Treaty at any time by giving notice to the other through diplomatic channels, and if such notice is given the Treaty shall cease to have effect six months after the receipt of the notice.

In witness whereof, the undersigned being duly authorised thereto by their respective Governments, have signed this Treaty.

Done in duplicate at Canberra this the twenty third day of June, two thousand and eight, in English and Hindi both languages being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

On behalf of the Government
of the Republic of India

On behalf of the Government
of Australia



340. Treaty Between the Republic of India and Australia on Mutual Legal Assistance in Criminal Matters.

Canberra, June 23, 2008.

The Republic of India and Australia (hereinafter referred to as the 'Contracting States')

Desiring to make more effective the cooperation between the two countries in combating crimes, including offences related to terrorism, through mutual legal assistance;

Have agreed as follows:

ARTICLE I

SCOPE OF APPLICATION

1. The Contracting States shall, in accordance with this Treaty, provide each other with the widest measure of mutual legal assistance in criminal matters.
2. Mutual legal assistance is any assistance given by the Requested State in respect of investigations, prosecutions or other proceedings in criminal matters in the Requesting State, irrespective of whether the assistance is sought or is to be provided by a court or some other authority.

ARTICLE 2

DEFINITIONS

For the purpose of this Treaty-

1. Criminal matters means investigations, inquiries, trials or other, proceedings relating to statutory or common law offences, including those relating to forfeiture, confiscation and restraint of property and imposition of pecuniary penalties, in respect of such an offence.
2. Criminal matters shall include investigations, prosecutions or proceedings relating to offences concerning taxation, duties, customs, foreign exchange and other revenue matters.
3. Mutual legal assistance includes:-

- (a) taking of evidence and obtaining of statements of persons including execution of letters rogatory;
 - (b) provision of information, documents and other records;
 - (c) location and identification of persons and objects;
 - (d) execution of requests for search and seizure;
 - (e) measures to locate, restrain and forfeit the proceeds and instruments of crime;
 - (f) seeking the consent of persons to be available to give evidence or to ass in investigations in the Requesting State and, where such persons are custody, arranging for their temporary transfer to that State;
 - (g) service of documents, including judicial documents; and
 - (h) other assistance consistent with the objects of this Treaty which is inconsistent with the laws of the Requested State.
4. Mutual legal assistance shall not include:-
- (a) the extradition of any person;
 - (b) the execution in the Requested State of criminal judgments imposed in the Requesting State except to the extent permitted by the law of the Requested State and this Treaty; and
 - (c) the transfer of persons in custody to serve sentences.

ARTICLE 3

COMPATIBILITY WITH OTHER TREATIES

This Treaty shall not derogate from obligations subsisting between the Contracting States whether pursuant to other Treaties or arrangement otherwise nor prevent the Contracting States providing assistance to each other pursuant to other treaties or arrangements or otherwise.

ARTICLE 4

CENTRAL AUTHORITIES

1. The Central Authorities shall transmit and receive all requests for the purposes of this Treaty.

2. The Central Authority of Australia is the Attorney-General's Department and for the Republic of India is the Ministry of Home Affairs. Either Contracting State shall notify the other of any change of its Central Authority.
3. The Central Authorities shall arrange for the prompt execution of such requests. The Central Authorities may communicate with one another for the purposes of this Treaty.

ARTICLE 5

REFUSAL OR POSTPONEMENT OF ASSISTANCE

1. Assistance shall be refused if the request relates to the prosecution of a person for a military offence, which is not also an offence under the general criminal law.
2. Assistance may be refused if the request relates to the prosecution of a person for an offence that is regarded by the Requested State as an offence of a political character. For the purposes of this Treaty the following offences shall not be regarded as offences of a political character:
 - (a) an offence in respect of which the Contracting States have an obligation to provide mutual legal assistance under a multilateral/international treaty or convention to which both Contracting States are parties;
 - (b) an offence in respect of the taking or attempted taking of the life of a Head of State, Head of Government, or a member of that person's family;
 - (c) murder, culpable homicide or manslaughter;
 - (d) an offence involving firearms, explosives, incendiaries, destructive devices or substances, causing death, grievous bodily harm or serious damage to property;
 - (e) any other offence related to terrorism which at the time of the request is, under the law of the Requested State, not to be regarded as an offence of a political character; or
 - (f) conspiracy or attempt to commit, or participation in any of the foregoing offences.

3. Assistance may be refused if:
 - (a) the request relates to the prosecution of a person for an offence in respect of which the person has been tried and finally dealt with or pardoned;
 - (b) the Requested State has substantial grounds to believe that the request for assistance has been made for the purpose of prosecuting a person on account of that person's race, sex, religion, nationality or political opinion or that person's position may be prejudiced for any of those reasons;
 - (c) in the opinion of the Requested State, the execution of the request would impair its sovereignty, security, public order, essential public interest or prejudice the safety of any person; or
 - (d) the request relates to the prosecution of a person for an offence in respect of which the punishment which might be imposed on the person may prevent the Requested State from complying under its domestic laws.
4. The Requested State may consider granting assistance in the absence of dual criminality.
5. Assistance may be postponed by the Requested State if execution of the request would interfere with an ongoing investigation, prosecution or other proceedings in the Requested State.
6. Before refusing a request for assistance or before postponing the execution of a request, the Requested State shall consider whether assistance may be provided subject to such conditions as it deems necessary. If the Requesting State accepts assistance subject to those conditions, it shall comply with them.

ARTICLE 6

CONTENTS OF REQUESTS

1. Requests for assistance shall include:
 - (a) the purpose of the request and a description of the assistance sought;
 - (b) the name of the competent authority conducting the investigation or proceeding to which the request relates;

- (c) a description of the nature of the investigation, prosecution or proceedings, a summary of the facts and a copy of the applicable laws;
 - (d) the degree of confidentiality required and the reasons therefore;
 - (f) details of any particular procedure or requirement that the Requesting State wishes to be followed, including a statement as to whether sworn or affirmed evidence or statements are required and a description of the subject matter of the evidence or statements sought; and
 - (g) the court order, if any, sought to be enforced and a statement to the effect that it is a final order,
2. Requests for assistance, to the extent necessary and insofar as possible, shall also include;
- (a) the identity, nationality and location of the person or persons who are the subject of, or who may have information relevant to, the investigation, prosecution or other proceeding;
 - (b) in the case of requests for the taking of evidence, search and seizure, or the location, restraint or forfeiture of proceeds or instruments of crime, a statement indicating the basis for belief that evidence or proceeds may be found in the Requested State;
 - (c) in the case of lending of exhibits, the current location of the exhibits in the Requested State and an indication of the person or class of persons who will have custody of the exhibits in the Requesting State, the place to which the exhibit is to be removed, any tests to be conducted and the date by which the exhibit will be returned;
 - (d) information as to the allowances and expenses to which a person appearing in the Requesting State will be entitled;
 - (e) in the case of making detained persons available, an indication of the, person or class of persons who will have custody during the transfer, the place to which the detained person is to be transferred and the probable date of that person's return; and

- (f) in the case of requests in respect of proceeds of crime or search and seizure, a statement describing the basis of belief that the money or property are the proceeds of crime or are liable for search and seizure.
- 3. If the Requested State considers that the information is not sufficient to enable the request to be executed, it may request additional information to enable the request to be dealt with.

ARTICLE 7

LANGUAGE

- 1. Requests shall be submitted in the English language.
- 2. Supporting documents, if not in the English language, shall be accompanied by an English translation.

ARTICLE 8

EXECUTION OF REQUESTS

- 1. A request for assistance may be in writing. However in urgent circumstances a request may be made by any means capable of producing written record under conditions allowing the Requested State to establish authenticity. In such cases the Requesting State shall confirm the request in writing promptly thereafter unless the Requested State agrees otherwise
- 2. Requests for assistance shall be executed promptly in accordance with the law of the Requested State and, insofar as not prohibited by that law in the manner specified by the Requesting State.
- 3. The Requested State may, upon request, inform the Requesting State of the date and place of execution of the request for assistance.
- 4. The Requested State shall not refuse to execute a request on the ground of bank secrecy.
- 5. The Requested State shall promptly inform the Requesting State of its decision not to comply in whole or in part with a request for assistance, or to postpone execution and shall give reasons for that decision.

6. The Requested State may postpone the delivery of material requested if such material is required for proceedings in respect of criminal or civil matters in that State. The Requested State shall, upon request, provide certified copies of documents,
7. The Requested State shall promptly inform the Requesting State of circumstances, when they become known to the Requested State, which are likely to cause a significant delay in responding to the request.

ARTICLE 9

RETURN OF MATERIAL TO REQUESTED STATE

The Central Authority of the Requested State may require that the Central Authority of the Requesting State return any items, including documents and records, furnished to it in execution of a request under this Treaty.

ARTICLE 10

CONFIDENTIALITY

1. The Requesting State may require that the request, its contents, supporting documents and any action taken pursuant to the request be kept confidential. If the request cannot be executed without breaching the confidentiality requirement, the Requested State shall so inform the Requesting State prior to executing the request and the latter shall then determine whether the request should nevertheless be executed.
2. The Requesting State, if so requested, shall keep the information and evidence provided by the Requested State confidential, except to the extent that the evidence and information is needed for the investigation and proceeding described in the request.
3. The Requesting State shall not disclose or use information or evidence furnished for purposes other than those stated in the request, without the prior consent of the Requested State.

ARTICLE 11

SERVICE OF DOCUMENTS

1. The Requested State shall serve any document transmitted to it for the purpose of service.

2. A request to effect service of a document requiring the appearance of a person shall be made to the Requested State not less than forty five (45) days before the date on which the appearance is required. In urgent cases, the Requested State may waive this requirement.
3. The Requested State may effect service of any document by mail or, if the Requesting State so requests, in any other manner required by the law of the Requesting State which is not inconsistent with the law of the Requested State.
4. The Requested State shall return a proof of service in the manner required by the Requesting State. . If service cannot be effected, the Requesting State shall be so informed and advised of the reasons.

ARTICLE 12

TAKING OF EVIDENCE

1. Where a request is made for the purpose of a proceeding in relation to a criminal matter in the Requesting State, the Requested State shall, upon request, take the evidence of witnesses, including from persons in custody, for transmission to the Requesting State. The Requesting State shall specify the subject matter about which the person is to be examined, including any questions to be asked.
2. For the purposes of this Treaty, the giving or taking of evidence shall include the production of documents, records or other material.
3. Subject to the law of the Requested State, officials of the Requesting State and persons concerned in the proceedings in the Requesting State may be permitted to be present when evidence is taken in the Requested State and to participate in the taking of such evidence in the manner as may be specified by the Requested State.
4. Persons permitted to participate in the taking of evidence may suggest questions to be put to the person whose evidence is to be taken. The Requested State will endeavour, subject to its laws and procedures, to arrange for the production of a transcript or recording of the proceedings, using any technical means.
5. A person who is required to give evidence in the Requested State under this Article may decline to give evidence where either:

- (a) the law of the Requested State permits that witness to decline to give evidence in similar circumstances in proceedings originating in the Requested State; or
 - (b) the law of the Requesting State permits that witness to decline to give evidence in such, proceedings in the Requesting State.
- 6. If any person claims that there is a right to decline to give evidence under the law of the Requesting State, the Central Authority of that State shall, upon request, provide a certificate to the Central Authority of the Requested State as to the existence of that right. In the absence of evidence to the contrary, the certificate shall provide sufficient evidence as to the existence of that right.

ARTICLE 13

OBTAINING OF STATEMENTS OF PERSONS

- 1. The Requested State shall, upon request, endeavour to obtain statements of persons for the purpose of an investigation or proceeding in relation to a criminal matter in the Requesting State.
- 2. For the purposes of requests under this Article, the Requesting State shall specify the subject matter about which it seeks statements from persons including any questions which it seeks to put to the person.

ARTICLE 14

AVAILABILITY OF PERSONS IN CUSTODY TO GIVE EVIDENCE OR ASSIST IN INVESTIGATIONS

- 1. Upon request, a person serving a sentence or otherwise held in custody in the Requested State may be temporarily transferred to the Requesting State to assist investigations or to give evidence, provided that the person consents.
- 2. When the person transferred is required to be kept in custody under the law of the Requested State, the Requesting State shall hold that person in custody and shall return the person in custody at the conclusion of the execution of the request.
- 3. Where the Requested State advises the Requesting State that the transferred person is no longer required to be held in custody, that person shall be set at liberty and be treated as a person present in

the Requesting State pursuant to a request seeking that person's attendance under Article 15.

ARTICLE 15

AVAILABILITY OF OTHER PERSONS TO GIVE EVIDENCE OR ASSIST INVESTIGATIONS

1. The Requesting State may request the assistance of the Requested State in inviting a person to :
 - (a) appear as a witness in proceedings in relation to a criminal matter in the Requesting State unless that person is the person charged; or
 - (b) assist investigations in relation to a criminal matter in the Requesting State.
2. The Requested State shall, if satisfied that satisfactory arrangements for that person's security will be made by the Requesting State, invite the person to consent to appear as a witness in proceedings or to assist in the investigations. That person shall be informed of any expenses and allowances payable.

ARTICLE 16

SAFE CONDUCT

1. Subject to paragraph 2 where a person is in the Requesting State pursuant to a request made under Articles 14 or 15:-
 - (a) that person shall not be detained, prosecuted or punished in the Requesting State for any offence, nor be subject to any civil suit, being a civil suit to which the person could not be subjected if the person were not in the Requesting State, in respect of any act or omission which preceded the person's departure from the Requested State; and
 - (b) that person shall not, without that person's consent, be required to give evidence in any proceeding or to assist any investigation other than the proceeding or investigation to which the request relates.
2. Paragraph 1 of this Article shall cease to apply if a person, being free to leave the Requesting State, has not left within thirty (30) days

after receiving official notification that the person's attendance is no longer required or, having left, has voluntarily returned.

3. A person appearing in the Requesting State pursuant to a request made under Articles 14 or 15 shall be subject to the law of that State relating to contempt, perjury and the making of false declarations.
4. Any person who fails to appear in the Requesting State may not be subjected to any sanction or compulsory measure in the Requested State.

ARTICLE 17

PROVISION OF PUBLICLY AVAILABLE DOCUMENTS AND RECORDS

1. The Requested State shall provide copies of publicly available documents and records of Government departments and agencies.
2. The Requested State may provide copies of any official document or record in the same manner and under the same conditions as such document or record may be provided to its own law enforcement and judicial authorities.

ARTICLE 18

CERTIFICATION AND AUTHENTICATION

1. Documents, records or objects transmitted pursuant to this Treaty shall not require any form of authentication, except as required by the Requesting State.
2. Insofar as not prohibited by the law of the Requested State, documents, records or objects shall be provided in a form or accompanied by such certification as may be specified by the Requesting State in order to make them admissible according to the law of the Requesting State.

ARTICLE 19

SEARCH AND SEIZURE

1. The Requested State shall, in so far as its law permits, execute a request for search and seizure and delivery of material to the Requesting State.

2. Search and seizure shall be conducted by the Requested State to the same extent and under the same conditions as would apply to its own law enforcement and judicial authorities in accordance with its laws.
3. The Requested State shall provide such information as may be required to the Requesting State concerning, but not limited to, the identity, condition integrity and continuity of possession of the documents, records or object seized and the circumstances of the seizure.
4. The Requesting State shall observe any conditions imposed by the Requested State in relation to any seized material which is delivered to the Requesting State. Before imposing any such conditions, the Requested State shall consult the Requesting State.

ARTICLE 20

PROCEEDS AND INSTRUMENTS OF CRIME

1. The Requested State shall, upon request, endeavour to ascertain whether any proceeds or instruments of crime are located within its jurisdiction and shall notify the Requesting State of the results of its inquiries.
2. Where pursuant to paragraph 1 suspected proceeds or instruments of crime are found, the Requested State shall take such measures as are permitted by its law to prevent any dealing in, transfer or disposal of, those suspected proceeds or instruments of crime, pending a final determination in respect of those proceeds by a court of the Requesting State.
3. The Requested State shall, to the extent permitted by its law, give effect to a final order forfeiting or confiscating the proceeds or instruments of crime made by a court of the Requesting State.
4. In the application of this Article, the rights of bona fide third parties shall be respected under the law of the Requested State.
5. Proceeds or instruments forfeited or confiscated pursuant to this Treaty shall accrue to the Requested State, unless otherwise agreed.

ARTICLE 21**REPRESENTATION AND EXPENSES**

1. Unless otherwise provided in this Treaty the Requested State shall make all necessary arrangements for the representation of the Requesting State in any proceedings arising out of a request for assistance and shall otherwise represent the interests of the Requesting State.
2. The Requested State shall meet the cost of executing the request for assistance, except that the Requesting State shall bear:-
 - (a) the expenses associated with conveying any person to or from the territory of the Requested State, and any fees, allowances or expenses payable to that person whilst in the Requesting State pursuant to a request under Articles 14 or 15;
 - (b) the expenses associated with escorting officers conveying a person including a person in custody; and
 - (c) the expenses associated with the taking of evidence from the Requested State via video, satellite or other technological means.
3. If it becomes apparent that the execution of the request requires expenses of an exceptional nature, the Contracting States shall consult to determine the terms and conditions under which the requested assistance can be provided.

ARTICLE 22**CONSULTATION**

The Contracting States shall consult promptly, at the request of either, concerning the interpretation, the application or the carrying out of this Treaty either generally or in relation to a particular case. The Central Authorities may also agree on such practical measures as may be necessary to facilitate the implementation of this Treaty.

ARTICLE 23**ENTRY INTO FORCE AND TERMINATION**

1. The Contracting States shall inform each other in writing of completion of their internal procedures required for entry into force of the Treaty.

The Treaty shall enter into force thirty (30) days after the date of latter communication.

2. This Treaty shall apply to requests whether or not the relevant acts of omissions occurred prior to this Treaty entering into force.
3. Either of the Contracting States may terminate this Treaty at any time giving notice to the other through diplomatic channels; and if such notice given the Treaty shall cease to have effect six (6) months after the receipt of notice.

In witness whereof, the undersigned being duly authorized thereto by the respective Governments, have signed this Treaty.

Done in duplicate at Canberra this the twenty third day of June, two thousand eight, in English and Hindi, both texts being equally authentic. In case any divergence of interpretation, the English text shall prevail.

For the Government
of the Republic of India

For the Government
of Australia



341. Press Release of the Ministry of External Affairs on the visit of Australian Foreign Minister Stephen Smith.**New Delhi, September 11, 2008.**

Australian Minister for Foreign Affairs, H.E. Stephen Smith is currently visiting India from Sept. 8-12, 2008. His official visit to India is at the invitation of External Affairs Minister. Mr. Smith became the Minister for Foreign Affairs in the new Labour Government in Australia which came to power in Dec. 2007. Mr. Smith along with his delegation is visiting Chennai, (Sept 8-9) Hyderabad (Sept. 9-10) and New Delhi (Sept. 11-12). His visit is intended to diversify and consolidate the traditionally warm and friendly relations between India and Australia.

This is Mr. Smith's first visit to India, and a stand-alone visit, that follows External Affairs Minister's visit to Canberra in June, 2008 for the fourth meeting of the Foreign Ministers' Framework Dialogue. (The last visit by an Australian Foreign Minister to India was in June 2005 by Mr. Alexander Downer).

During the visit Mr. Smith has already met the Governor and the Chief Minister of Tamil Nadu in Chennai and in Hyderabad the Chief Minister of Andhra Pradesh and other Ministers of the Andhra Government. In New Delhi, Mr. Smith will be calling on Prime Minister and hold wide ranging talks on issues of mutual interest with External Affairs Minister who will be hosting an official lunch for him. In addition, Mr. Smith will be calling on the Vice President and meeting Finance Minister, MOS (AS) for External Affairs and the National Security Adviser. He will be delivering a lecture on India-Australia relations at ICWA¹. Mr. Smith's visit underlines

¹ In his lecture at the Indian Council of World Affairs on September 11, Mr. Smith said Australia backed India's case for a permanent seat in the United Nations Security Council and saw the end of a period when successive governments in Canberra had not approached India "diligently enough." He said that his country's refusal to supply uranium to India should not be allowed to come in the way of the attempt to take the bilateral ties to an entirely new level. "That period of fits and starts is over. Australia's past approach to India has been like a 20/20 cricket match: short bursts of enthusiasm followed by lengthy periods of inactivity. We need, rather, to treat our relationship with India like a test match. We should work with diligence, dedication, application and perseverance day in and day out to extend the partnership. This approach also acknowledges India's rise as a great power in the international community," he said. Growing ties with India, Mr. Smith said, would not and should not be at the expense of ties with other countries. Australia would

the desire of both sides to raise the level of bilateral relations to a significantly higher level.

India and Australia have several commonalities which serve as a basis for closer cooperation and multifaceted interaction in various fields. Bilateral trade has increased three-fold since 2002 to USD 10.2 bn (A\$ 10.8 bn) in 2007. Australia is India's 10th largest while India is Australia's 9th largest trading partner. In the context of India's 'Look East Policy', Australia-India cooperation is an important and growing element, contributing to the evolution of the regional architecture under the East Asia Summit process.



continue to pursue closer links with China and members of the Association of South East Asian Nations as well preserve its close strategic linkages with the U.S. and Japan. Australia also wished that India had close ties with Japan, China and the U.S. "This is not a zero sum game. The benefits from better bilateral relationships add to closer regional and multilateral relationships."

342. Joint Statement issued on the visit of Australian Foreign Minister Stephen Smith.**New Delhi, September 12, 2008.**

The Indian External Affairs Minister, Hon'ble Pranab Mukherjee, and Australian Minister for Foreign Affairs, the Hon'ble Stephen Smith met in New Delhi today and discussed bilateral, regional and international issues of mutual interest and importance. The discussions covered a wide-range of subjects, reflecting the increasingly close ties between India and Australia.

India-Australia relations have significantly grown in the recent years encompassing greater political, economic, defence and scientific fields, and people-to-people cooperation. Recognising the importance of close and mutually beneficial relations between the two important countries in their respective regions, both Ministers agreed to take the level of relations to a "strategic partnership" and work towards the objective.

The two Ministers welcomed the increasing dynamism of the economic partnership, and noted in particular the growing diversification of trade and investment linkages. The complementarity of the two economies pointed to further scope for creating business opportunities in both countries. They noted the progress on the feasibility study on Free Trade Agreement (FTA), and reaffirmed the importance of concluding the study on schedule by the end of the year so that both the Governments could consider recommendations and determine next steps. They also reaffirmed their strong commitment to the successful conclusion of the WTO Doha Round.

The Ministers noted the importance of two-way resources engagement between India and Australia. The Ministers welcomed the ongoing work to develop strategy papers under the Joint Working Group on Energy and Resources, to further enhance Australia-India cooperation. The Ministers also welcomed the Chief Executive Officers' Forum initiative, which is being established. The Ministers noted that the Australia-India Roundtable would be held in November in Sydney with the Lowy Institute and the Indian Council of World Affairs as the conveners.

Building on the initiatives announced at the Foreign Ministers' Framework Dialogue in Canberra on 23 June, 2008, the Ministers expressed satisfaction at the conclusion of Memorandum of Understanding on Cooperation in the Field of Water Management, and establishment of Joint Working Group on Passports, Visas and Consular Matters.

The Ministers welcomed the continuing strong relationship between India and Australia in science and technology. In particular they noted the success of the Australia-India Strategic Research Fund in attracting high-tech projects, including in innovative fields such as biotechnology, which could have significant commercial spin-offs. The Ministers also welcomed the recent signing of an MOU between CSIR, India and CSIRO, Australia to carry out joint research activities through exchange of scientists/researchers. The Ministers noted that important people-to-people links were being underpinned by education. In the first seven months of 2008, over 77,000 Indian students have enrolled in Australian institutions - making Australia the second most popular destination for Indian students seeking education overseas.

Welcoming the increase in cooperation between the Armed Forces of India and Australia across an expanding front, the Ministers took note of the scheduling of the inaugural bilateral talks between Chairman, COSC and CNS of India and Chief of Defence Forces of Australia to be held in November 2008.

The Ministers highlighted their respective Governments' long-standing commitment to strengthening regional and multilateral fora. They noted that India and Australia were cooperating in regional and multilateral fora at a significantly higher level than ever before. India and Australia accorded high priority to the East Asia Summit and the ASEAN Regional Forum, and were committed to working closely together in both fora.

Mr. Mukherjee noted Australia's initiative on Asia Pacific Community (APC). Mr. Smith mentioned that Australian Prime Minister's Envoy, Mr. Woolcott, would visit India later in 2008 as part of his regional consultations on APC.

Mr. Mukherjee welcomed the South Asian Association Regional Cooperation's decision to accord Observer Status to Australia. Mr. Smith thanked India for its support, and noted that Australia's interest in Observer Status reflected Australia's enhanced commitment to South Asia.

Mr. Smith reiterated Australia's support for India's membership of APEC.

Mr. Smith reiterated Australia's support for India's inclusion as a permanent member of the United Nations Security Council (UNSC) in keeping with the current political and economic realities of the century.

The Ministers noted that Australia and India both had proud histories of positive engagement in the United Nations and, if successful in their current

bids for non-permanent seats on the UNSC, each country would bring significant benefits to the deliberations of that body. They agreed to continue to work together closely in the United Nations.

The Ministers stated their respective Governments' longstanding commitment to nuclear non-proliferation. Mr. Mukherjee noted the establishment at the initiative of the Governments of Australia and Japan of the International Commission on Nuclear Non-proliferation and Disarmament and the recent visit to India by Mr. Gareth Evans, Australia's Co-chair of the Commission. The Ministers agreed to advance efforts to strengthen the global non-proliferation and disarmament system. Mr. Mukherjee appreciated the constructive and positive role played by Australia in the recent meetings of the Nuclear Suppliers Group.

The Ministers noted that India and Australia had a strong commitment to countering the scourge of global terrorism and that cooperative links between the two countries continued to grow steadily in this area. Mr. Smith condemned the recent attacks on Indian Embassy in Kabul as well as terrorist attacks in Ahmedabad and Bangalore, and conveyed Australia's condolences to the victims.

Mr. Smith conveyed Australia's condolences to the Government and people of India on the tragic loss of life and widespread hardship resulting from the devastating floods which affected the state of Bihar.

The Ministers noted the close cooperation between India and Australia in the areas of environment, water and climate change issues. They stressed the need for an effective global response to climate change and reaffirmed their commitment to the UN Framework Convention on Climate Change. The Ministers noted the ongoing cooperation between India and Australia in the Asia-Pacific Partnership on Clean Development and Climate (APP).

The two Ministers concluded that the relationship was being fostered and transformed by the constructive efforts by governments, business, and the communities of both India and Australia. They reiterated their resolve to continue to drive a renewed relationship based on economic, political and strategic convergence, a similar legal, political and multicultural heritage, and a strong commitment to regional and multilateral fora.



BRUNEI DARUSSALAM

343. Speech by President Smt. Pratibha Devisingh Patil at the Banquet in honour of the Sultan of Brunei Darussalam Sultan Haji Hassanal Bolkiah.

New Delhi, May 21, 2008.

Your Majesty,

Distinguished Guests,

Ladies and Gentlemen,

On behalf of the Government of India, the people of India and on my own behalf, I warmly welcome Your Majesty and your delegation to India.

The nation of Brunei Darussalam - 'the Abode of Peace' - has made great progress under your leadership. Brunei's fame as an abode of peace and tranquility is also matched by its fame as a tolerant society.

Your visit to India is an expression of the bond of friendship between our two countries and of the mutual desire to enhance our bilateral cooperation for the benefit of our two peoples.

The historical, cultural and linguistic linkages between India and Brunei, with roots dating back to the 3rd century, are deep and lasting. Indeed, 'Sri Paduka' is a word used both in Bahasa Melayu and Sanskrit.

Our economic and commercial links began with the discovery of oil in your country in 1929. A large number of Indians took employment in Brunei Darussalam. Today, the Indian community of professionals like doctors, engineers, entrepreneurs, teachers and skilled personnel are contributing to the economy of Brunei. We are grateful to Your Majesty for the support extended to the expatriate Indian community in Brunei.

India has undergone significant socio-economic transformation in recent years. The sustained economic growth of about 8 percent in the past decade has propelled India to be one of the major economies of the world. This has opened up opportunities for increased trade and investment. India is an attractive destination for foreign investment. We welcome investment from Brunei in infrastructure, telecommunications and other sectors.

Brunei has emerged as one of the sources of supply of crude oil to India, which has also enhanced our trade relations. India is also ready for cooperation in upstream, midstream and downstream projects in the oil sector.

We are grateful for the assistance and cooperation that has been extended by Brunei in our journey to the Telemetry Tracking and Telecommand Station of ISRO in Brunei. We are also happy at the interest shown by Brunei in sharing our experience and expertise in the field of Information Technology. Your Majesty, India stands ready to extend whatever assistance it can to strengthen our cooperation in areas of mutual benefit. Both countries have scope for extensive cooperation in defence, training of personnel in different courses, the health sector, and capacity building, among others.

Food security is engaging the attention of the world. 90 percent of the rice produced in the world, is consumed in Asian countries. India and Brunei, as rice producing and consuming countries, could collaborate in the field of rice research. We could begin with the exchange of rice experts and thereafter, explore the possibilities of further collaboration, including the setting up of an India-Brunei Rice Research Institute.

We value the support extended by Brunei in making India a full dialogue partner of ASEAN and in the ongoing India-ASEAN FTA negotiations. It reflects Brunei's understanding of the "Look East" policy of India, which is aimed at integrating India's multifaceted relations with ASEAN and beyond. Similarly, the decision at the 3rd East Asian Summit at Singapore last November on the Nalanda University initiative is deeply appreciated.

India and Brunei cooperate closely on several issues in international bodies, including in the UN and the Commonwealth. We appreciate the understanding of Brunei in India's enhanced role at the United Nations, particularly its candidature for permanent membership of the United Nations Security Council. We hope that Brunei would continue to support India on this issue.

The contemporary world is confronted with global challenges ranging from terrorism to climate change. Both our countries share similar views on these issues. We would continue to work together to tackle these challenges in the bilateral, regional and global context.

I wish Your Majesty and your delegation a comfortable stay in India.

Ladies and Gentlemen, may I invite you to join me, in a toast:

- to the health and well-being of Your Majesty,
- to the happiness and prosperity of the friendly people of Brunei and,
- to lasting friendship between India and Brunei.

Thank you.



344. Briefing points by Official Spokesperson on the visit of the Sultan of Brunei.**New Delhi, May 22, 2008.**

- During the visit, His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam called on President Smt. Pratibha Devisingh Patil and met Vice President Mohammad Hamid Ansari. President Smt. Pratibha Devisingh Patil hosted a banquet in honour of His Majesty. His Majesty also called upon the Prime Minister Dr. Manmohan Singh and met Chairperson of the United Progressive Alliance Smt. Sonia Gandhi, Minister of Finance P. Chidambaram, Minister of Defence A.K. Antony and the Minister of State of External Affairs E. Ahamed. Prime Minister Dr. Manmohan Singh hosted a luncheon in honour of His Majesty.
- The bilateral discussions were held in an atmosphere of traditional friendship, warmth and deep understanding. The two sides expressed satisfaction at the mutually beneficial cooperation and partnership existing between India and Brunei Darussalam. A wide range of subjects covering economic, trade and investment, defence, information and communication technology, space, shipping & ports, health, culture, arts & sports, and consular areas were discussed during the meetings. The leaders also exchanged views on regional and international issues of mutual interest.
- During the visit, the following MOUs/Agreements were signed:
 - a) Agreement on Reciprocal Promotion and Protection of Investments
 - b) MOU of Cooperation in Information and Communication Technology
 - c) MOU on Cooperation in the fields of Culture, Arts and Sports.
 - d) MOU on the Establishment of Joint Trade Committee
 - e) MOU on Cooperation in the Operation of the Telemetry Tracking and Telecommand Station for Satellite and Launch Vehicles and for Cooperation in the field of Space Research Science and Applications

- The leaders highlighted the importance of enhancing the frequency of exchange of high-level bilateral visits, including at the level of Head of State and Head of Government. They also reiterated their resolve to continue the bilateral dialogue and cooperation within regional frameworks and at various international fora.
- The Indian side expressed its appreciation to His Majesty's Government for facilitating the Indian community to work and live in Brunei Darussalam in a harmonious environment. The Indian community in Brunei Darussalam consisting of professionals like doctors, engineers, IT experts, teachers, the business community and both skilled and unskilled workers has contributed to the economic development of Brunei Darussalam. The Bruneian side responded by acknowledging the contribution rendered by the Indian community in Brunei Darussalam. The Indian side underlined the need for an MOU on Labour to facilitate future manpower supply to Brunei Darussalam.
- Both sides noted that bilateral trade between the two countries had gone up in 2006-07 and agreed to take steps to increase the level of bilateral trade. They also welcomed the interest for mutual investment in each other's country, taking advantage of business climate and the opportunities.
- The two sides stressed that terrorism constitutes one of the most serious threats to international peace and security. They strongly condemned terrorism in all its forms and manifestations, and stressed that there can be no justification, whatsoever, for any acts of terrorism. They emphasized the need for concerted and coordinated action by the international community, in accordance with international law, to realize the objectives of eradicating terrorism in all its forms and manifestations.



345. Press Note issued by the Ministry of Finance on the Signing of the India-Brunei Bilateral Investment Promotion and Protection Agreement.

New Delhi, May 22, 2008.

India has signed a Bilateral Investment Promotion and Protection Agreement (BIPA) with Brunei Darussalam, here today. While Union Finance Minister, Shri P. Chidambaram signed on behalf of the India, Mr. Pehin Dato Rahman Ibrahim, Minister of Finance, Brunei signed on behalf of Brunei Darussalam.

Signing the Agreement, Shri P. Chidambaram said that Brunei becomes the 70th country with whom India has so far signed BIP A. Observing that Brunei is the third largest producer of oil in South East Asia and the fourth largest producer of Liquefied Natural Gas (LNG), Shri Chidambaram hoped that the Agreement would serve as a catalyst in boosting investment flows between the two countries.

Mr.Pehin Dato Rahman Ibrahim, Minister of Finance, Brunei reciprocating the views of the Indian Finance Minister noted that the Agreement marked a new beginning in the relationship between both the countries.

The BIPA seeks to protect and promote investments from either country in the territory of the other country with the ultimate objective of increasing bilateral investment flow. It requires each country to encourage and create favourable conditions for investors of the other country to make investments in its territory and to admit investments in accordance with its laws.

The Agreement also stipulates principles of Most Favoured Nation Treatment and National Treatment grant of compensation in specified circumstances and provides for elaborate dispute resolution mechanism. BIPA is for a period of ten years. Thereafter, it shall continue to remain in force until the expiration of twelve months from the date on which either party gives a written termination notice. With respect to investments made prior to the date of termination of the Agreement, the provisions of the Agreement shall continue to be effective for a further period of fifteen years from the date of its termination.

The Agreement was signed in the presence of Permanent Secretary of Brunei Darussalam, High Commissioner of Brunei Darussalam, Indian High Commissioner to Brunei Darussalam and senior officers of Government of India.



346. Joint Statement issued on the occasion of the State Visit of Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, the Sultan and Yang Di-Pertuan of Brunei Darussalam.

New Delhi, May 22, 2008.

1. At the invitation of the President of the Republic of India, His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, the Sultan and Yang Di-Pertuan of Brunei Darussalam paid a State Visit to India from 20-23 May 2008
2. During the visit, His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam called on President Smt. Pratibha Devisingh Patil and met Vice President Mohammad Hamid Ansari. President Smt. Pratibha Devisingh Patil hosted a banquet in honour of His Majesty. His Majesty also called upon the Prime Minister Dr. Manmohan Singh and met Chairperson of the United Progressive Alliance Smt. Sonia Gandhi, Minister of Finance P. Chidambaram, Minister of Defence A.K. Antony and the Minister of State of External Affairs E. Ahamed. Prime Minister Dr. Manmohan Singh hosted a luncheon in honour of His Majesty.
3. The bilateral discussions were held in an atmosphere of traditional friendship, warmth and deep understanding. The two sides expressed satisfaction at the mutually beneficial cooperation and partnership existing between India and Brunei Darussalam. A wide range of subjects covering economic, trade and investment, defence, information and communication technology, space, shipping & ports, health, culture, arts & sports, and consular areas were discussed during the meetings. The leaders also exchanged views on regional and international issues of mutual interest.
4. During the visit, the following MOUs/Agreements were signed:
 - (i) Agreement on Reciprocal Promotion and Protection of Investments
 - (ii) MOU of Cooperation in Information and Communication Technology
 - (iii) MOU on Cooperation in the fields of Culture, Arts and Sports.
 - (iv) MOU on the Establishment of Joint Trade Committee
 - (v) MOU on Cooperation in the Operation of the Telemetry Tracking and Telecommand Station for Satellite and Launch

Vehicles and for Cooperation in the field of Space Research
Science and Applications

5. The leaders highlighted the importance of enhancing the frequency of exchange of high-level bilateral visits, including at the level of Head of State and Head of Government. They also reiterated their resolve to continue the bilateral dialogue and cooperation within regional frameworks and at various international fora.
6. The Indian side expressed its appreciation to His Majesty's Government for facilitating the Indian community to work and live in Brunei Darussalam in a harmonious environment. The Indian community in Brunei Darussalam consisting of professionals like doctors, engineers, IT experts, teachers, the business community and both skilled and unskilled workers has contributed to the economic development of Brunei Darussalam. The Bruneian side responded by acknowledging the contribution rendered by the Indian community in Brunei Darussalam. The Indian side underlined the need for an MOU on Labour to facilitate future manpower supply to Brunei Darussalam.
7. Both sides noted that bilateral trade between the two countries had gone up in 2006-07 and agreed to take steps to increase the level of bilateral trade. They also welcomed the interest for mutual investment in each other's country, taking advantage of business climate and the opportunities.
8. Both sides emphasized the importance of energy security for their economic growth and development. The Indian side expressed interest to continue importing crude oil from Brunei Darussalam on mutually beneficial terms. To meet the increasing energy requirements, the Indian side expressed interest to import Liquefied Natural Gas (LNG) from Brunei Darussalam.
9. Both sides identified the need for cooperation in the defence sector, and agreed to explore specific areas of cooperation.
10. The two sides agreed that cooperation in ICT is important to both countries. To further enhance and strengthen cooperation in this sector, the Indian side agreed to share its experience with Brunei Darussalam in e-governance and the setting up of knowledge based industries in both countries.

11. The two sides welcomed the signing of the MOU on Cooperation in the fields of Culture, Arts and Sports, which would increase cultural exchanges between the two countries. The Indian side expressed appreciation to the support extended by Brunei Darussalam to the Commonwealth Youth Programme (CYP) Asia Centre at Chandigarh, which will be transformed into a Centre of Excellence as agreed at the 2006 Commonwealth Youth Ministers' Meeting in Bahamas.
12. Both sides welcomed the signing of the MOU on Cooperation in the Operation of the Telemetry Tracking and Telecommand Station for Satellite and Launch Vehicles and for Cooperation in the field of Space Research Science and Applications. The Indian side expressed appreciation to the Bruneian side for all the cooperation and assistance rendered to the Indian Space Research Organisation (ISRO) over the last decade.
13. The Indian side highlighted the importance of Brunei Darussalam within ASEAN and the understanding expressed by Brunei Darussalam on India's "Look East" policy. The two sides look forward to an early conclusion of the negotiations in the ASEAN-India FTA and to realize the target of India - ASEAN trade reaching US \$ 50 billion by the year 2010.
14. The Indian side expressed its appreciation to the support extended by Brunei Darussalam to the candidature of India for the post of Secretary General of the Commonwealth during the elections in November 2007. Both sides also agreed to deepen cooperation in other regional and international fora like ARF, ASEM, WTO and the UN.
15. The two sides reaffirmed their commitment to the United Nations and stressed the need for urgent reforms so that the world body can truly reflect the political, economic and social realities of the 21st century. They underlined the importance of early reform of the United Nations Security Council, including its expansion in both permanent and non-permanent categories, with a view to enhancing its transparency and effectiveness. In this context, Brunei Darussalam supports India's intention to be one of the candidates for permanent membership of the expanded UN Security Council.
16. The two sides stressed that terrorism constitutes one of the most serious threats to international peace and security. They strongly condemned terrorism in all its forms and manifestations, and stressed that there can be no justification, whatsoever, for any acts of terrorism. They emphasized the need for concerted and coordinated action by the international community, in accordance with international law,

to realize the objectives of eradicating terrorism in all its forms and manifestations.

17. Both sides stressed the importance of an expeditious conclusion of negotiations and the adoption of the Comprehensive Convention on International Terrorism. They agreed to further expand the bilateral dialogue and cooperation in combating terrorism, organized crime and trafficking.
18. The two sides underlined that climate change is a global challenge with strong economic, environmental and social dimensions that impacted all countries and especially the developing countries; it required a concerted international response based on the principle of equity, common but differentiated responsibilities and respective capabilities. The two sides agreed that stronger international cooperation within the UN framework is needed to take steps to cope with and adapt to the adverse effects of climate change especially in the areas of adaptation, mitigation, capacity building, technology transfer, and adequate financing facilities. Both leaders shared the view that a future strategy designed to combat climate change should at the same time support sustainable development, economic growth and poverty reduction which are vital for developing countries.
19. The two sides discussed a range of other international issues, and agreed to cooperate and work together to promote international peace and development.
20. Both leaders expressed satisfaction with the results of the State Visit and concluded that it had contributed positively to the strengthening of the friendly ties between the two countries.
21. His Majesty invited the President of India and the Prime Minister to pay an official visit to Brunei Darussalam. The invitation was accepted and the dates for the visits would be settled through diplomatic channels.
22. His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, the Sultan and Yang Di-Pertuan of Brunei Darussalam expressed deep gratitude to President Smt. Pratibha Devisingh Patil and His Excellency Dr. Manmohan Singh, Prime Minister of the Republic of India for the kind reception and warm hospitality extended to him and his delegation.



346-A. Memorandum of Understanding on the Establishment of Joint Trade Committee between the Government of the Republic of India and the Government of His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam.

New Delhi, May 22, 2008.

The Government of **The Republic of India** and the government of His Majesty the Sultan and Yang Di-Pertuan of **Brunei Darussalam** herein referred to singularly as the "Party" and collectively as the "Parties")

Wishing to promote and facilitate direct trade relations between the two countries:

Intending to establish a Joint Trade Committee (JTC) between the two countries:

Have reached the following understanding:

**SECTION - I
OBJECTIVE**

The Parties will establish a Joint Trade Committee for facilitating expansion of bilateral trade and economic cooperation between the two countries and expansion of cooperation in the areas of environment protection and management, transport, tourism, communications and training of personnel and other identified areas as mutually agreed upon by the Parties

**SECTION - II
COMPOSITION**

The Joint Trade Committee will be composed of the delegations of both Parties. The delegation for each Party will comprise of officials and other members as designated by the respective Parties.

**SECTION - III
TERMS OF REFERENCE**

The Joint Trade Committee will undertake measures to facilitate the expansion of trade which, inter-alia, include the following:

- a) Hold consultations and exchange information on trade, and other trade related matters:

- b) Review the development of existing trade and other trade related matters as well as identify new areas to trade for further cooperation;
- c) Recommend measures to their respective Governments aimed at the expansion and diversification of trade between the two countries: and
- d) Set up working groups where necessary to carry out activities falling under its competence.

SECTION - IV PROCEDURES

The Joint Trade Committee will hold its session as and when necessary alternatively in India and Brunei Darussalam on dates to be mutually agreed upon. The host country will provide the Secretariat for the meeting and each Party will fund its own participation including transportation costs and accommodation.

SECTION - V CONFIDENTIALITY

- 1. The Parties shall keep confidential, and not without prior written consent of the other disclose to any third party, documents, information or Data acquired as a result of or pursuant to this Memorandum of Understanding.
- 2. The provisions of this Section shall continue to apply even after the termination of or withdrawal from this Memorandum of Understanding.

SECTION - VI SETTLEMENT OF DISPUTES

Any disputes arising from the interpretation or implementation of this Memorandum of Understanding will be settled amicably by consultation or negotiation between the Parties through diplomatic channels.

SECTION - VII AMENDMENT AND REVIEW

This Memorandum of Understanding may be amended or reviewed at any time by mutual decision of the Parties. Amendments will be in writing by an exchange of notes through diplomatic channels and will be effected on a mutually agreed date.

SECTION - VIII
ENTRY INTO FORCE, DURATION AND TERMINATION

1. This Memorandum of Understanding shall enter into force on the date of its signature and shall remain in force for a period of five (5) years. Thereafter, it may automatically be extended for another five (5) years, unless either Party gives to the other three (3) months written notice in advance of its intention to terminate the Memorandum.
2. In the event of such termination, it will not affect any on going projects and activities unless both Parties mutually agree otherwise.

Done at New Delhi on May 22, 2008 in two originals, in English language.

For the Government of
Republic of India

(Jayant Dasgupta)
Joint Secretary
Ministry of Commerce & Industry

For the Government of His Majesty
the Sultan and Yang Di-Pertuan of
Brunei Darussalam

(Datin Paduka Maimunah Dato Elias)
Permanent Secretary,
Ministry of Foreign Affairs and Trade



CHINA

347. Special Media Briefing by Foreign Secretary Shivshankar Menon on Prime Minister's visit to China.

New Delhi, January 11, 2008.

Official Spokesperson (Shri Navtej Sarna): Good afternoon everybody and welcome to this special briefing on Prime Minister's visit to China. We have requested Foreign Secretary to be here and brief you. After that there will be a few questions.

Foreign Secretary (Shri Shivshankar Menon): Good afternoon ladies and gentlemen. I thought I would brief you about Prime Minister's visit to China from the 13th to the 15th. He leaves here 13th morning, will be there on 13th, 14th and 15th, and returns here that night.

PM will be, as you know, the fifth Indian Prime Minister to visit China after Pandit Jawaharlal Nehru, Shri Rajiv Gandhi in 1998, Shri P.V. Narasimha Rao in 1993 and then Shri Atal Bihari Vajpayee in 2003. We, over the last few years, have brought our relationship to the level of a strategic cooperative partnership for peace and development which we announced during Premier Wen Jiabao's 2005 visit to New Delhi. As part of that partnership we now have regular annual exchanges at the Summit level between our two countries. In 2006, President Hu Jintao of China came to India and we had agreed on a 10-point strategy to implement the Strategic Cooperative Partnership that we have between our two countries.

Last year in October, the Chairperson of the UPA Shrimati Sonia Gandhi had visited China as well; Prime Minister is visiting now. These regular high-level meetings are testimony to the importance that both sides attach to this relationship. For us China is our largest neighbour, a neighbour with whom relations developed rapidly since the path-breaking visit by Prime Minister Rajiv Gandhi in 1988 when we addressed the difficult issues and also laid out path for the future development of the relationship.

While in China this time Prime Minister will be holding talks with Premier Wen Jiabao; will also be calling on President Hu Jintao; will be meeting with the Chairman of the NPC Wu Bangguo as well. He will be accompanied by Commerce and Industry Minister and a very senior business delegation. There will be a major business event on the 14th itself. On the 15th he will be addressing the Chinese Academy of Social Sciences and will be

speaking to them on India and China in the 21st century. So, as you can see, it will be a full and substantive programme.

In terms of bilateral relations, this visit is important because it comes after a series of events which have implemented and actually realized the strategic and cooperative partnership that we have. There have been several visits over the last year, since President Hu Jintao's visit, several Ministerial and other visits. Chinese Foreign Minister was here last February. Thereafter the two Foreign Ministers have met on at least three occasions - in Hamburg, in Manila and in Harbin at the trilateral meeting of India, China, Russia which the Foreign Ministers hold every year.

We have also established Consulates in Guangzhou and Kolkata during the last year; held the first ever defence dialogue between India and China and the first ever joint military exercises which were completed in December 2007 in Kunming in China. We have also activated over the last year a fifth border personnel meeting point at Lipulekh Pass in Uttarakhand. The other border personnel meeting points which have been operationalised before are at Spangur in J&K, Bomla and Dichu Damai in Arunachal, and Nathu La in Sikkim.

On the economic side our trade has registered impressive growth, much faster perhaps than anticipated. Last year, according to Chinese statistics, total two way trade exceeded 37 billion dollars. This is a very rapid increase. In the first six months, it was growing by something like 51 per cent which is quite impressive. China is now our second largest trading partner in the world. Both sides have ratified a Bilateral Investment Protection and Promotion Agreement. We have also concluded a joint study of the benefits of a regional trading agreement which would address not just tariff issues but also non-tariff issues and other trade facilitation issues which we feel are important to allow the trade to not just grow but to diversify into new sectors and to realize its potential.

In the last year, we have also had the first expert level mechanism on trans-boundary rivers and cooperation in exchange of hydrological data which is a subject which, as you know, attracts considerable public attention in India and a subject to which we attach a great deal of importance. We have both agreed to establish tourist offices in Delhi and in Beijing and to encourage travel. The numbers for people travelling between the two countries continue to grow.

We have a fairly elaborate architecture of dialogue mechanisms at various levels where we exchange views on regional, international and the bilateral

issues which are continuing. On the bilateral issues, as you know, we have regular foreign office consultations at various levels; we have a policy planning dialogue; we also have specific dialogues on multilateral issues in the UN. We have the Special Representatives for the boundary question which in our case is the NSA, Mr. Narayanan. On the Chinese side it is the first Vice Foreign Minister Dai Bingguo. We have over the last year had separate consultations on energy security, climate change, on issues as they come up and we found these very useful.

During Prime Minister's visit it is our expectation that his discussions would cover the entire range of bilateral issues and to see ways forward in these relations, how we can build further, and, of course, regional and global issues. We would expect them to discuss all the issues that today concern us, concern China as well. Do not ask me about outcomes. You need to wait for the visit for the outcomes. I am open to answer any questions.

Question: During the visit, will the Special Representatives also meet and talk on the boundary issue?

Foreign Secretary: I do not think they will have a formal meeting, but yes they will be meeting. Certainly, they will both be there.

Question: Mr. Menon, yesterday after the Cabinet meeting Mr. Dasmuni stated that amongst the five agreements that are to be signed one relates to land resource management. Can you tell us what that agreement is about? Does it have anything to do with the border talks process at all?

Foreign Secretary: No, it is not related to the border at all. Frankly, we are both in a sense countries with very large populations and limited arable land. We have a problem as we industrialise and develop where not only is population moving from rural areas into the cities but also land itself is being changed in its use from agricultural use. Food security is a big issue for both of us. So, this is actually land use in the larger sense, in the larger economic sense, where I think we both face similar problems. It is an example of how these two large, developing, rapidly-growing countries, have experiences which actually are of interest to the other and where it is useful for both of us to learn from each other. This I think is an example of this sort of deepening of the relationship that you can have exchanges like this.

Question: *Are there any prospects of resolving the boundary question that exists between us and China?*

Foreign Secretary: I do not want to prejudge what is going to happen because the discussions will take place. But we have made progress, steady progress, in our discussions on the boundary question over the years. If you remember, during Premier Wen Jiabao's visit in 2005, we had issued the Guiding Principles and Political Parameters for boundary settlement which both Premiers had agreed to. Thereafter the two Special Representatives had several sessions of talks where essentially they are trying to arrive at an agreed framework for a boundary settlement which reflects those guiding principles. We are happy at the progress that they have made so far. They have made progress but they will still have to meet again and continue their discussions¹.

Question: You have said that this visit is going to be a major business event because a large business delegation is going. Are we expecting any deal in bilateral trade?

Foreign Secretary: I do not think we are looking at individual business deals as such. I am sure there will be because many major Indian companies are doing business with China and vice versa when you look at the sheer trade volumes, you look at contracts that both countries' companies have in the other countries. What we do expect though is a useful and productive discussion between the businessmen. These are some of the most respected and most influential businessmen on both sides. Thereafter, I think Prime Minister will be meeting with the businessmen from both sides. So, there will be a major business event during the visit.

Question: Mr. Menon, there have been reports of hectic construction and defence activity by China near the Dolam Plateau close to India-Bhutan-China tri-junction. What is the present status of that? Are we alarmed by the activities there? What about the infrastructure development near China border from the Indian side?

1 Ahead of Prime Minister Manmohan Singh's visit to China, the External Affairs Minister Pranab Mukherjee speaking to Press Trust of India Editors on January 4 had sounded a note of caution on the outcome of the visit. He said "the visit is expected to be successful. But if you are expecting that there would be any dramatic turnaround on certain issues, which are long-pending, then it would perhaps be too much." On the boundary question particularly he said "But we are working in the right direction. In some areas we are moving very fast and in some we are slow but steady." Both countries made an institutional arrangement to address the dispute at the level of Special Representatives. "I am quite hopeful that the Prime Minister's visit will be very successful and he will have wide-ranging discussions with the new Chinese leadership after the Communist Party Congress."

Foreign Secretary: I think if you look at our record over the last several years and several decades actually, we have a remarkable record of both sides not just wanting to but actually maintaining peace and tranquility along the entire border. It is normal for both sides to do what they need to in terms of developing infrastructure on their side of the border. But both sides have expressed their determination in writing as a Treaty obligation since 1993, since the Border Peace and Tranquility Agreement, to maintain the status quo pending a settlement of the boundary question. That is what we both work to maintain. We have several CBMs in place in order to establish that and to make sure that it remained so. We have been very successful in doing so together over all these years. Both sides work on infrastructure on their own side. But as far as we are concerned, both countries have the will and the ability demonstrated to maintain peace and stability along the border.

Question: What is your response to Chinese activities near Dolam Plateau?

Foreign Secretary: I do not respond to individual acts that somebody might do in one place or another.

Question: Cabinet yesterday approved an agreement in the field of geosciences. Does it have anything to do with the border delineation? What does it involve specifically?

Foreign Secretary: It is between the Geophysical Survey of China and the Geological Survey of India. It is more for an exchange of information and knowledge. It is really science and technology in the geological sphere. It is not about boundary delineation. Boundary settlement is for the SRs to do and the SRs are making steady progress on that.

Question: Could you tell us about our approach to the increasing trade deficit? Is there any move for a cooperative approach to energy security in the third countries?

Foreign Secretary: We would like to sell much more to China. In fact, that is one reason why both Governments had set up the joint study group to look at the FTA. We both think that what has come out as a report is useful; it gives us several indications of what we might do to increase the overall trade. Over the last few years the balance of trade has shifted in China's favour. We would like to diversify our exports to improve our market access to China. What we are hoping is that through various discussions - including the businessmen who will be coming this time, the Joint Economic Group

which is headed by Commerce Minister on our side and his equivalent on the Chinese side which will meet later in the year, and through various means like this - we will find ways of actually increasing our exports. We think that is really the answer to the trade deficit. Energy security is the subject that affects both of us. We are both, as I said, rapidly growing economies and net energy importers, in fact among the largest energy-importers in the world. It is a subject that we have been discussing for some time; we will certainly discuss it again during the visit.

Question: Is there any possibility of India and China working out some sort of an arrangement so that those countries could be joint bidders in the third countries' oil or gas fields?

Foreign Secretary: I think we already cooperate in third countries. In fact, there are third countries where we jointly operate oil fields. There are other instances - three that I know of certainly - where we actually co-own or have joint rights in terms of exploration and oil production. I think this is going on between our companies. Between ONGC Videsh and Sinotech for instance, there are understandings and they are looking at several possibilities in third countries.

Question: There have been some reports about us facing stumbling blocks as far as the negotiations with IAEA are concerned. Could you throw some light on that aspect? Would our Prime Minister be talking to the Chinese Premier about the next steps on the deal - support from Chennai at NSG?

Foreign Secretary: As far as the IAEA is concerned, we had three rounds of discussions. We finished one round last week and we hope to do another round in the middle of January in Vienna where we hope to wrap it up. The discussions are proceeding smoothly and they will continue, we hope, to a rapid and satisfactory conclusion. On the subject of civil nuclear cooperation between India and China, we have worked together in the past in this area. In fact, China at one stage had supplied some low enriched uranium fuel for Tarapur as well in the early 1990s. We have worked together and we would hope to work together with China, like we would with other friendly countries, when the way is clear. Now we have raised the subject before with China during previous visits, as you know. I think you were the one who actually asked the question when President Hu Jintao was here in November, 2006. We will certainly raise the subject again. We have been in touch with them in between as well and we have explained to them what we see as the potential and the importance of civil nuclear energy cooperation between us and the rest of the world.

Question: What can we get from China in this?

Foreign Secretary: I think that is something that the experts will have to sit and work out.

Question: Is there any forward movement on the issue of water resources? Has anything happened on that? Is something likely to happen?

Foreign Secretary: We started several years ago exchanging the hydrological data on the Sutlej. During President Hu Jintao's visit in 2006 November, we had agreed that we would set up an expert level mechanism to look at the eastern rivers and to see about that as well. They have had their first meeting. Like any first meeting, obviously they first discussed what they will discuss and got acquainted. They have a good idea of the kinds of subjects that they would like to discuss and they plan to continue. We think it was a good beginning but it is only a first step and we would like to take that forward. So, water and hydrological data, trans-boundary rivers, these are subjects which now are a regular part of the dialogue between the two countries.

Question: There is a sense that the Chinese may be stepping back from this Agreement on political parameters and guiding principles because of the whole controversy of the settled populations. What is your reaction?

Foreign Secretary: I do not have that sense.

Question: Just a follow-up on the NSG question. Has China at all made a statement or made it clear that they are going to support India-specific changes to NSG guidelines?

Foreign Secretary: I do not think that we have actually come to that point. We have not asked anybody, "Please stand up now and say where you stand on this and will you support this change and that change". We have not actually come to that point. When it comes to the NSG we will then go and ask all our friends to do so, to support an unconditional NSG exemption for civil nuclear energy cooperation with India by NSG members.

Question: Which are the new elements of strategic partnership which will come up in this visit?

Foreign Secretary: Ask me on the 15th. They have to talk first. I cannot tell you now what is going to happen.

Question: Generally if you read whatever is in print, we get the idea that it is more about business and economy...

Foreign Secretary: You ask me the same question on the 15th and I will give you an answer.

Question: Mr. Menon, the Member of Parliament from Arunachal Pradesh on several occasions had raised in Parliament the fact that ingressions had taken place in the border areas. Will that be a topic of discussion?

Foreign Secretary: As I said, we have worked together to maintain peace and stability along this border on the basis of what there is today, on the basis of the status quo. We do have areas where we have different perceptions of where the Line of Actual Control lies and these we know. We do not see a change in the situation. The boundary or the border actually, is peaceful and has remained peaceful. There are individual areas where both sides might have different perceptions and might think that the other side is crossing. We have ways of dealing with this and these ways have been successful so far.

Question: There are some reports that a political will is required to further take forward the process of negotiation.

Foreign Secretary: I think the political will, not just to maintain peace and tranquility but also to settle the boundary, is clear and evident. Both sides have expressed it repeatedly and this is why we have appointed Special Representatives.

Question: Are we even feeling concerned about the fact that the railway has come to Lhasa now? Reports say that they can move their troops to there in four to five days while earlier it used to take about two to three months. Are we even feeling concerned about this development that they would be able to move troops to Lhasa and they would be just on the border of India?

Foreign Secretary: I think you have to accept that the world keeps changing. Naturally we look at whatever happens around us and we do whatever we need to. But we are also changing and the situation around us keeps developing. As of now we are comfortable with our relationship with China. We think it has made good progress. We think both sides are determined to settle the boundary question. We are both successful in maintaining peace and tranquility along the border. That to my mind is the frame within which you have to look at individual events, individual shifts, individual changes.

Question: Is there going to be a MoU between the Chinese Reforms Commission and the Indian Planning Commission?

Foreign Secretary: Again I have to tell you, ask me about outcomes on the 15th.

Question: Are there strong commonalities in the Indian and Chinese position on climate change?

Foreign Secretary: I think there are many elements of congruence between our two positions. There will be differences as well because our national situations are slightly different. If you look at GHG emissions, for instance, the emissions levels is much lower here. The proportion of new and renewable energy in our total energy mix, our primary energy mix, is much higher. That is really the structure of the economy. But in terms of our international position on issues we both support the Bali roadmap and I think we both have very similar ideas on how it should be realized over the next few years. So, there is considerable congruence in our previous discussions. Whenever we have discussed this issue - which is quite often over the last year - we found that we have very similar approaches.

Question: Are you confident that China will not stand in the way of India's nuclear ambitions?

Foreign Secretary: I will let the Chinese speak for themselves.

(Text in italics is a translation of Hindi original)



348. Statement by Prime Minister Dr. Manmohan Singh prior to his departure for Beijing.

New Delhi, January 12, 2008.

I will be paying an official visit to China at the invitation of Premier Wen Jiabao from January 13 to 15, 2008. During my visit, I look forward to calling on His Excellency Mr. Hu Jintao, President of the People's Republic of China, and meeting with His Excellency Mr. Wu Bangguo, Chairman of the National People's Congress. I will hold bilateral discussions with Premier Wen Jiabao on matters of mutual interest.

China is our largest neighbour and also a focal point of our "Look East" policy. We attach high priority to strengthening our relations with China. We established a Strategic and Cooperative Partnership for Peace and Prosperity when Premier Wen Jiabao visited India in April 2005. During President Hu Jintao's visit in November 2006 we laid down a ten-pronged strategy to qualitatively upgrade our bilateral ties.

Our bilateral relations are now poised to enter a vibrant and dynamic phase, based on a common recognition that the growth and development of both India and China will make positive and long term contributions to regional and global peace, security and stability. We share a desire to enhance our relationship both bilaterally and at the global level.

I look forward to my discussions with the Chinese leadership on the entire gamut of our relationship. We are engaged in the process of giving substantive content to our partnership through comprehensive economic engagement and developing mutually beneficial cooperation in the areas of science and technology, culture, education, defence and security, and increasing people-to-people contacts. Issues relating to the boundary and cooperation with regard to trans-boundary rivers will be discussed. I will be discussing how we can work more closely with China on regional, multilateral and global issues.

I look forward to my visit. It is my belief that regular Summit level interaction with China contributes to strengthening our cooperative engagement and enhancing mutual trust and understanding.



349. Extract relevant to India - China relations from the interview of External Affairs Minister Pranab Mukherjee with Karan Thapar for the CNN-IBN TV channel.

New Delhi, January 13, 2008

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Karan Thapar: The Prime Minister on Sunday goes to China- it is a visit that is taking place after months of reports in the papers of alleged Chinese incursions across the Line of Actual Control and even into Bhutan. Are these reports of frequent Chinese incursions, both in number and in scale and scope, accurate?

Pranab Mukherjee: Sometimes incursions take place. We immediately take it up. There is a regular channel through which we exchange information. There is an institutional mechanism in the border. You know when we signed the treaty of peace and tranquility in the border in 1993 and again in 1996, thereafter certain mechanisms were established through which we address these types of problems.

Karan Thapar: But has the number and frequency of incursions increased?

Pranab Mukherjee: It is not unusual (but) it has suddenly not increased.

Karan Thapar: So there is nothing worrying about this?

Pranab Mukherjee: There is nothing to be worried about at this point of time, and the mechanisms which we have are doing well.

Karan Thapar: The reason I asked this is that the 'Hindustan Times' claims that the head of the Indo-Tibetan Border Police (ITBP) has said that in the year ending October 2007 there were over a 140 incursions. 'India Today' claims there a few of them in September that went as far as five km into the Indian territory.

Pranab Mukherjee: Sometimes the incursions take place, as I mentioned to you. Every incursion is taken care of; it is being addressed through the established mechanism and the same practice is continued.

Karan Thapar: 'The Indian Express' had a report a couple of days ago that says Chinese infrastructure in terms of road and railway around the border area of Arunachal Pradesh has increased and improved so

significantly that they can now move two divisions, which is 10,000 troops, in just 20-25 days. Apparently, it earlier took anywhere between three and six months.

Pranab Mukherjee: As far as the development of infrastructure on the other side of the Indo-China border is concerned, their infrastructure in terms of roads, electricity availability of other facilities is much superior to that of infrastructural facilities available on our side of the border. It is a known fact and that is why we have recently decided that we should also build up roads and other types of infrastructural facility.

Karan Thapar: Speaking privately, generals in the Indian army don't deny that the difference in infrastructure between the two sides give the Chinese troops a significant advantage over Indian troops. As someone who was the Defence Minister just 16 months ago, are they right to be concerned?

Pranab Mukherjee: With the situation that is prevailing right now at the border, there is no need of pressing any panic button. Peace and tranquility are being retained there and various confidence-building measures are being regularly taken up-for instance participation of troops of both sides on different occasions, national days and festivals.

Karan Thapar: But the important thing is that there is no need to press the panic button.

Pranab Mukherjee: As I told you one should remain absolutely alert, vigilant but need not be panicky.

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350. Press Release of the Embassy of India in Beijing on Prime Minister's engagements in Beijing.**Beijing, January 13, 2008.**

Shortly after his arrival in Beijing, Prime Minister Dr. Manmohan Singh met representatives of Indian business accompanying the Prime Minister on his visit to China. Led by the two business associates, CII and FICCI, the delegation of business leaders appraised the Prime Minister on recent trends in bilateral trade and investment flows. They drew attention both to the opportunities and to challenges faced by Indian business in China.

After listening to their statements and observations, the Prime Minister called for increased economic engagement between India and China. He urged Indian business leaders to study China and to identify opportunities for business and greater engagement. Dr. Singh observed that a large part of the thinking in India about China is shaped by western views of China, and that there is need for greater investment in India in a better understanding of the processes of change in China.

The Prime Minister said, "The rise of China and India should be viewed as an 'international public good' by the global community, since it offers new opportunities to sustain global growth. At a time when there are concerns about a global economic slowdown, China and India can sustain global growth through their own development."

Dr. Singh added, "It is a historic necessity for the two great neighbours to work together. There will be areas of competition, and there will be areas for cooperation. There is enough space in the world for both countries to continue to grow and address the developmental aspirations of their peoples."

Urging Indian business to "think big", the Prime Minister said, "Indian business is ready to face the brave new world of globalization. China is an important part of that brave new world. We must engage China and learn to both compete and cooperate."



351. Remarks of Prime Minister in the Visitors' Book at the Beijing Olympic Site during his visit to Beijing.

Beijing, January 13, 2008.

On behalf of the Government and people of India, I extend my best wishes for the success of the Olympic Games in Beijing. I hope that the Olympic spirit and the traditional hospitality and warmth of the great city of Beijing will promote friendship, peace and understanding among all the participants, and the countries they represent.



352. Statement by Prime Minister Dr. Manmohan Singh to the Press during his visit to China.

Beijing, January 14, 2008.

.....It is a pleasure and honour for me to be in Beijing. I have always looked forward to my meetings with Premier Wen, and to benefit from his great wisdom and experience. I would like to express my heartfelt thanks to the Government and people of China for the courtesy and warmth of their hospitality.

Our talks were held in an atmosphere of sincerity, warmth and friendship. They were constructive and forward looking. This gives me cause for optimism for the future of our ties.

India-China relations are of regional and global significance. The profound changes taking place in the world today present both our countries with a historic opportunity to work together towards a 21st century that is conducive to peace and development.

The Shared Vision of the 21st Century that Premier Wen and I have just signed is an important milestone in the evolution of our relations. It reflects not only our common perceptions but also our desire to purposefully cooperate in the future.

We have agreed to continue deepening the mutual understanding and trust between our armed forces. We welcomed the successful conclusion of our first joint military training exercise, and agreed to hold a second exercise in India this year.

We recognized that our strategic and cooperative partnership should be based on strong, diversified and mutually beneficial economic ties. We have decided to increase our bilateral trade target from 40 billion US dollars by the year 2010 to 60 billion US dollars.

We have mandated our Ministers of Commerce to examine the Feasibility Study on the benefits of a Regional Trading Arrangement and make recommendations at an early date.

We have decided to establish a high level Business Leaders Forum to advise us on the future of our economic ties.

We had useful discussions on the outstanding issue of the Boundary Question. We welcomed the progress made by our Special Representatives in seeking a framework for settlement of the boundary question that is fair, reasonable, mutually acceptable, and based on the Agreement on Guiding Principles and Political Parameters signed in April 2005.

While the Special Representatives continue their efforts, both sides reiterated their mutual commitment to maintaining peace and tranquility in the border areas.

I conveyed India's appreciation for China's assistance in providing flood season data for some of our trans-border rivers. Premier Wen and I agreed that we will continue to expand our cooperation in this area through the Expert Level Mechanism.

Science & Technology is another priority area and we have identified earthquake engineering, disaster management, climate change, biotechnology and nano sciences as areas for further cooperation.

We have decided to intensify high-level exchanges between our two countries. I have invited Premier Wen to visit India at his convenience. Thank you.



**353. Address of Prime Minister Dr. Manmohan Singh at the
India-China Economic, Trade and Investment Summit.**

Beijing, January 14, 2008.

His Excellency Vice-Premier Hui Liangyu,

**Mr. Yu Ping, Vice-Chairman of the China Council for the Promotion
of International Trade,**

Shri Kamal Nath, Minister for Commerce & Industry

Business Representatives from China and India

Ladies and Gentlemen.

I am delighted to have this opportunity to meet you today.

The India-China Economic Trade and Investment Summit is a unique gathering of businesspersons representing the two most populous countries of the world. You have grown competitive by starting from continent - sized markets and graduating to world markets. You are the symbols of the growth stories in India and China. We salute your dynamism and entrepreneurship.

Your meeting today is an expression of your confidence in the potential for economic cooperation between India and China. It is equally a testimony to the progress that business communities from both sides have made in working with each other.

Ladies and Gentlemen,

India and China are today the fastest growing large economies in the world. We should remember that China, India and Europe had almost equal shares of world income in the early 18th century. As the 21st century unfolds, both India and China stand poised to regain their weight in the global economy.

Our two countries will need to work together to ensure that we contribute to, even as we benefit from, the economic resurgence and integration of Asia. Our two economies are becoming engines of economic growth and must use our natural and human resources, technology and capital for the common benefit of the region.

The Indian economy has witnessed growth rates of close to 9% per year in the last three years. Our macro-economic fundamentals are strong. We have undertaken a series of economic reform measures to facilitate investment and growth. Our savings and investment rates have increased to 35% of our GDP and are rising. With a predominantly young population, there is potential for further increase in these rates.

Although India is more integrated with the global economy than ever before, the growth has been largely fuelled by an expanding domestic market. All these factors give us confidence that we will be able to step up our annual growth rate to 10% within the next five years.

Our bilateral trade with China has doubled in the last two years. Our trade target of 20 billion US dollars by 2008 was reached two years ahead of schedule. The revised target of 40 billion US dollars by 2010 is also likely to be achieved two years ahead of schedule.

This makes me wonder whether our two Governments have been underestimating the capabilities of our respective industries and their strong urge to do business with each other. We therefore propose to set more ambitious targets.

In the area of trade, the challenge before us is to diversify our export basket to China. I would urge Indian business to vigorously pursue opportunities for expanding non-traditional items of export. Such efforts, when matched by greater market access for Indian goods in China, will help to bridge the rising trade deficit between us.

In addition to our competitive manufacturing industries, India has a diversified agricultural production base. Our food processing industry is also growing rapidly and we can supply quality agricultural and marine products to the Chinese market. A conducive environment should be created for this trade to expand.

The services sector accounts for more than 50% of India's GDP and more than 40% of China's GDP. India has had considerable success in positioning itself in hi-tech services in world markets. There are enormous opportunities for both India and China to expand trade in services, particularly in construction and engineering, education, entertainment, financial services, IT and IT enabled services, transport, tourism, and health. We will work together with the Chinese government to remove administrative barriers and simplify regulatory regimes in order to move forward in these areas.

Chinese companies have been actively engaged in the Indian market. I understand that Chinese firms have contracted projects in India worth over 12 billion US dollars. Indian majors have set up a number of joint ventures or subsidiaries in China in the pharmaceuticals and software sectors, among others.

We must strengthen the base of our economic cooperation through business alliances and collaboration in technology transfer and development. We seek to promote bilateral investments in traditional sectors such as petrochemicals, steel, healthcare, IT and automobiles. Equally, our entrepreneurs should explore opportunities in new areas such as biotechnology, advanced materials, renewable energy and low carbon technologies.

I would suggest a three-pronged strategy for the chambers of industry and commerce of both countries to achieve these objectives. Firstly, you should jointly develop a strategic plan for the future so that you have a vision of our economic cooperation and a road map for its implementation. This will ensure that a long-term strategic perspective that looks ahead to future challenges and opportunities guides our ties.

Secondly, you could develop profitable business models that factor in our complementarities and competitive strengths and the special needs of large markets like ours. The opportunities are many and innovation is the key to exploiting them.

Lastly but equally importantly, you need to acquire insights into each other's markets, business customs and management styles. In the final analysis, doing business is about developing understanding and trust in your partners. Additionally, the business communities of our two countries should develop a deeper understanding of the macro-economic outlook, the regulatory regimes and of factors that have a bearing on the competitiveness of enterprises.

I am glad to know that the number of visitors exchanged between our two countries approached the half million mark last year and direct flight connections have risen to 22 a week. We need to encourage this growing interaction, including through easier grant of visas.

I would like to assure this gathering that both governments will work together to put in place an enabling environment for greater trade, investment and economic interaction. This has to include creating a level playing field by

addressing such issues as non-tariff barriers, IPR protection and market-related exchange rates.

Ladies and Gentlemen,

All countries must compete in global markets and such competition is not inconsistent with co-operation nor is it adversarial. The industrialised countries constantly compete with each other and they see this competition as constructive and mutually beneficial.

Economic cooperation between us has become a principal driver of our strategic and cooperative partnership for peace and prosperity. Several bilateral understandings and agreements are already in place to address different sectoral aspects which impact on our economic cooperation. India and China working together should develop a habit of mutually advantageous cooperation.

In 2003, our two Governments had established a Joint Study Group to examine the potential for economic engagement. Pursuant to this, a Joint Task Force has finalized its report on the feasibility of a India-China Regional Trading Arrangement. During my visit, I look forward to discussing further steps in this regard with the leadership of China.

In conclusion, I would like to congratulate the dedicated and hard-working people of China for the rapid economic progress that they have made. I would also like to thank the China Council for the Promotion of International Trade for organizing this event, and making this partnership of the business communities of our two countries possible.



354. "A Shared Vision for the 21 st Century of the Republic of India and the People's Republic of China" Issue at the end of the visit of Prime Minister Dr. Manmohan Singh to China.

Beijing, January 14, 2008.

H.E. Dr. Manmohan Singh, Prime Minister of the Republic of India and **H.E. Mr. Wen Jiabao**, Premier of the State Council of the People's Republic of China, meeting in Beijing on 14 January 2008, resolve to promote the building of a harmonious world of durable peace and common prosperity through developing the Strategic and Cooperative Partnership for Peace and Prosperity between the two countries.

India and China (hereinafter referred to as the "two sides") are the two largest developing nations on earth representing more than one-third of humanity. The two sides recognize that both India and China bear a significant historical responsibility to ensure comprehensive, balanced and sustainable economic and social development of the two countries and to promote peace and development in Asia and the world as a whole.

The two sides are convinced that it is time to look to the future in building a relationship of friendship and trust, based on equality, in which each is sensitive to the concerns and aspirations of the other. The two sides reiterate that India-China friendship and common development will have a positive influence on the future of the international system. India-China relations are not targeted at any country, nor will it affect their friendship with other countries.

The two sides believe that in the new century, Panchsheel, the Five Principles of Peaceful Co-existence, should continue to constitute the basic guiding principles for good relations between all countries and for creating the conditions for realizing peace and progress of humankind. An international system founded on these principles will be fair, rational, equal and mutually beneficial, will promote durable peace and common prosperity, create equal opportunities and eliminate poverty and discrimination.

The two sides hold that the right of each country to choose its own path of social, economic and political development in which fundamental human rights and the rule of law are given their due place, should be respected. An international system founded in tolerance and respect for diversity will promote the cause of peace and reduce the use, or threat of use, of force. The two sides favour an open and inclusive international system and believe

that drawing lines on the ground of ideologies and values, or on geographical criteria, is not conducive to peaceful and harmonious coexistence.

The two sides believe that the continuous democratisation of international relations and multilateralism are an important objective in the new century. The central role of the United Nations in promoting international peace, security and development should be recognized and promoted. The two sides support comprehensive reform of the United Nations, including giving priority to increasing the representation of developing countries in the Security Council. The Indian side reiterates its aspirations for permanent membership of the UN Security Council. The Chinese side attaches great importance to India's position as a major developing country in international affairs. The Chinese side understands and supports India's aspirations to play a greater role in the United Nations, including in the Security Council.

The two sides support and encourage the processes of regional integration that provide mutually beneficial opportunities for growth, as an important feature of the emerging international economic system. The two sides positively view each others' participation in regional processes and agree to strengthen their coordination and consultation within regional cooperation mechanisms including the East Asia Summit, to explore together and with other countries a new architecture for closer regional cooperation in Asia, and to make joint efforts for further regional integration of Asia. The two sides will strengthen their coordination under the framework of Asia-Europe Meeting, and are committed to strengthening and deepening Asia-Europe comprehensive partnership.

The two sides take a positive view on each other's participation in sub-regional multilateral cooperation processes between like-minded countries, including South Asian Association for Regional Cooperation, Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation and Shanghai Cooperation Organization. The two sides hold that this does not affect either country's existing friendly relations or cooperation with other countries.

The two sides welcome the positive facets of economic globalization, and are ready to face and meet its challenges, and will work with other countries towards balanced and mutually beneficial economic globalization. The two sides believe that the establishment of an open, fair, equitable, transparent and rule-based multilateral trading system is the common aspiration of all

countries. The two sides favour the early conclusion of the Doha Development Round, placing the issues that affect the poorest of the poor at its core. The two sides are determined to strengthen their coordination with other developing countries in order to secure their shared objectives.

The two sides are convinced that it is in the common interest of the international community to establish an international energy order that is fair, equitable, secure and stable, and to the benefit of the entire international community. The two sides are committed to making joint efforts to diversify the global energy mix and enhance the share of clean and renewable energy, so as to meet the energy requirements of all countries.

The two sides welcome the opportunity for their outstanding scientists to work together in the International Thermonuclear Experimental Reactor (ITER) project, which is of great potential significance in meeting the global energy challenge in an environmentally sustainable manner. As two countries with advanced scientific capabilities, the two sides pledge to promote bilateral cooperation in civil nuclear energy, consistent with their respective international commitments, which will contribute to energy security and to dealing with risks associated with climate change.

The two sides recognize the challenge that humankind faces from climate change. The two sides take the issue of climate change seriously and reiterate their readiness to join the international community in the efforts to address climate change. The two sides also stand ready to enhance technological cooperation between the two countries. The two sides welcome the outcome of the United Nations Framework Convention on Climate Change (UNFCCC) meeting in Bali in December 2007 and agree to work closely during the negotiation process laid out in the Bali Road Map for long term cooperative action under the Convention. The two sides emphasize the importance of addressing climate change in accordance with principles and provisions of the UNFCCC and its Kyoto Protocol, in particular the principle of common but differentiated responsibilities.

The two sides appeal to the international community to move forward the processes of multilateral arms control, disarmament and non-proliferation. Outer space is the common heritage of humankind. It is the responsibility of all space faring nations to commit to the peaceful uses of outer space. The two sides express their categorical opposition to the weaponisation and arms race in outer space.

The two sides strongly condemn the scourge of terrorism in all its forms and manifestations, and in all regions of the world. The two sides pledge to work together and with the international community to strengthen the global framework against terrorism in a long-term, sustained and comprehensive manner.

The two sides believe that cultural and religious tolerance and dialogue between civilizations and peoples will contribute to overall peace and stability of our world. The two sides endorse all efforts to promote inter-civilizational and inter-faith dialogues.

The two sides believe that their bilateral relationship in this century will be of significant regional and global influence. The two sides will therefore continue to build their Strategic and Cooperative Partnership in a positive way. As major economies in their region, the two sides believe that the strong growth in their trade and economic relations is mutually beneficial, and welcome the conclusion of a Feasibility Study on a Regional Trading Arrangement (RTA) between the two countries. According to the report of the Feasibility Study, an India - China RTA will be mutually advantageous. Against the backdrop of accelerating regional economic integration in Asia, the two sides, agree to explore the possibility of commencing discussions on a mutually beneficial and high - quality RTA that meets the common aspirations of both countries, and will also benefit the region.

The two sides will continuously promote confidence building measures through steadily enhanced contacts in the field of defence. The two sides therefore welcome the commencement of the India-China Defence Dialogue and express their satisfaction at the successful conclusion of the first joint anti terrorism training between their armed forces in December 2007. The two sides also welcome their efforts to set an example on trans-border rivers by commencing cooperation since 2002. The Indian side highly appreciates the assistance extended by China on the provision of flood season hydrological data which has assisted India in ensuring the safety and security of its population in the regions along these rivers. The two sides agree that this has contributed positively to building mutual understanding and trust.

The two sides remain firmly committed to resolving outstanding differences, including on the boundary question, through peaceful negotiations, while ensuring that such differences are not allowed to affect the positive development of bilateral relations. The two sides reiterate

their determination to seek a fair, reasonable and mutually acceptable solution to the boundary question and to build a boundary of peace and friendship on the basis of the Agreement on Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question concluded in April 2005. The Special Representatives shall complete at an early date the task of arriving at an agreed framework of settlement on the basis of this Agreement.

The Indian side recalls that India was among the first countries to recognize that there is one China and that its one China policy has remained unaltered. The Indian side states that it would continue to abide by its one China policy, and oppose any activity that is against the one China principle. The Chinese side expresses its appreciation for the Indian position.

The two sides recognize the responsibilities and obligations of the two countries to the international community. The two sides are determined to enhance mutual understanding and friendship between the peoples of India and China, for the betterment of both countries and to bring about a brighter future for humanity.

(Dr. Manmohan Singh)

Prime Minister of
Republic of India

(Wen Jiabao)

Premier of the State Council of
the People's Republic of China

Beijing

January 14, 2004



355. Inscription by Prime Minister in Visitors' Book at the CCPIT Function during his visit to China.

Beijing, January 14, 2008.

The dynamic growth in India-China trade and economic relations is capturing global attention. CCPIT, as China's leading trade organization, has played an important role in promoting these ties. I hope that the CCPIT will further strengthen its links with India and facilitate greater exchanges among the trade and industry of the two countries.



356. List of Documents Signed between India and China during the visit of Prime Minister Manmohan Singh to China.

Beijing, January 14, 2008.

- 1. A Shared Vision for the 21st Century of the Republic of India and the People's Republic of China. (Please see Document No.354)**
- 2. Memorandum of Understanding for Cooperation between the Planning Commission of India and National Development and Reform Commission of the Peoples Republic of China.**

Provides for cooperation between the planning bodies of the two countries including strengthening information exchange and consultations in the field of macroeconomic management, operation of the economy, and medium and long term development planning. The two sides agreed to hold Vice Ministerial (Secretary) level dialogue by turn in each country, according to requirement, on important topics of common concern.

- 3. Memorandum of Understanding on Cooperation between Ministry of Railways, India and Ministry of Railways, PRC**

Provides for enlargement of cooperation in matters related to the railways. It provides for activities such as the exchange of information on policies, laws and regulations, exchange programmes for experts and trainees, and joint organization of symposiums, seminars and conferences on themes

of common interest. The specific areas of cooperation include cover telecommunication technologies, electrical traction supply, reliability of signalling systems, high axle load operations, cooperation in R&D pertaining to the railway sector, track machines, etc

4. Memorandum of Understanding between Ministry of Housing and Urban Development and Poverty Alleviation of India and Ministry of Construction, PRC

This MOU provides a basic framework for cooperation in the area of housing. The overall goal of the MOU is to promote exchange of information related to housing policies, standard specifications and technologies between the two countries and increase cooperation to enhance residential construction standards, especially housing for middle and low income families. The MoU also seeks to promote cooperation and communication in the area of urban poverty alleviation efforts.

5. Memorandum of Understanding between the Ministry of Rural Development of the Republic of India and the Ministry of Land Resources of the PRC for Cooperation in Land Resource Management, Land Administration and Resettlement and Rehabilitation

Provides for cooperation in areas of common interest including development, conservation, management and utilization of land resources, land information management and updation of land records; land registration, statistics, valuation, land survey and adoption of modern technology in these areas; land use planning; land markets, land distribution and relevant laws and regulations; land acquisition, and resettlement and rehabilitation of affected persons on account of industrialization and natural calamities.

6. Memorandum of Understanding between Indian Council for Cultural Relations and Chinese People's Association for Friendship with Foreign Countries on India-China Joint Medical Mission.

On the 70th Anniversary of the arrival in China of the Indian Medical Mission, this MoU enables ICCR and CPAFFC to organise an India-China Joint Medical Mission. This would consist of 10 young doctors each from Indian and China who would jointly provide medical consultations / treatment both in India and China in 2008.

7. Memorandum of Understanding between the Indian Council for Cultural Relations and Chinese People's Association for Friendship with Foreign Countries on Cooperation in Culture.

This MoU enables ICCR and CPAFFC to cooperate in diverse fields of culture, including film and performing arts, exhibitions, publications, seminars, etc., to add momentum to the growing cultural relations between the peoples of the two countries.

8. Memorandum of Understanding on Cooperation between Geological Survey of India and China Geological Survey in Geosciences

The two sides agreed to extend mutual cooperation in carrying out research and development projects in areas including palaeo-climatic and palaeo-environmental changes in the Asian Continent, dating of Indian khondalites for provenance characterization and technology exchange on mineral prognostication.

9. Memorandum of Understanding between Department of AYUSH, Ministry of Health and Family Welfare and State Administration of Traditional Chinese Medicine (SATCM), PRC Covering Cooperation in Traditional Medicine

Provides for promotion of cooperation in traditional medicine. It covers areas such as medical services, education, scientific research, and promotes the development of traditional medicine in the healthcare systems of the two countries. The two sides will support initiatives for conducting collaborative research studies in traditional medicine in identified universities and scientific institutions, including research on usage, safety and efficacy of traditional medicines and for harmonizing the pharmacopoeia standards in India and China.

10. Memorandum of Understanding between NABARD and Agricultural Development Bank of China on Mutual Cooperation

The MoU between NABARD and ADBC will facilitate cooperation on the sustainable development of agriculture and rural areas in both China and India. The two sides agreed to share business experiences, expertise, training facilities, modern technology skills and business development practices. NABARD and ADBC also agreed to share appropriate information on innovation in banking instruments, impact of climate change and global warming and possible risk management tools for farmers, and share

experiences in areas like rural finance and agricultural development strategies and operation practices.

11. Protocol of Phytosanitary Requirements for the Export of Tobacco Leaves from India to China between the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and the Ministry of Agriculture of the Republic of India

The two sides agreed on a protocol of phytosanitary requirements for the export of tobacco leaves from India to China.



357. Speech by Prime Minister Dr. Manmohan Singh at the Chinese Academy of Social Sciences.

Beijing, January 15, 2008.

"India and China in the 21st Century"

Mr. Chen Kuiyuan, President of the Chinese Academy of Social Sciences,

Dr. Chen Jiagui, Vice-President of the Academy,

Distinguished Scholars,

Ladies and gentlemen,

I am greatly honoured to address this distinguished gathering at the prestigious Chinese Academy of Social Sciences. Yours is a premier institution, which has been at China's intellectual vanguard over the last three decades and has contributed to China's reform and development.

I am delighted to be in this great country. We in India admire the remarkable economic progress that China has made. The rise of China is among the most important developments of our times. As China's largest neighbour, and a friend, we cannot remain untouched by this momentous process.

The great Chinese scholar and one of the foremost Indologists of our times, Professor Ji Xianlin, has rightly said and I quote : The two great cultural circles - China and India - have always learned from and influenced each

other, and this process greatly speeded the development of the two cultures, which is both history and reality, unquote.

Today, both India and China are in the midst of rapid transformation. The development agenda has taken centre-stage in both our societies. Our systems are different, but people in both countries are united in their aspiration for a better future. When countries of the size of China and India, together accounting for 2.5 billion people begin to unshackle their creative energies, it impacts on the whole world. The world knows it and is watching with interest.

I therefore would like to use this opportunity to speak to you on India's development experience and on what I see as a special opportunity for India and China to work together in the twenty-first century.

Ladies and Gentlemen,

Premier Wen Jiabao recently spoke in Singapore about how it was only with openness and inclusiveness that a country can become strong and prosperous. In the past few decades, China has benefited from opening its economy to the rest of the world, and so has India.

India is changing and I would like to acknowledge that the success of China has been a stimulus to change. This process began in the 1980s and was intensified in 1991. In our system change can only be brought about through public debate and it takes time to build a political consensus. However, I am happy to say that in the 16 years that have elapsed since 1991, successive governments in India have carried forward the reform process, with the result that today India is on a high growth path.

Our economic growth during the last five years has averaged over 8.5% per year. This is unprecedented, and has created confidence that we can do better. We are aiming to raise it to 10% per year in the near future. There is a palpable sense of confidence in the country and optimism about the future.

The Indian economy has demonstrated resilience in meeting the challenges posed by globalization. In the last two decades, our industry -especially large and medium industry- has restructured to become globally competitive. This process is continuing.

We have, over the past few years, been able to create an environment conducive to creativity and enterprise. This is symbolized by the success

of our information technology sector in world markets. There are other sectors that are also emerging. Pharmaceuticals and auto-components are both highly competitive. Indian multinationals have emerged that are investing abroad. I am happy to say that many of these companies are investing in China.

A few weeks ago, our National Development Council, which includes the Central Government together with our States and Union Territories, approved India's Eleventh Five Year Plan covering the period 2007-2012. The Plan seeks to build further on the growth momentum already created to reach 10% growth by 2012. But it also recognises that growth alone cannot be the goal of a planning process.

We also need to ensure that growth is inclusive and equitable. We have to address the problems of inter-regional disparity and specifically, urban-rural disparity, revival of the agriculture sector, limited availability of land, and the lack of mobility of those employed in agriculture to productive jobs in industry. This is what we mean by inclusive growth. It is somewhat similar to what is called harmonious growth in China.

We have decided to make important structural shifts in the Plan to address the critical constraints that hold us back from achieving our objective of faster and more inclusive growth. As far as growth is concerned, the biggest priority must be the development of infrastructure, including infrastructure in rural areas. We propose to increase investment in infrastructure from 5% of GDP in 2006 to 9% by 2012 relying on both public and private investment.

Education, including skill development, is another major priority. We propose to triple the share of Central government spending on education and skill development from less than 8 per cent of total plan expenditure in the Tenth Plan to over 19 per cent in the Eleventh Plan. In fact, more than half of total government budgetary spending has been earmarked for agriculture, education, health and rural development, reflecting our emphasis on inclusive growth.

Sustainability of development for a country of India's size is another key concern. We need to address critical challenges relating to energy, food and water security, and climate change. These are challenges that China faces as well.

Ladies and Gentlemen,

India's domestic and foreign policy priorities are closely linked. The primary task of our foreign policy is to create an external environment that is conducive

for our rapid development. Our policy seeks to widen our development choices and give us strategic autonomy in the world. The independence of our foreign policy enables us to pursue mutually beneficial cooperation with all major countries of the world.

The establishment of peaceful and cooperative relationships in our neighbourhood is an intrinsic element of our foreign policy. We realise that our destinies are linked by geography and history. Both India and China seek tranquillity and stability in our immediate neighbourhood and extended region.

We recognise that the world is evolving and developing features of multipolarity. It is natural that major powers, bound together by economic interdependence, will seek to cooperate with each other to mutual benefit. India and China must be part of this cooperative framework.

I look forward with optimism to the future and the role which India and China are destined to play in the transformation of Asia and the world. This optimism is based on my conviction that there is enough space for both India and China to grow and prosper while strengthening our cooperative engagement. History shows that our two great civilizations, flourished for centuries, side by side, interacting and influencing each other.

The Strategic and Cooperative Partnership for Peace and Prosperity that we established in 2005 seeks purposeful engagement covering a wide range of areas. At the same time, we recognise the obligation we have to put behind us disputes and problems that have troubled our relations in the past.

The boundary between us is peaceful. We are both determined to keep it so while our Special Representatives seek a settlement of the boundary question. In April 2005, during the visit of Premier Wen Jiabao to India, we agreed on a set of Political Parameters and Guiding Principles for the settlement of the boundary question. We are confident that those Principles will guide us to a mutually satisfactory solution of this issue. We have also agreed to set up a mechanism to look at trans-boundary rivers, and will make a success of its work.

We are satisfied with the results of our efforts so far and are convinced that the potential for India-China relations is great and will be realised.

Where do we go from here and what is our vision for the 21st century? Yesterday, Premier Wen Jiabao and I have agreed upon our Shared Vision for the 21st Century.

The starting point is the recognition that India-China relations impinge not only on the welfare of the people of the two countries, but also influence regional and global trends.

We are at an exciting point in history when the centre of gravity of the world economy is moving towards Asia. Just as the world economy was largely about western nations in the twentieth century, it could be largely about Asia in the 21st century. By the mid-21st century, Asia may well account for more than 50 percent of trade, income, saving, investment and financial transactions of the world.

We must ensure that India and China cooperate in creating a world of positive externalities and mutual prosperity, rather than one based on balance of power calculations and animosity. This involves India and China working together closely to ensure a global order in which our simultaneous development will have a positive influence not only on our own economies but also on the rest of the world.

I would like to highlight some key focus areas for the future.

First, we must bridge the "knowledge gap" between India and China. We need to make much more sustained effort to ensure proper awareness of each other. This not only applies to our culture and history but also to contemporary developments. We need to have more people to people contacts to remove misconceptions and prejudices. We need a broad based comprehensive dialogue at the level of intelligentsia, media, non-governmental professionals and the worlds of culture and the arts.

Second, we need to expand our cooperation in a broad range of functional sectors. This could include learning from each other's national developmental experiences. We would like to learn from China's success in the creation of physical infrastructure, strategies to provide productive employment outside the agriculture sector, and poverty alleviation. Other areas for potential cooperation are science and technology, public health, education, institution building, water resource management and disaster management.

Third, we should harness our complementarities and synergies in the areas of trade and business. India's growing consumer market, skilled human resources, and software excellence together with China's own large market, its manufacturing prowess and cost competitiveness provide the platform for exponential growth in our economic ties. China is already the second

largest trading partner of India. Yesterday, we agreed to set a bilateral trade target of 60 billion US dollars by the year 2010.

Asia is today more integrated than ever before in terms of trade in goods and services and investment of capital and knowledge. In the East Asian Summit and other fora, we are discussing several constructive ideas for an open inclusive economic architecture from the Indian Ocean to the Pacific. We look forward to working with China in this pursuit. I have spoken before of an Asian Economic Community and am glad that progress is being made in that direction.

In pursuing these initiatives we will do it the Asian way - avoiding confrontation and building trust, confidence and consensus. It is only in an environment of peace that prosperity in Asia can be sustained. India and China have an important role to play in building peace, security and stability in the region.

At the global level, our two countries should be at the forefront of the emergence of a more democratic global order and of multilateral approaches to resolving global issues. Today's international institutions, like the UN Security Council, no longer reflect reality and must be democratised.

We have had useful experience of cooperating in the effort to bring about a successful conclusion of the Doha Development Round of the WTO negotiations, placing the development dimension at its heart. This experience enables us to intensify our efforts to create a more open and equitable trading and financial architecture.

The environment is humanity's common heritage. The rights of our people to a fair chance to improve their lot cannot be abandoned because of environmental damage caused by others who followed a path which has squandered the earth's resources.

Burden sharing has to be fair and must take into account historical emissions. The recently concluded Bali Conference provides a framework for future cooperation on this basis. India and China should continue to work together to strengthen international cooperation on this basis.

The rapid growth of India and China will lead to expanding demand for energy. We have no choice but to widen our options for energy availability and develop viable strategies for energy security. We can do much more to jointly develop clean and energy efficient technologies through

collaborative research and development. India seeks international cooperation in the field of civilian nuclear energy, including with China.

Another area which merits our attention is food security. Global trends in food production and prices, and changing patterns of consumption are going to put increasing pressure on the availability and prices of basic food items. These trends pose major challenges for how we manage our food economy in the years ahead. Our interests are common and we can learn from each other in the strategies we follow.

Perhaps the greatest danger to our development comes from extremism of all types, whether in the garb of religion or on the pretext of righting historical wrongs. Recent developments in our neighbourhood have brought home to us again the imperative need to collectively fight terrorism and extremism in all its forms. As large and diverse societies, we are well placed to demonstrate the benefits of moderation and peaceful co-existence. The rise of non-state actors, often based on intolerance, and narrow conceptions of identity, is a threat to all civilized nations.

Ladies and Gentlemen,

The responsibility for the further development of India-China relations is a shared one. Our governments have an important role to play. But we must also look to you, the intellectuals, thinkers and scholars of China to lead the way by working closely with your Indian counterparts. It is through a free flow of ideas and sharing of different perspectives that our two societies can build upon the edifice of our civilisational links.

I thank you for your attention.



358. Speech of Prime Minister's Special Envoy Shyam Saran at the Rajaratnam School of International Studies: "India and China - Partners or Rivals".

Singapore, January 17, 2008.

1. The Prime Minister of India has just concluded a very successful visit to China, a visit during which the leaders of the two countries declared themselves to be partners and not rivals. They shared the view that there was enough space for India and China to grow together and their simultaneous rise would contribute to both peace and prosperity in Asia and beyond. In a sense, therefore, the question that we seek to explore today, has been answered by the two countries themselves. What does perhaps need to be explored further, is whether there is a substantive basis to this assertion and whether this eminently favourable state of affairs is likely to endure amidst a rapidly transforming global landscape. Shyam Saran The Prime Minister of India has just concluded a very successful visit to China, a visit during which the leaders of the two countries declared themselves to be partners and not rivals. They shared the view
2. Can the history of India-China relations tell us something in this regard? Both India and China are unique in the sense, that unlike other major powers, such as the United States or Russia for example, the two countries did enjoy several centuries of parallel ascendancy before the advent of colonialism and imperialism. They were both the major economies of the world, accounting for more than 50% of the global economy by some estimates, until their secular decline began with the advent of the industrial revolution in Europe in the 18th century. Therefore, in a sense, both India and China share a deep-rooted sense of themselves as great and flourishing civilisations, which are only now beginning to regain their historical space in the Asian and global order. The two civilisations co-existed together for a very long time in history. There was considerable interaction between them. The spread of Buddhism to China from India is one example. The fishermen of the Malabar Coast still use fishing nets that came from China, which are called "Chinese nets." There was a significant volume of trade between the two countries, and remains of ancient Hindu temples in the port city of Quanzhou, built by Tamil merchants, is testimony to that.

3. It is a fact that, for many centuries, the whole of South East Asia was criss-crossed by trade and shipping links that followed the monsoon winds. Indian and Chinese cultures influenced the countries of the region and were in turn enriched by the diverse and colourful cultures of the region. There is no hint of any clash of cultures or trade wars between India and China in this region. On the contrary, a virtuous circle of exchange of goods, ideas and cultures was sustained over many centuries, even though wars and conflict and internal dissension affected our region as much as they did other parts of the world. Therefore, there is historical precedent for Asia playing home to two major civilisations and economic powerhouses, without confrontation and clash of interests being inevitable. There is also a historical precedent for our region benefiting rather than being adversely impacted by the looming presence of the two countries.
4. One can go further and look at more recent history. While we speak of the simultaneous rise of India and China today as representing a new experience for the existing world order, this is not entirely accurate. One should recall the independence of India in 1947 and the liberation of China in 1949 which also constituted a major development both in Asia and the world. The almost coincidental re-emergence of India and China from the backwaters of history was a significant development and its impact was considerable. There is no doubt that the accelerated phase of decolonisation, the movement towards third world solidarity, and the search of a new Asian identity were all catalysed and encouraged by the emergence of the two countries. There was an early promise of the two countries working together to transform the landscape of Asia and the world. Certainly, Nehru and Chou En-lai did attempt to forge a partnership that would enable them to work together in restructuring a global order then increasingly being riven by ideological and great power rivalry, finding space for newly independent countries. The Asian Relations Conference in 1947 and the subsequent Bandung Conference in 1955, represented a concerted effort in that direction. The 5 principles of Peaceful Co-existence were jointly advocated by India and China as the basis for a more equitable world order and also as a code of conduct among all nations. However, this positive phase was short-lived, partly because it was overlaid by the pressures generated by the Cold War, and partly because it was overwhelmed by the

compulsions of national consolidation within modern conceptions of national boundaries in place of what had remained for centuries, more loosely defined zones of overlapping cultures. Furthermore, unlike today, India and China did not have a substantial economic and trade relationship, which could engender a sense of interdependence. In fact, their respective economic strategies tended to be inward-oriented and emphasising self-reliance. When the controversy over Dalai Lama's entry into India in 1959 and the subsequent armed conflict in 1962 came, these developments quite predictably overwhelmed the short-lived phase of goodwill and shared vision that the leaders of the two countries had tried to fashion together, with a strong sense of idealism and of historic responsibility born out of their long history of benign coexistence.

5. Which brings me to the current phase of India-China relations. Can India and China remain as partners as they have declared today, or is a clash of interests inevitable? History would indicate that the simultaneity of the rise of India and China does not suggest inevitability of conflict. In fact, the historical record appears to suggest that the two countries, as ascendant powers, may be quite comfortable in their co-existence. And this is, of course, good news for this region as well as for the world at large. However, the failed promise of Panchsheel and Bandung, and the souring of the Hindi-Chini bhai-bhai phase, is also salutary. It suggests that history can be trumped by suspicion and mistrust born out of differing perceptions, particularly if a substantial foundation of economic interdependence is missing. There is also a role for political leadership to play. Relationships have to be nurtured; they need to be managed with skill. There is also a role that people-to-people relations can play. Societies insulated from each other rarely develop enduring relationships and in this context, memories of historical contacts may not be enough to counteract stereotyped images of the other. Are India and China doing enough to address these lessons of the recent history of their relationship? What is today different in our relations, and the context of our relations, which may suggest greater promise than in the past?
6. There is no doubt both India and China share the view that the management of their relations is of the highest priority for both countries. There is recognition that how India and China manage their relations as both countries emerge as major powers, would not

only have an impact on their own interests but also on Asia and the world as a whole. Following from this recognition is the tradition now fully established for frequent and regular engagement between the two countries at several different levels. Indian and Chinese leaders have met regularly not only in their own capitals but also at regional and international fora. Senior officials of the two countries have been holding regular consultations on a range of regional and international issues in the annual Strategic Dialogue which commenced in 2005. We have a security dialogue focusing on counter-terrorism and a defence dialogue between our defence establishments. Exchange of visits by naval vessels and, more recently, friendly exercises between our naval and land forces, have provided valuable opportunities for confidence building. Both sides are committed to expanding such exchanges.

7. The dramatic new feature of India-China relations, of course, is their rapidly expanding economic and trade relations. The volume of trade today stands at US \$ 38 billion and the target of US \$ 40 billion by 2010 is likely to be surpassed in 2008 itself. If the current rate of increase in trade is maintained, then China could well emerge as India's largest trading partner. Furthermore, there is considerable cross-investment taking place between the two countries as well. Chinese companies, it is reported, have contracted over US \$ 12 billion worth of projects in India, and there are more than 200 Indian companies now represented in China, including in the software and pharmaceutical sectors. It is true that India's private sector does have some reservations on establishing a full-fledged free trade agreement with China. Some concerns have also been expressed over non-tariff barriers which Indian business confronts in the Chinese market. However, the trend is towards a more liberal trade and investment regime between the two continental sized economies and this can only deepen the economic interdependence between them.
8. We recognise that in the economic and commercial field, there will be areas of competition between the two countries. But this is something to be welcomed. There is little doubt that India's own economic reform and liberalisation process has been spurred by China's remarkable success and will continue to be. As long as the two countries match their respective mettle on an even playing field, their economies will gain as will the regional and global economy.

9. What are the possible points of uncertainty as we take this relationship forward?

Firstly, there is the long-standing boundary issue between the two countries, which has so far defied a satisfactory solution. The good news is that the two countries have managed to maintain peace and tranquillity along our borders, pending a final settlement. There is also a mutual agreement that in seeking a settlement, we must keep in mind the strategic perspective of India-China relations. What this really means is that once the two countries come to the conclusion that not resolving the border issue is becoming a constraint in taking toward collaboration on larger global issues, and the price being paid for the latter is greater than the price which they need to pay for not resolving the former, then a settlement will become possible. I have a sense that we are moving in that direction, but as of now the lingering dispute does create a sense of uncertainty over the relations.

Secondly, how will China conduct itself in India's own South Asian and Indian Ocean periphery ? For example, India has had legitimate concerns about China's military relationship with Pakistan, including in the nuclear and missile fields. Chinese activities in our immediate neighbourhood would be watched very carefully to determine whether China has truly abandoned its longstanding strategy of seeking to contain India through its smaller neighbours. In Nepal recently, China has generally adopted a constructive posture from India's point of view. Whether this constitutes a more abiding trend remains to be seen.

Thirdly, from the Indian perspective, there is a careful watch over how China will treat issues of sensitivity for India. Does China support India's entry into the UN Security Council as a permanent member? Will China, as a member of the Nuclear Suppliers' Group join a consensus in allowing its members to engage in international commerce in nuclear energy with India? Would China display the same commitment to the East Asia Summit process, where India is a partner, as it does to the ASEAN+3 process? Our Prime Minister's recent visit and the formulations in the Joint Statement, give us cause for optimism on all these issues.

Fourthly, India has concerns about the impact of climate change and other human interactions on the several cross border rivers between China's Tibet autonomous region and northern India. The ecology of Himalayan glaciers is under threat and could adversely affect the livelihood and safety of millions of both Indian and Chinese citizens. We expect that our Chinese

friends will fully cooperate with us, through regular consultations and joint investigation, in managing this risk. We are encouraged by the assistance extended so far by China in the provision of flood season hydrological data but we need an appropriate bilateral mechanism to place such cooperation on a regular footing.

Finally, as our Prime Minister observed in his speech to the Chinese Academy of Social Sciences, there continues to exist a "knowledge gap" between India and China. The Prime Minister said, and I quote:

"We need to make much more sustained effort to ensure proper awareness of each other. This not only applies to our culture and history but also to contemporary developments. We need to have more people to people contacts to remove misconceptions and prejudices. We need a broad based comprehensive dialogue at the level of intelligentsia, media, non-governmental professionals and the worlds of culture and the arts."

India and China, today, are leading the shift in the centre of gravity of the world economy from the West towards Asia. Furthermore, as the world confronts a number of global and cross-cutting challenges such as the establishment and maintenance of a multilateral, non-discriminatory and rule-based trading system, dealing with the energy challenge but in an environmentally sustainable manner within a multilateral regime that is based on the principle of common and differentiated responsibility, the risk of global pandemics and many other similar challenges, India and China will have shared interests to safeguard and, in the process, also champion the cause of the developing world. Such cooperation is still evolving, but the trend appears to be in a positive direction.

10. The above analysis permits us to arrive at the following broad conclusions:

- i. Historical experience suggests that the simultaneous emergence of India and China as major powers, far from resulting inevitably in a conflict of interest, may in fact create opportunities for mutually beneficial interaction. PM Dr. Manmohan Singh said in Beijing, and I quote:

"I look forward with optimism to the future and the role which India and China are destined to play in the transformation of Asia and the world as well. This optimism is based on my

conviction that there is enough space for both India and China to grow and prosper while strengthening our cooperative engagement. History shows that our two civilisations, flourished for centuries, side by side, interacting and influencing each other."

- ii. The energies of the two countries are focused on economic development, for raising the living standards of our billion plus populations. This is likely to be our preoccupation for a long time to come, and for this both our countries need a peaceful regional and global environment. There is now a recognition that both India and China can, in fact, leverage their new-found economic dynamism to contribute to precisely such a peaceful and prosperous periphery. This, I believe, is good news for Asia.
- iii. In a sense, Asia's rich civilizational history, full of dramatic and creative encounters among the cultures of this region, is beginning to re-emerge. It is our hope that India and China will, together, once again lead the way in the re-emergence of our continent as a crucible of human endeavour.



359. Remarks of External Affairs Minister Pranab Mukherjee about Arunachal Pradesh.**Mumbai, February 8, 2008.**

External Affairs Minister speaking on the sidelines of a private function said: "Arunachal Pradesh is an integral part of our country. We are having regular representation in our Parliament elected by people of Arunachal Pradesh."



1 The External Affairs Minister was reacting to the media reports that China had expressed concern to India over Prime Minister Manmohan Singh's recent visit to Arunachal Pradesh. The Press Trust of India quoted from Beijing the Spokesperson of the Chinese Foreign Ministry Liu Jianchao to say: "Regarding Mr. Singh's visit to that area (Arunachal Pradesh), we have expressed our concern. Our position (on the issue) is clear." Mr. Liu, however, added "we hope that China and India will continue with consultations and negotiations which is good for peace and stability of the region. I believe both China and India are aware of this." It may be recalled that the Prime Minister had visited Arunachal Pradesh last month soon after his return from his visit to Beijing. The question of Chinese claim on Arunachal Pradesh also figured in the Lok Sabha on February 27 and the External Affairs re-emphasized that "Arunachal Pradesh is an integral part of India and the Government have conveyed this fact to the Chinese side".

360. Extract relevant to China from the Statement of External Affairs Minister Pranab Mukherjee in both Houses of Parliament on recent developments in India's foreign relations.

New Delhi, March 3, 2008.

The Prime Minister paid an official visit to the People's Republic of China, our largest neighbour, from 13 to 15 January, 2008. He was received with great warmth. The Prime Minister and Premier, Wen Jiabao signed a joint document on "A Shared Vision for the 21st Century between the Republic of India and the People's Republic of China", that reflects the congruence of interests that we share on regional and international issues, and our willingness to work together in those areas. The Prime Minister also took up the issue of trans-border rivers. The first meeting of the Expert Level Mechanism was held in September, 2007. We have proposed to the Chinese side that we expand our cooperation in this area. We have also agreed to intensify high level exchanges with China. I will be visiting China this year and the Chinese Foreign Minister will also visit India. We will be holding the second annual defence dialogue as well as the second joint military exercise this year in an effort to continue deepening mutual understanding and trust between our Armed Forces. Our bilateral trade continues to show strong growth and both governments have revised the trade target to 60 billion dollars by 2010. Our Commerce Minister will visit China in April for the 8th meeting of the Joint Economic Group.

On the boundary question, during Prime Minister's visit, both sides positively appraised the work of the Special Representatives in seeking a mutually acceptable framework for a settlement that will be based on the Agreement on Guiding Principles and Political Parameters signed in April 2005. Both sides have also agreed to maintain peace and tranquility in the border areas.

The hon. Members are aware that Chinese officials have expressed regret at Prime Minister's visit to Arunachal Pradesh in end January, 2008. The Prime Minister's visit to Arunachal Pradesh was to assure our citizens that Government is mindful of their developmental needs, and is ready and willing to assist them through concrete projects. The fact that Arunachal Pradesh is an integral part of India has been clearly conveyed to the Chinese

side by the Government.

On March 19, replying to a Short Duration Discussion on his above statement, the External Affairs Minister said:

That does not mean that there will be no problem of problem areas, there will be no area of divergence of opinion, there will be no area of differences of approach. There will be and it will be our endeavour to sort out those differences, to convert the divergences of the views into convergence of the views. To my mind, Mr. Deputy Chairman, Sir, most respectfully I would like to submit, that is the job of those who are conducting the Foreign Policy of this country, to convert the divergences into convergence. Yes, we have differences of opinion in respect of Arunachal Pradesh and the Prime Minister's visit.

The Leader of the Opposition has quoted very extensively from some expert's opinion. I am not disputing that. Yes, they have their own perceptions. They have their own views. We have our own perceptions. When they -- not formally, but informally -- placed a demarche to our Embassy about the visit of our Prime Minister to Arunachal Pradesh, immediately I responded by saying that Arunachal Pradesh is an integral part of our country, we are having representatives of the people of that area in our Parliament and it is quite natural that if there had not been development, particularly, infrastructural facilities were not built up on this side of the border of an important international border, if Prime Minister visits and assures the people of Arunachal Pradesh that the Government of India is fully aware of their developmental requirement and the package is being declared, it is quite natural and quite consistent with the policies. That is the policy we have stated. Therefore, I do not feel that there is any inherent contradiction in these approaches.

It has been stated, hon. Leader of the Opposition also mentioned about Sikkim. I am aware of the problem of Sikkim. But unlike the Macmohan line, boundary between Sikkim and China has been settled in Anglo-Sikkim Convention of 1890. Physically, it has not been delineated but both sides have agreed and accepted their position. There have been some occasions where some bunkers have been destroyed and some activities have taken place, but, it has been agreed that neither side will take any unilateral action to change this status quo and through dialogue we would like to settle the issue which will be sorted out, I do hope, in course of time. Sir, in

respect of the recent developments in Tibet, hon. Members are fully aware of the history. If I remember correctly, His Holiness Dalai Lama entered into India sometime in 1959. On 23rd March, 1959, the then Prime Minister, Pandit Jawaharlal Nehru made a statement on the happenings of Tibet and when his Holiness Dalai Lama entered India, naturally, India extended shelter to him and to his followers. Again Panditji made a statement. The first statement was made on 23rd March and another statement was made perhaps on 29th March, 1959 after Dalai Lama entered, addressed the place at Tejpur and he was given shelter.

The conditions are well known. He is considered as a religious and spiritual leader. He is allowed to have all religious and spiritual activities to continue. His followers are provided with shelter and all sorts of facilities which they require. But, at the same time, they are advised not to indulge in any political activities or any sort of activity which can jeopardise our relationship with any friendly country. And, this is fully appreciated by His Holiness Dalai Lama. Very recently, he had made a statement from Dharmashala on 10th March. His Holiness said and I quote, "I would like to take this opportunity to thank the Government and people of India, in particular, for their continuing and unparallel support for Tibetan refugees and the cause of Tibet." He expressed these sentiments in respect of his State on an occasion which was organised to honour him. It has been stated that it is some sort of patronage. It is not patronage. It is appreciation. If Chinese authorities feel that India's conduct in this matter is reassuring of continuing friendly relationship, good neighbourly relationship and if they appreciate in words, one need not take it as if it is some sort of patronage. This is what I would like to submit most respectfully.

For full text of the two statements please see Document Nos.19 and 23.



361. Statement by Official Spokesperson in response to questions on the recent protest by Tibetans¹ in New Delhi.

New Delhi, March 13, 2008.

Government of India does not permit Tibetans to engage in anti-China political activities in India.

Any person whether an Indian national or a foreigner is required to possess valid travel documents to cross the international border. Without possessing such travel documents, it is illegal to attempt to cross the international border.

Government of India has the responsibility to maintain public order. Any activity which causes disruption would be dealt with in accordance with the laws of India.

When the protest demonstrations continued, the Spokesperson made two more statements on March 15. These were:

One— "Tibetan refugees are our guests in India. All those in India, whether Indian citizens or foreigners, are subject to the law of the land regarding the crossing of our borders, marches or demonstrations. Like our other guests, Tibetan refugees, while they are in India, are expected to refrain from political activities and those activities that affect our relations with other friendly countries."

¹ The spokesman was referring to the demonstrations by the Tibetan refugees in New Delhi on the occasion of the 'Tibetan Uprising Day' observed by the Tibetan refugees every year to mark their 'revolt' against the Chinese in 1959. The refugees also threatened to cross the border into Tibet from across the Himalayas to carry their protest to Tibet itself. An added reason for the protests this year was the disturbances in Tibet particularly in Lhasa, where there were large scale protests against the Chinese Government, leading to arson and death of some demonstrators and the Chinese Government adopting stern measures to control the reportedly peaceful demonstrations. The Dalai Lama in India also appealed to the Tibetans to eschew violence and remain peaceful in their protest and not do anything to disturb the Olympic games scheduled to be held in Beijing later in the year. To a question on developments in Lhasa, the Foreign Office said: "We are distressed by reports of the unsettled situation and violence in Lhasa, and by the deaths of innocent people. We would hope that all those involved will work to improve the situation and remove the causes of such trouble in Tibet, which is an autonomous region of China, through dialogue and non-violent means." The External Affairs Minister Pranab Mukherjee meanwhile on March 15, on the sidelines of a conference in Chandigarh, said that India was "watching the situation." As Prime Minister Manmohan Singh was out of New Delhi on March 15, the issue could not be discussed, Mr. Mukherjee said. However China has accused the followers of Tibet's

and Two– "We are distressed by reports of the unsettled situation and violence in Lhasa, and by the deaths of innocent people. We would hope that all those involved will work to improve the situation and remove the causes of such trouble in Tibet, which is an autonomous region of China, through dialogue and non-violent means."



exiled spiritual leader, the Dalai Lama, of engineering the unrest in the run-up to the Beijing Olympics, while Dalai Lama maintained the unrest was spontaneous.

The media reports, quoting highly placed sources in New Delhi said that India had told China that 'it will not stop protests by Tibetans on its soil as long as they remain peaceful. At the same time, it has assured full security to the Olympic torch when it arrives here next week'. "Our approach on Tibet is fairly clear. It is an autonomous region of China and we don't see this changing despite demonstrations." *The Hindu* daily of Chennai had the following report to make on the demonstration and the media reports that the Indian Ambassador in Beijing was summoned late in the night to the Foreign Office to register its protest: "The sources refuted media reports of Indian envoy in Beijing Nirupama Rao being summoned to the Chinese Foreign Office at 2 a.m. Chinese Ambassador to India Zhang Yan had also made similar observations, but declined to give details. Giving the sequence of events for the first time, the sources revealed that Beijing was rattled the day Tibetan protesters broke into the Chinese embassy here because there had been attacks on six of its missions in other countries. After receiving the report from the New Delhi mission, the Chinese Foreign Office called up Ms. Rao at 9 p.m. for consultations. As she was busy with other engagements, Ms. Rao drove down to the Foreign Office after 11 p.m. The Nepalese envoy was also summoned because these two countries hosted the highest number of Tibetans." On Dalai Lama particularly, New Delhi noted that he is a "respected guest" and pointed to Prime Minister Manmohan Singh's recent remark, describing him as the "greatest living Gandhian". At the same time, New Delhi conveyed to Beijing that ensuring security for the Olympic torch during its relay here was its "responsibility and it will carry it out", sources said. As the government assured, the march of the Olympic torch through New Delhi passed off peacefully. When Chairperson of the ruling United Progressive Alliance, Mrs. Sonia Gandhi visited Beijing for the opening of the Olympic Games in August, the Chinese Vice-President Xi Jinping thanked her for taking "effective" steps to ensure the smooth run of the Olympic torch in New Delhi and for backing Beijing efforts to stage a "unique and "well-run" Games. Thanking India for that, Mr. Xi said "we express our deep gratitude."

The happenings in Tibet figured in Parliament on March 17 during zero hour when members of the National Democratic Alliance walked out of the Lok Sabha protesting "violation of human rights" in that country. Vijay Kumar Malhotra (BJP) described the Lhasa incidents as "ethnic genocide" and wanted the government to condemn the happenings. He said Tibet, besides being a neighbour, shared cultural ties with India. Responding to the members' concern, External Affairs Minister Pranab Mukherjee expressed distress over the "unsettled situation and violence" in Tibet and wanted the causes of trouble in the autonomous region of China resolved through dialogue and non-violent means. Ramjilal Suman (Samajwadi Party) said India should join the global community in ending "human rights violation in Tibet." The issue also figured in the upper House when former External Affairs Minister Yashwant Sinha said while everybody wanted good relations with China, it did not mean surrendering India's national interest. "India should not remain a mute spectator to what was going on there," he said, demanding

362. Statement by Official Spokesperson on External Affairs Minister's telephone conversation with Chinese Foreign Minister.

New Delhi, April 3, 2008.

External Affairs Minister had a telephone conversation with Chinese Foreign Minister Yang Jiechi on 2nd April 2008. The call was at the request of the Chinese side. External Affairs Minister recalled Prime Minister's landmark visit to China in January 2008. He said that he looked forward to working together with the Chinese Foreign Minister to implement the main elements of the document on the Shared Vision between the two countries signed by the two Prime Ministers. The Chinese Foreign Minister said that bilateral relations were enjoying good momentum. Prime Minister's visit to China had been very successful. Foreign Minister Yang said that he would work with External Affairs Minister to further substantiate our bilateral relationship.

The Chinese Foreign Minister also took this opportunity to brief External Affairs Minister on the situation in Tibet. He said that the Chinese Government appreciates the steps taken by the Indian side to ensure safety and security of Chinese diplomatic and consular establishments and Chinese citizens in India. The Chinese Foreign Minister also expressed his confidence that the passage of the Olympic Torch through India would take place smoothly. External Affairs Minister conveyed that Government of India will take the necessary measures to ensure that the passage of the Olympic Torch is a success. He also reiterated Government's position that the Tibet Autonomous Region is part of the territory of the People's Republic of China. External Affairs Minister conveyed that the Dalai Lama is a religious and spiritual leader. Government does not allow Tibetans to engage in anti-China political activities in India. The Chinese Foreign Minister expressed his appreciation for Government's position.



that the government make a statement. Congress spokesperson Abhishek Singhvi told reporters that the party "expresses its concern about the violence and unsettled situation in the entire region and the deaths of innocent persons." There was "the dire necessity to take recourse by non-violent means to bring peace and security in that autonomous region." He hoped that a stable situation would prevail there at the earliest. The Indian policy towards the Dalai Lama was re-emphasized by the External Affairs Minister on April 1 in his remarks to a TV channel. He said "Dalai Lama is a religious leader. India will render all hospitality to him as he is a respectable guest, he will have full freedom to preach religion in India but he can't conduct any political activity in this country that harms India-China ties."

363. Media Report on the visit of Foreign Secretary Shivshankar Menon to China.

Beijing, April 22, 2008

Media reports said that China raised its concern over the Tibet situation with the visiting Foreign Secretary Shiv Shankar Menon during his brief visit to Beijing. A range of bilateral issues was also discussed during his meetings with State Councillor Dai Bingguo, Assistant Foreign Minister Ha Yafei and Vice-Foreign Minister Wang Yi. The Foreign Secretary said the Chinese side appreciated India's handling of the Olympic torch relay.

"They also brought up the larger issue of Tibet and told us how they see it," he said, adding India's approach to the matter was clear. "We will neither allow anyone to break the laws of our country nor allow attacks on a friendly country from our soil." Asked whether Beijing was satisfied with New Delhi's position, he said: "They [the Chinese] have already seen how it works in practice."

Mr. Menon was referring to the Indian leg of the Olympic torch relay in which the presence of some 15,000 police personnel ensured that there were no serious disruptions.

The proposed visit of External Affairs Minister Pranab Mukherjee to China in June was also discussed.

Mr. Menon said overall both sides expressed satisfaction at the "steady" development in ties and the focus of his talks was on translating the vision of strategic and cooperative partnership into practice through a series of dialogue mechanisms.

On April 21, Mr. Menon met representatives of G-8 "outreach countries"--China, Mexico, Brazil and South Africa. The discussions centered around developing a coordinated approach to the annual summit of G-8 leaders in Japan which was scheduled in July. Climate change, in particular, featured on the agenda.



364. Press Release of the Ministry of External Affairs on External Affairs Minister's condolence message on loss of life in the earthquake in Sichuan Province

New Delhi, May 14, 2008.

The External Affairs Minister (EAM), Shri Pranab Mukherjee, has written to his counterpart, Mr. Yang Jiechi, Minister of Foreign Affairs of the People's Republic of China, and has expressed his deep shock at the news of the devastating earthquake that has hit the Sichuan province of China.

EAM conveyed his heartfelt condolences over the tragedy and indicated India's readiness to provide any assistance that China may require.



365. Press Release of the Ministry of External Affairs on arrival of the first Indian flight in Chengdu with relief supplies for earthquake victims.

New Delhi, May 17, 2008.

As an expression of sympathy and support of the people of India for those affected by the devastating Wenchuan earthquake in Sichuan, China, the Government of India had on May 15 announced an assistance of US\$ 5 million. The offer was conveyed by the External Affairs Minister of India Mr. Pranab Mukherjee to the Minister of Foreign Affairs of China Mr. Yang Jiechi during their meeting in Yekaterinberg on May 15. The Chinese Foreign Minister welcomed the offer.

The first Indian Airforce aircraft carrying tents, blankets and other relief material arrived at Chengdu, the capital of Sichuan Province which is close to the epicenter of the earthquake at 1745 hours today. The Ambassador of India Mrs. Nirupama Rao, Consul General of India, Guangzhou, Mr. Gautam Bambawale, along with officials of the Sichuan Government were present at the airport. While receiving the consignment Mr. Ran Jinjun, a senior official of the Civil Affairs Bureau of the Sichuan Provincial People's Government, said that they were deeply grateful to the friendly people of India and the Government of India for their timely assistance which had arrived so soon following the earthquake. The consignment was immediately transferred to the affected areas.

The second Indian Air Force relief aircraft is expected to reach Chengdu on Monday May 19 and would carry additional relief supplies including medicines, tents and sleeping bags. Further relief flights will follow thereafter¹.



366. Speech of External Affairs Minister Pranab Mukherjee at the inauguration of the Consulate General of India in Guangzhou.

Guangzhou (China), June 5, 2008.

Excellency Governor Huang,

Excellency Vice Mayor Chen,

Distinguished Guests,

Ladies and Gentlemen:

I am very pleased to be with all of you this morning for the inauguration of the Consulate General of India in Guangzhou².

India and China are ancient civilizations with historical links to each other for centuries. These linkages also connect us to Guangdong province. Damo - as you know him - or Bodhidharma, as he is known in India, travelled to China in the 6th Century A.D. carrying the message of the Buddha. I am told he also visited this part of southern China and is well known in Guangdong Province to this day.

1. During his visit to China in June the External Affairs Minister in a special gesture flew to quake-shattered Sichuan province of China and handed over a consignment of relief supplies to the local administration. The supplies, part of the \$5 million aid announced by India, were presented by the External Affairs Minister to Huang Xiaoxiang, the Vice Governor of the south western province. Relief supplies, including tents, ready-to-eat meal packets and medicines, have been dispatched through several IAF flights following the deadliest earthquake in three decades to hit China. Mr. Huang said the provincial government and the people were grateful to India for offering help, state-run Xinhua news agency reported. India's Ambassador to China Nirupama Rao was also present in the ceremony.
2. It may be recalled that the decision to set up an Indian Consulate General in Guangzhou and a Chinese Consulate General in Kolkata was arrived at during the visit of the Chinese President Hu Jintao to India in November 2006. The Chinese inaugurated their Consulate General in Kolkata on September 8, 2008 during the Chinese Foreign Minister's visit to India.

Today, we are among the fastest growing economies in the world. Our economic development is providing the momentum for growth and prosperity in the Asia-Pacific region. The trajectory of growth in our mutual trade and investment continues to astonish our citizens. The trade target of US\$ 60 billion by 2010 set by our two Prime Ministers is very likely to be surpassed before 2010. China is now our largest trading partner. If India and China are to grow together, as your President His Excellency Mr. Hu Jintao said during his visit to India, our economic and commercial relationship must become the firm foundation for such growth.

Guangdong has always been at the forefront of China's economic reform and opening to the outside world. There is tremendous interest in India to learn from your experiences, including your remarkable success in developing your Special Economic Zones. Guangdong Province accounts for one-third of China's total foreign trade. Indian firms have invested in China including in the Pearl River Delta, and this trend is likely to escalate in the coming years. I understand that Chinese companies from this province are also interested in the Indian market. The commencement of direct flights from your city to India is an encouraging sign that both sides want to build more economic, trade, scientific, cultural and people-to-people contacts.

For all these reasons we are convinced that Guangzhou is the best choice for the opening of our second Consulate General in China. I am, therefore, delighted to officially inaugurate the Consulate General of India in Guangzhou. Our new Consulate General will strive to enhance trade and investment ties, to encourage more tourism and business travel to and from India and to introduce our culture and civilization to the people of southern China. I assure you that we will make every effort to see that our Consulate contributes in a positive and proactive way in building friendship and partnership between Indians and Chinese.

I wish to thank Your Excellency for your gracious presence on this occasion. I am confident that with Your Excellency's guidance, and with the support of the Government of Guangdong, our Consul General and his team will carry out their tasks in a successful manner.



367. Press Release of the Ministry of External Affairs on the inauguration of the Consulate General of India in Guangzhou, China by External Affairs Minister Pranab Mukherjee.

Guangzhou (China), June 5, 2008.

The Consulate General of India, Guangzhou was formally inaugurated this morning by India's External Affairs Minister Mr. Pranab Mukherjee. The inauguration function was attended by the Governor of Guangdong Province H.E. Mr. Huang Huahua, Ambassador of India to China Mrs. Nirupama Rao and Vice Mayor of Guangzhou city Mr. Chen Mingde and 250 invited Indian and Chinese guests and members of the Consular Corps.

2. Recalling that Guangdong has always been at the forefront of China's economic reform and opening to the outside world, Mr. Mukherjee stressed that India is interested to learn from Guangdong's experience, including its remarkable success in developing Special Economic Zones. He added that Economic and commercial relations must become the firm foundation for the future growth of India - China ties. Many Indian firms have invested in the Pearl River Delta and this is likely to increase in the coming years. Similarly companies from Guangdong have shown interest in the Indian market. The commencement of direct flights from Guangzhou to India has also encouraged more links between the Province and India. For all these reasons, India is convinced that Guangzhou is the best choice for opening our second Consulate General in China.
3. Guangdong Governor Huang Huahua stated that the inauguration of the Consulate General of India will open a new chapter of friendly cooperation between Guangdong and India. Trade between the Province and India amounted to US \$ 5.9 billion in 2007, an increase of 55% over the previous year.
4. It will be recalled that India and China had signed a Memorandum of Understanding for the opening of new Consulates General in Guangzhou and Kolkata during the visit of Chinese President H.E. Mr. Hu Jintao to India in November, 2006. With the inauguration of the Consulate General of India, Guangzhou the Memorandum of Understanding stands fully implemented. The newly inaugurated Consulate General will focus on expanding trade, investment, tourism as well as Cultural and educational contacts between India and South China.



**368. Speech of External Affairs Minister Pranab Mukherjee
on "India's Foreign Policy Today" at Peking University.**

Beijing, June 6, 2008.

President Xu,

Distinguished scholars and students of Peking University,

Ladies and Gentlemen:

I am honoured to have this opportunity to speak at Peking University. My joy at being here today has several reasons. This University is no doubt one of China's most prestigious educational institutions. It is also at the forefront of promoting India studies in China. The work pioneered by renowned scholars like Professor Ji Xianlin and Professor P.C. Bagchi in the beginning of the last century is being carried on by scholars in this University's Centre for India Studies. The University is also celebrating the 110th anniversary of its founding. On this occasion, I offer my felicitations to the students and faculty of Peking University.

Friends,

India and China are among the world's great civilizations. We have made seminal contributions to humanity's past and stand today at the cusp of remoulding its future. Throughout history, we have had deep respect and regard for each other. Even though our particular conditions were different, our two countries have learnt from and given to each other freely. This exchange has resulted in an enrichment of our peoples' lives.

It is this wisdom that we will need to harness as we emerge in the 21st century. I foresee this as a century of great opportunities. Some are new or newly recognized - the challenge of climate change, for instance. Other challenges, like food and energy security, have been faced by our forefathers. How we work together and with others may determine whether humanity can collectively overcome these challenges so that this century becomes better for us all. I believe that India - China relations will be one of the more significant factors that will determine the course of human history in the 21st century. Let me therefore outline the contours of how India sees the world around it.

No country's foreign policy can be divorced from the imperatives of national interests and priorities. For India, our foremost strategic objective is to

develop our country and to bring the fruits of development to our people. This objective requires an enabling external environment and enhanced engagement with the rest of the world. This, in turn, can only be done effectively in a stable and peaceful external environment. India has a long-standing and deeply ingrained conviction that the world is one large family - "vasudhaiva kutumbakam" - as our classical texts call it.

India's engagement with the world is not only to preserve peace and stability. It is also to contribute to a world order in which peace and progress can be sustained. We believe that India is a factor of stability and a voice of moderation in the world. We remain anchored to the principles of "Panchsheel, which were jointly articulated by India and China. The precepts of "non-violence" and "tolerance" have deeply infused our civilization. The great philosophical traditions that emerged from India, including Buddhism, preached these basic truths as essential for mankind's progress. It is not surprising therefore that our foreign policy reflects these ideas and ideals.

We have an independent foreign policy based on the principles of non-alignment laid down by our first Prime Minister. All successive governments of all political shades have adhered to these principles. We guard our strategic autonomy and stand by the principles of independence and freedom of action in external relations. This has, however, not prevented us from developing friendships and good relations with all the major countries. We believe this is the strength of our foreign policy. Friendship between India and any one strategic partner is not at the expense of relations with any third country or another strategic partner. Our ties are not a product of strategic expediency, but of a long term vision.

India actively pursues cooperative arrangements. We recently held the India-China-Russia trilateral meeting. Also, for the first time, the Foreign Ministers of India, China, Russia and Brazil had a stand-alone meeting to discuss issues of common interest. Our participation in ASEAN and ARF, our presence as an observer in the Shanghai Cooperation Organization and our engagement with the ASEM and the East Asia Summit are positive and forward looking. India's political and economic ties with the Asia-Pacific region are growing. Through our "Look East" policy, we are making further strides in strengthening our relations with the countries of this region.

Our foreign policy aims to strengthen our relationships not only with all the major powers, but with emerging economies in Asia, Latin America and Africa as well. We also give great importance to restoring and strengthening

the traditional linkages in our extended neighbourhood. India has had historical and civilizational affinities to peoples of East and South East Asia, Central Asia, East Africa and the Indian Ocean region for more than two millennia. We are restoring connectivity and building economic interdependence with them again.

Our immediate neighbourhood is naturally of great importance to us. We are tied to it by geography as much as by historical, cultural and other affinities. Through the South Asian Association for Regional Cooperation, we are working with all our neighbours to build a South Asian economic community and restore traditional cross-border linkages. We are conscious of the fact that our destinies are linked with those of our neighbours. It is, therefore, natural that we seek a peaceful periphery, within which to concentrate on the transformation and development of India.

It is in this overall context that I want to talk of our relations with China. There is no doubt that we have steadily improved our relations. In 2005, we established a Strategic & Cooperative Partnership for Peace and Prosperity. Our trade and economic relations are rapidly becoming the bedrock for a more intensive engagement. We are likely to cross the target of 60 billion dollars in bilateral trade by 2010. We are building mutual trust and confidence between our militaries. Last year, we successfully held the first joint military exercises. This will be followed by another exercise this year. Both our countries recognize that we are in an era of dynamic change. More Indians and Chinese are traveling abroad than ever before, as technology compresses time and distance. There is growing engagement among our business communities, students, academics and media. Globalization has made available to us the technology, connectivity and information that promise new opportunities for progress.

While these positive signs of change hold great promise for the future, both our countries are also mature enough to realize and address the difficult issues in our relationship. Our boundary is peaceful and we are determined to keep it so. We have evolved mechanisms and have gained experience to maintain peace and tranquility in our border areas. In 2005, we agreed on a set of Political Parameters and Guiding Principles to guide us in our task of finding a mutually satisfactory solution. We will need to resolve these differences through negotiations in a constructive and forward looking manner. We will have to be patient and realistic. While we may have our differences, we will not let them become obstacles to the broadening and deepening of our relationship.

Friends,

India and China are the beneficiaries of globalization and we have a stake in how it shapes our world. The Internet is beginning to empower Indians and Chinese, even in small towns and villages, in ways that gives them competitive advantages that might have otherwise taken generations. There is the hope and the possibility of a better life for our future generations. In an interdependent world, the prosperity and growth of both India and China is linked intimately with that of the world. It follows, therefore, that both of us have stakes in the development of a global order that is conducive to our developmental aspirations. We need to work together to evolve such an order. It is also in our common interest to work together so that the proper conditions are created for global inter-dependence to be preserved and sustained.

I noted earlier that only an environment of peace and stability is conducive for us to work towards the prosperity of our peoples. Today, both our countries require a peaceful external environment. Therefore, we should work together towards peace, security and stability in Asia and beyond. For this, we will need to evolve a security architecture which takes into account the conditions prevailing in Asia. We cannot transplant ideas from other parts of the world. Nor should we seek to create such sub-regional security arrangements that are narrow and ultimately ineffective. An open and inclusive architecture, which is flexible enough to accommodate the great diversity which exists in Asia, is needed. We already have some dialogue forums in place, such as the ARF, the CICA and the SCO, where we are discussing security issues. As two major countries in Asia, India and China should try to work together to evolve a new framework from these basic building blocks. I have no doubt that they will help us address our common concerns, such as the security of the sea lanes of communication, which are critical to trade and energy flows in our region and on which the future of our two countries will depend.

We also need to work together and with other countries towards mutually beneficial economic globalization that will draw on the dynamism and potential of India and China. When President Hu Jintao visited India in 2006, Prime Minister Manmohan Singh had said that there is enough space for the two countries to develop together in a mutually supportive manner for mutual benefit. As two large Asian states and as two of the fastest growing emerging economies of the world, cooperation between India and China transcends the bilateral sphere. Indeed, it has global significance.

In this context, we must ensure that regional integration processes are inclusive so that they can contribute towards building an Asian Economic Community that is open, transparent and inclusive, and that provides a platform to create ever widening economic opportunity. I firmly believe that such a path will be in our mutual interest.

During Prime Minister Manmohan Singh's visit to China in January this year, India and China outlined a Shared Vision for the 21st Century and agreed that there should be continuous democratization of international relations and the world order. It is now widely recognized that the centre of gravity of international relations is shifting towards Asia. However, global governance structures - be they in the political domain, such as the UN, or the economic domain, such as the IMF and World Bank - are still based on a world order that is a sixty year old relic from the middle of the last century. There is an urgent need to restructure and democratize these global institutions, so that they are more attuned to the realities of the day. It is important for India and China to work together to achieve this objective and give substance to the idea that both of us have a common responsibility and a common interest in shaping our world in the future. At a global level, India's engagement is geared towards playing a positive role in world affairs. When both of us define our interactions with each other and with the rest of the world in global terms, we will be fulfilling the promise in our relationship and resume our historical role of contributing to humanity's future.

Friends,

I began my remarks by listing the reasons for my joy at being here today. I believe that I did not complete the list. We in India are committed to further strengthening our relations with China. I believe that China reciprocates this sentiment. China and India, between them, have the wisdom and the capacity to seek fair and equitable global solutions that will involve us all. In this task, the youth, both in India and China, who will provide the future generation of leaders, have an important role to play to further an environment of peace, friendship and opportunity. My visit here today has afforded me an opportunity of sharing some of my thoughts with those that will go on to guide the destiny of this great nation and its relations with other countries. This, then, is the most joyful reason for my being here today. And for this, I thank you once again. I am deeply grateful for your patience.

Thank you.



369. Media Briefing by Foreign Secretary Shivshankar Menon on the meeting between Prime Minister Dr. Manmohan Singh and the Chinese President Hu Jintao on the sidelines of the G-8 Outreach Summit.

Sapporo (Hokkaido), July 8, 2008.

On July 8, Prime Minister Manmohan Singh met the Chinese President Hu Jintao in Sapporo, the Capital city of the province of Hokkaido, Japan, on the sidelines of the G-8 Summit, which is being attended both by India and China as the Outreach participants at the Summit.

During the meeting he expressed his country's willingness to cooperate with India in developing civil nuclear energy¹.

Briefing the Indian media about the bilateral talks, Foreign Secretary Shiv Shankar Menon noted that Dr. Singh mentioned the civil nuclear cooperation deal which had been discussed earlier with President Hu Jintao. He said that as the Prime Minister mentioned on Monday at his news conference en route to Japan: "We do not anticipate there will be any difficulty about it."

(China is an important member of the Nuclear Suppliers Group whose approval is needed for India to secure international cooperation for its nuclear electricity programme.) Mr. Menon said the two leaders spoke about the very rapid development of the economic relationship, the two-way trade in the first five months of this year having exceeded \$24 billion, a 74 per cent increase over the same period the previous year.

"All in all, it was a positive and constructive meeting that covered the full gamut of bilateral relations," he said.

(At the outset of the meeting the Chinese President mentioned the blast in Kabul, expressing China's strong views on terrorism and offered his condolences to the families of those who lost their lives.)



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However, a report on the meeting put out by China's official news agency, Xinhua, did not specifically mention "nuclear energy" having been discussed, but quoted Mr. Hu as saying, "China is willing to work with the Indian side to promote cooperation and exchanges in various fields, continuously substantialise the China-India strategic partnership, and advance the stable, sound and long-term development of bilateral relations."

370. Response by Official Spokesperson to media reports on the visit of Chinese Foreign Minister.

New Delhi, September 10, 2008.

In response to questions¹ on news reports about delay in fixing a call by Chinese Foreign Minister on Chairperson, UPA, the Official Spokesperson said: "We have seen these reports. These are unfounded as there was no meeting scheduled to be held between the Chinese Foreign Minister and Chairperson, UPA".



1. The Spokesperson was reacting to reports in a section of the media that Mrs. Sonia Gandhi had not accepted the request of the Chinese Embassy for a meeting with the Chinese Foreign Minister who was in town to express her displeasure at the Chinese attitude at the NSG meeting in Geneva.
A Spokesperson of the Congress Party Shakeel Ahmed reacting to reports said the attempt to connect the meeting that was not scheduled with the proceedings of the Nuclear Suppliers Group was "unwarranted and unfortunate." Mr. Ahmed asserted that the Indian National Congress and the Communist Party of China (CPC) shared a longstanding relationship that had grown from strength to strength as evident from Ms. Gandhi's visit to Beijing during Olympics. The Congress and the CPC had signed a memorandum of understanding for exchange of leadership development programme as part of party-to-party contacts. Asked whether Mr. Yang sought an appointment with Ms. Gandhi, the spokesman said such request should come through the Ministry of External Affairs.

**371. Extract from the Interview of External Affairs Minister
Pranab Mukherjee with the Chennai based daily the
Hindu.**

September 22, 2008.

* * * *

**Do you see a reworking of the India-China relationship in the context
of what happened at NSG?**

We should concentrate on the end result. How you proceed to arrive at a particular decision is not primarily a concern to us. If China had not wanted to be a party to consensus, it would not have been there. But as the consensus is there and China has gone in with the consensus along with other 44 countries, why should we object? What is our expectation, what type of behaviour we expect from countries, we can have our own view. But we should take into account the end result. China had all along committed to us that they will not be obstructive. In my interaction with their Foreign Minister and of the Prime Minister with their leadership, China maintained that position. And when I had discussion with the Chinese Foreign Minister when he was here, he explained their position and explained it to the media as well. Actions speak more clearly than words.

**In our domestic politics, there is a certain perception about China.
How do we dissolve that kind of perception about Chinese intentions?**

I don't think there is any visible manifestation about lack of trust. We have problems and we are trying to resolve through dialogue, for instance the border dispute. Right now the Special Representatives are meeting.

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372. Extract from the Interview of External Affairs Minister Pranab Mukherjee with Ms. Kalyani Shankar for the All India Radio.

New Delhi, September 22, 2008.

* * * *

Q : Prime Minister is likely to go to China in October and the Chinese Foreign Minister is coming here next week, I think. Are you getting positive signals from China, particularly on this NSG? And then the second one is that what will be the focus of the Sino-Indian relations in the coming months?

EAM : We are having strategic partnership on the basis of shared values between India and China. Recently we have very high level visits, President Hu Jintao from the Peoples Republic of China visited India last year. Our Prime Minister visited China this year. I myself visited China and in response to that Chinese Foreign Minister Yang Jiechi is coming to visit India next week. Chairperson of UPA, Mrs. Sonia Gandhi also visited Beijing during the Olympics. There has been high level contacts. Our trade relationship is expanding very fast. Shortly we will be reaching the target which we have fixed by 2010 to the level of 60 billion US dollar. In other areas of economic cooperation, we are proceeding smoothly. Of course, there are problems in the area of border settlement but the special representatives of both the Prime Ministers, they are meeting regularly and I am told the next meeting is scheduled to be held shortly, where we are trying to resolve this issue also. Therefore, our relationship between India and China is moving forward.

Q : But what will be focus of the Prime Minister's visit to China now?

EAM : The Prime Minister's visit is not a bilateral one. It is in connection with the East Asia summit. That will be discussed.

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373. Media Report on the briefing by Foreign Secretary Shivshankar Menon on the meeting between Prime Minister Dr. Manmohan Singh and Chinese Premier Wen Jiaba.

New York. September 24, 2008.

Foreign Secretary Shivshankar Menon briefing the media on the meeting between Prime Minister Dr. Manmohan Singh and the Chinese Premier Wen Jiabao said that the two countries expressed their desire to expand their cooperation in the civilian uses of nuclear energy. Mr. Menon made it clear that the Indian side did not raise the question of China's presumed unhelpful role at the recent Nuclear Suppliers Group (NSG).

Mr. Menon reiterated that "China was part of the consensus at the NSG" and this consensus could not have come about without the Chinese acquiescence. "We are happy it is behind us," he said.

Dr. Singh and Mr. Wen struck a "personal rapport" and the interaction was marked by warmth and friendliness, Mr. Menon said.

(He pointed out that the two leaders have a similar approach to global economic issues. The Chinese premier brought along for Dr. Singh a copy of a book, published by Cambridge University Press. The book reproduces Dr. Singh's address at Cambridge University on 'international inclusive growth' and Mr. Wen 's call for "inclusive international development.")

In the context of the current global financial crisis, the two leaders felt the need for greater and open management of international economic institutions. They also shared views on regional and world developments. There was also satisfaction over the expanding trade ties before the two nations; the target of \$60 billion trade, set for 2010, within reach.

The two leaders also reviewed the India - China boundary talks which concluded recently in Beijing and expressed "satisfaction" at the progress made by their respective designated special representatives on the boundary question. Acknowledging that the boundary dispute was a "complicated" issue, the two prime ministers reportedly encouraged the special representatives to continue their labours.



374. Question in the Rajya Sabha: "Border Talks with China".**New Delhi, October 23, 2008.****Will the Minister of External Affairs be pleased to state:**

- (a) whether an Indian delegation led by National Security Adviser has recently, visited China and held discussions to maintain peace and tranquility along the border to help a speedy resolution of the protracted problem;
- (b) if so, the details of discussion held and outcome thereof;
- (c) whether to strengthen relation with China any discussion was held; and
- (d) if so, the details thereof?

The Minister of External Affairs (Shri Pranab Mukherjee):

(a) to (d) The twelfth round of Special Representatives Talks on the India-China boundary question was held in Beijing from 18 to 19 September 2008. The Special Representatives of the two countries, Mr. M K Narayanan, National Security Adviser and Mr. Dai Bingguo, State Councillor held useful and positive discussions on the framework for the settlement of the India-China boundary question on the basis of the Agreement on the Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question signed on April 11, 2005. The two Special Representatives reaffirmed the consensus to seek a fair, reasonable and mutually acceptable solution to the boundary question through consultations on an equal footing, proceeding from the political perspective of overall bilateral relations. The two sides agreed that the next round of talks would be held in Delhi. The specific dates would be decided through diplomatic channels¹.



¹ It may be recalled that in 2007 there were three rounds of talks between the Special Representatives on the Boundary Question, the third one taking place on September 28, 2007. It was therefore after a full year that the 12th round of talks took place. While no customary official statement was issued after the talks, the Chinese news agency Xinhua made a brief announcement: "They (the two delegations) agreed that both

375. Question in the Rajya Sabha: "Chinese Incursions Across Line of Control".**New Delhi, October 23, 2008.****Will the Minister of External Affairs be pleased to state:**

- (a) whether Government is aware of Chinese incursions across LAC into the Indian side;
- (b) if so, the facts and details thereof;
- (c) whether Government has taken up the matter with the Chinese Government;
- (d) if so, the details thereof; and
- (e) the steps taken by Government to prevent such Chinese incursions?

The Minister of External Affairs (Shri Pranab Mukherjee):

- (a)-(e) China disputes the international boundary between India and China. Since 1993, the two Governments have agreed to maintain peace and tranquillity along the Line of Actual Control in the India-China border areas, without prejudice to their respective positions on the alignment of the line of actual control as well as on the boundary question. Government regularly take up any violation along the LAC

countries would carry out the guidelines of their leaders, maintain negotiations and seek a fair and reasonable solution acceptable to both sides."

When the National Security Advisor Mr. Narayanan called on the Chinese Vice President Xi Jinping, the latter told him that "both sides should maintain peace and tranquility in the border area before the boundary issue is resolved." He also hoped that the solution of the boundary question would be "fair and reasonable". In reply Mr. Narayanan, according to media reports, said that India attached importance to ties with China, and was committed to developing strategic and cooperative partnership of peace and prosperity with China. Later in the month when Prime Minister Manmohan Singh and Chinese Premier Wen Jiabao met in New York, on the sidelines of the UNGA session, Dr. Singh expressed his "satisfaction" at the progress made by the Special Representatives. Acknowledging that the boundary dispute was a "complicated" issue, the two Prime Ministers reportedly encouraged them to continue their labour.

with the Chinese side through established mechanisms including the Joint Working Group, the Expert Group, border personnel meetings, flag meetings and diplomatic channels¹.

Supplementaries:

Shrimati Shobhana Bhartia: Mr. Chairman, Sir, one of the main reasons for these incursions and intrusions is the non-demarcation of the Line of Actual Control along the border. Whereas China has resolved its boundary issues with all the other neighbours, it has not yet done so with India.

Sir, my question to the hon. Minister is: What is the progress that has been made in the meetings that he has held with China for demarcation of the boundary? Sir, in the absence of demarcation, does the Minister feel that China is pursuing an aggressive border-management policy to lay claims on disputed areas along the LAC.

Shri Pranab Mukherjee: Sir, there are disputed areas in the claim of each side. For instance, India thinks that 38,000 sq. kms. of areas are under illegal occupation of China. In addition to that, 5,000+ kilometres which Pakistan ceded to China from the Pak occupied Jammu and Kashmir area. Similarly, they think that the entire Arunachal is their territory which we are not agreeing upon. Nobody agrees. Therefore, there are different perceptions why these transgressions are taking place.

It was decided in 1993 that we will establish a mechanism and through that mechanism we will try to resolve boundary issues, but pending that, without prejudice to the respective rights, we will try to maintain peace and tranquility in the border areas. It was done in 1993, and 1996. It was taken to further stages. In 2003, when the then Prime Minister Atal Bihari Vajpayee visited China, at that point of time, it was decided that both sides should appoint two special representatives of both the Prime Ministers to discuss these issues and they will arrive at a final stage. There are three stages. The first stage is over where the political parameters and guiding principles have been agreed upon after holding five meetings.

1. On the same day the External Affairs Minister replied to another question on the same subject and said since there is no commonly delineated LAC between India and China, situations (of border violations) have arisen on the ground that could have been avoided if we had a common perception of the LAC. Government takes up perceived violations through established mechanisms including the Joint Working Group, the Expert Group, border personnel meetings, flag meetings and diplomatic channels.

Up to now, there have been 12 meetings between the two special representatives; the last one was in September, 2008, in Beijing. This is going on. It is taking time. As the hon. Member wanted to know why it is happening, there are different perceptions about the entire area, the Middle Sector, Eastern Sector, Western Sector. We consider that these are our areas and they consider that these are their areas. Therefore, in 2000, my distinguished predecessor,

Shri Jaswant Singh, suggested that let us exchange maps delineating our perceptions in the map itself. Progress is not very bright, but there has been some improvement in the Middle Sector. Maps have been exchanged and the areas of dispute have been identified. In the Eastern Sector and in the Western Sector, these exchanges are yet to take place. As has been mentioned in the text of my reply that whenever these transgressions take place, there is an established mechanism where we take up these issues and we try to rectify.

Shrimati Shobhana Bhartia: Sir, according to reports, China can now mobilise forces on the Tibetan borders within weeks. That is because of huge overhaul in terms of infrastructure on the Chinese side. But, unfortunately, Sir, the same has not happened and India has not kept pace. In fact, when the Prime Minister visited Arunachal, he also made a commitment of improving the highways and having an airport. Sir, the lack of border infrastructure can hamper any future troop mobility. I would like to ask from the hon. Minister what specific plans do we have on these projects which are aimed at improving the infrastructure and connectivity along the Sino-Indian border?

Shri Pranab Mukherjee: Sir, it is true that the infrastructural facilities available on that side of the border are much improved compared to that of ours. To rectify it, it has been decided that 13 operational roads will be constructed on a priority basis. These are expected to be completed by 2012. In addition to that, from Tai Wang onwards, trans-Arunachal highway will be constructed. In respect of the airports, a number of places, including some places which are closer to border -- the entire area is the border, but closer to border-- including, Pasighat and certain other places, have been identified and the progress is going on. In addition to those certain operational roads, the Ministry of Home, the Department of Surface Transport and also the Border Roads Organisation and the Ministry of Defence are also engaged in construction of some roads, and we are giving priority to it.



376. Press Release of the Ministry of Defence on the visit of Chief of Air Staff Air Marshal Fali Homi Major to Beijing.

New Delhi, November 3, 2008.

Air Chief Marshal FH Major, the Chief of Air Staff of the Indian Air Force has arrived in China for week-long visit till 06 Nov 08, for strengthening Air Force to Air Force cooperation.

Air Chief Marshal Fali Major arrived in Beijing, at the invitation of General Xu Qiliang, Commander of the Chinese Peoples Liberation Army Air Force (PLA AF), for a visit to China from 02nd to 06th Nov 2008. The visit is an important milestone in bilateral defence exchanges as it is the second ever visit of the Chief of Air Staff of the Indian Air Force to China, coming seven years after Air Chief Marshal Tipnis visited China in May 2001.

Air Chief Marshal FH Major was welcomed by a guard of Honour at the PLA AF Headquarters in Beijing. He met General Xu Qiliang, Commander of the PLA AF and held discussions on bilateral issues. He will also be meeting the Chinese Defence Minister General Liang Guanglie during his visit and visit military units in Hangzhou and also witness the Zhuhai Airshow in which the Indian Air Forces' Aerobatic Team, the Surya Kirans will be

1 Even as Air Chief was visiting China, Navy chief Admiral Suresh Mehta hosted his Chinese counterpart Admiral Wu Shengli in New Delhi to promote bilateral defence cooperation. "The aim is to steadily expand bilateral military-to-military ties and strengthen mutual confidence between the two armed forces," a top official told the media. In keeping with this policy to "constructively engage" China in the military arena, the first-ever Sino-Indian military combat exercise on Indian soil - with counter-terrorism as its primary thrust area - took place in Belgaum in December. (please see Document No....) It may be recalled the Indian and Chinese armed forces have been incrementally building up their military ties, which in December 2007 led to the first-ever joint counter-terrorism exercise between the two armies at Kunming, with the return exercise being held in India in December. Air Chief Marshal Major's China visit was the second by an Indian Air Force chief to that country. He met Commander of PLA Air Force, General Xu Qiliang, and called on Chinese Defence Minister General Liang Guanglie during his visit. He visited the military units in Hangzhou and witnessed the air-show in which the IAF acrobatic team participated. The Chinese Naval chief while in India visited the Army's Special Forces Headquarters at Agra, interacted with the top military hierarchy and met Defence Minister A. K. Antony. He too visited India's latest and most modern naval base at Karwar in Karnataka. While on a visit to Mumbai the Naval Chief General Shengli was taken to the Navy's aircraft carrier INS Viraat and given a tour of Mazgaon Dockyards. Air Chief Marshal Major said in New Delhi on November 17 that following his fruitful visit to China the possibility of a joint air exercise with Chinese air force has become stronger. "We are hoping to have them within two years...this will lead to more Air Force to Air Force exchanges between the two countries," he said on the sidelines of the Air Force Commanders Conference.

participating. The Chief of Air Staff would be visiting the capital Air Defence Centre of PLAAF, and 28 Air Division.

There has been a steady expansion and consolidation of India-China relations in diverse spheres in recent years. Military to Military contacts have also expanded. The Commander Peoples Liberation Army Navy (PLAN), Admiral Wu Shengli is visiting India concurrently, in a continuing exchange of high level contacts between the two countries.

In May 2006, during the visit of Mr Pranab Mukherjee, the then Defence Minister, a MoU on Exchanges and Cooperation between India and China in the field of Defence was signed. The MoU laid a solid foundation and institutionalized the frame work for further development of defence cooperation between the two countries. The first ever Annual Defence Dialogue between India and China was held last year in Nov 2007. India and China also held their first Joint Training Exercise in Kunming in Dec 2007.

The visit by the Indian Chief of Air Staff is expected to deepen understanding and strengthen mutual confidence between the two armed forces.



377. Extract from the Speech of External Affairs Minister Pranab Mukherjee delivered in Tawang on the occasion of the 8th Buddha Mahotsava.

Tawang (Arunachal Pradesh), November 9, 2008.

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Buddhism is an important and integral part of life and tradition in Arunachal Pradesh. We rejoice in this diversity of our country's spiritual and cultural traditions. Our Government has given the highest priority to the development of the north-eastern region, including the state of Arunachal Pradesh. Although you are geographically further from Delhi than some other regions, you are close to our heart. We have a clear strategy for the development of this great state, and when our Prime Minister visited you in January this year, he announced several steps that we would be taking to ensure that there is more development here, and that the people of Arunachal can enjoy better economic and social conditions as quickly as possible. We recognize that the state needs good connectivity and good infrastructure, as well as more opportunities for all round economic development. Government is making special efforts to fast-track the development of road and other infrastructure projects, so that economic and tourism opportunities will benefit the citizens here. The mighty Brahmaputra, that has brought life to millions of Indians through centuries of our recorded history, flows through this beautiful state. Its mere presence offers immense opportunities for development, and it is time for us to realize this hidden potential. I would like to assure the Hon'ble Chief Minister and all of you present here on this occasion that we will give priority to all those projects that the Hon'ble Prime Minister announced during his visit here earlier this year.

Ladies & Gentlemen,

It has also been my effort, as External Affairs Minister, to enhance the external linkages of our north-eastern region with our neighbours. Arunachal Pradesh shares its border with three countries - China, Myanmar and Bhutan. We enjoy cordial relations with China, our great neighbour to the north. I visited China earlier this year and it was also my privilege to host the Foreign Minister of that country. Our Prime Minister has also visited China twice this year. Although we have not yet settled the boundary question with China, the Special Representatives of our two countries are working together to find a fair, reasonable and mutually acceptable settlement which will create a boundary of peace and friendship between us. The Chinese side is fully aware that Arunachal Pradesh is an integral

part of India. At the same time it has been my constant endeavour to develop friendly and cooperative ties with China, and to explore all possibilities for economic and other cooperation between China and our border states. We will continue to work with our Chinese friends to persuade them to open border trade with Arunachal Pradesh and to create other economic opportunities for communities on both sides of the border¹.

I also want to say how pleased I am at the opportunity afforded me to visit the beautiful town of Tawang. Tawang has had a long and illustrious association with Buddhism. Arunachal was a home to Buddhists from the first millennium AD when Guru Padmasambhava came here with Lord Buddha's message, and it is in these high mountains that some of the earliest Buddhist temples are found. Tawang's great monastery, which I will be visiting later in the day, continues to flourish today and the gentle traditions of Buddhism are carried into the new century by the people of Tawang district. I sincerely congratulate all the people of Tawang for making renewed efforts to build the economy and to improve life in this high altitude part of the state. With its great natural beauty, rich cultural and spiritual heritage and vast resources, Tawang and all of Arunachal Pradesh will be able to develop its economy and tourism and we will fully support and assist you in this endeavour. Your progress will strengthen the nation.

In conclusion, I express my gratitude to the Chief Minister and the people of Arunachal for their warm welcome and hospitality, and extend my best wishes to the organizers of the 8th Buddha Mahotsava and to all the participants who are gathered here today on this auspicious occasion.

Thank you.

(For full text of the speech please see Document No.53.)



1. China on the next day reacting to EAM's statement did not accept Indian contention that Arunachal is an integral part of India saying that Beijing never recognized the "illegal" McMahon Line. Rejecting India's assertion that Arunachal Pradesh is its integral part, he insisted that Beijing never recognised the "illegal" McMahon Line and that the status of the border State was "never officially demarcated." The Chinese Foreign Ministry spokesman Qin Gang said New Delhi had not taken the "historical facts" into account and "We deeply regret the Indian side's remarks that take no regard of the historical facts." He went on to assert that "China and India have never officially settled demarcation of borders, and China's stance on the eastern section of China-India borders is consistent and clear-cut." Please also see Document No.359

378. Press Release issued by the Ministry of Defence on Sino – Indian Training Exercises code named “Hand-in- Hand - 2008”.

New Delhi, December 4, 2008.

In continuation of the ongoing Army to Army cooperation, as part of the Annual Defence Dialogue (ADD) which commenced between China and in India, in 2006, the 137 member strong Chinese Army contingent arrived in their service aircraft at the Southern Indian city of Pune this morning. Pune, besides being an industrial hub, is also a centre for higher learning. The city which has a concentration of a large number of institutions of higher learning, also boasts of many prestigious military institutions including the premier National Defence Academy (NDA), the cradle of learning and development of India's military leadership.

The current joint Army training and exercise marks the growing military cooperation between the two countries. Earlier, India and China had held the first joint naval exercise in November 2003 off Shanghai on China's Eastern seaboard. Subsequently, two ships of the Indian Navy also made port calls at Qingdao and participated in a joint exercise with the PLA Navy earlier in 2007.

After a brief formal reception by the Indian contingent commander at the Pune airfield, the Chinese army personnel and stores were transported by six IAF aircrafts to Belgaum, the venue of the Ex Hand-in-Hand 2008. This joint training exercise is the second in the series, the previous one having been conducted in Kunming, China in Oct 2007.

The Ex Hand-in-Hand 2008 is aimed at expanding and strengthening military-to-military ties between the two armed forces. During the course of joint training, the Chinese troops from the 1st Company of Infantry Battalion of Chengdu Military Area Command and the Indian Army troops from 8 Maratha Light Infantry Battalion, are expected to undergo joint tactical maneuvers and drills; interoperability training; and joint command post procedures, finally culminating in a joint counter-terrorist operational exercise with simulated enemy. The exercise is planned at mixed company group level with command and control elements from the respective battalions' headquarters. The training and maneuvers are to be supervised by a joint Directing Panel comprising of army officials of both the Armys. The helicopter assets of the Indian Air Force will also be incorporated for conduct of special heliborne maneuvers and assault operations.

A 13-member Chinese delegation led by a Senior Colonel (equivalent to a Brigadier of the India Army) was in India from Oct 21 to 23 to attend the initial planning conference and discuss details of the exercise. The detailed planning and coordination for conduct of the exercise were finalized during the visit of eight member Indian Army delegation led by a Brigadier to Chengdu from Nov 20 to Nov 23.

A high ranking PLA delegation as well as senior Indian Army officials are expected to visit the exercise venue as 'Observers' to view the proceedings of the joint training exercise.¹



1 Speaking at the opening ceremony of the exercises on December 6, Brigadier S.K. Patiyal said the prime goal of the training was to acquaint the armies with each other's operating procedures and ensuring better compatibility. Stating that terrorism had become a global menace, Brigadier Patiyal called on all peace loving countries to join hands to root out the evil. "The exercise is also part of the ongoing efforts of both nations to share their experiences and technological knowhow in curbing terrorism," he said. The participating contingents on the Indian side was 8 Maratha Light Infantry and on the Chinese side the 137-member No.1 Infantry Battalion of the People's Liberation Army. "We would like to gain and share the expertise and practical knowledge and try to infuse the same in our training programme," Brigadier Patiyal added. The Chinese counterpart, Senior Colonel Qin Xiang You, said the training could comprise both basic combat exercises and civil and legal issues pertaining to counter-terrorism. "The training is aimed at enhancing mutual understanding and trust." The training programme included battle obstacles and assault courses, counter-terror tactics by the Chinese Army and a slithering down Mi-8 helicopter exercise. The Chinese contingent spokesperson Huang Xue Ping said the exercise was focused on enhancing military cooperation and fighting extremism and terrorism to ensure peace and stability in the region. Pointing out that the training was meant to strengthen the ties between the two countries at the military and political levels, he said the Chinese Army had undertaken similar exercises with 10 countries. "All countries should come together to fight terrorism. There should be no double standards. While fighting terrorism, our target should be clear and in doing so, we should not target any particular religion and ethnic group. We should identify the root causes of terrorism to resolve the issue. The causes vary in different countries. They can be poverty, imbalance of social wealth or discontent with the government," said Senior Colonel Huang, adding that China was also facing the problems of extremism, terrorism and secessionism. The opening ceremony was followed by a display of weapons and military equipment of the two armies. Both the contingents displayed their combat and physical endurance skills, besides a demonstration of counter-insurgency and counter terrorism operations. A day earlier the Indian Army had organised a familiarisation programme during which both contingents interacted with each other over the *Bara Khana* (Big Dinner).

INDONESIA

379. Briefing by Secretary (East), Ministry of External Affairs N. Ravi on President's State visit to Vietnam and Indonesia¹.

New Delhi, November 21, 2008.

Official Spokesperson (Shri Vishnu Prakash): A very good evening to all of you and thank you for joining us today. First of all, can I make a housekeeping request? Can I request all of you to please put your mobiles in silent mode?

Secretary (East) is here to brief you about the President's forthcoming visit to Vietnam and Indonesia. We also have with us Joint Secretary (South) from MEA, who is to Secretary's right, Mr. Arun Goyal; and Ms. Archana Datta, OSD (PR) to President. After Secretary's opening remarks he will also be happy to take some questions.

Thank you.

Secretary (East) (Shri N. Ravi): Thank you Vishnu.

Good evening to all of you. As most of you are aware, the State visit of the Hon'ble President of India to Vietnam and Indonesia is at hand. The President would be leaving Delhi on the 24th of November, i.e., Monday; and would be reaching Ho Chi Minh City the same evening. After staying two nights and a day in Ho Chi Minh city, the President and the Delegation would proceed to Hanoi, the capital, where again there would be programme for three days till the 28th.

On 28th afternoon the President would be leaving Hanoi directly for Bali. That will begin the Indonesian leg of the visit. After two days in Bali, on the 30th the President would reach Jakarta. After the completion of the programme there, would be leaving for Delhi on the 3rd of December, reaching in the afternoon.

This visit essentially reaffirms India's commitment to enhance our engagement with these two countries. Our close friends within the ASEAN fraternity, it is part of our look-east policy initiative. Both countries, Vietnam and Indonesia, are important developing countries which have had impressive growth rates in their economies just like India. Vietnam on an average has grown by well

1. The Indonesian leg of the tour was curtailed due to terrorist attack in Mumbai.

over six per cent over the last decade, and so has Indonesia in the last few years despite, I am now talking about Indonesia, despite Indonesia going through its very traumatic experience of the tsunami of 2004 and then the two earthquakes that followed in 2005 and one in 2006.

The economic resilience of these two countries is there for every one to see. Our engagement with these two countries is very old. This visit would give us an opportunity to assess the present state of relations in all its facets - political, economic, commercial, culture - and it would also help us to look at a future that will help us grow closer on a basis that would be of benefit to both the countries whether it be trade or investment or any other area.

To come to some specifics, in Ho Chi Minh city, the first stop of the President in the trip, the President would attend a Business Meeting on the 25th of November organized by the FICCI and the Vietnam Chamber of Commerce and Industry. In Hanoi, after receiving the ceremonial welcome, it will be followed by official level talks between the two sides and our President would have separate talks with the Vietnamese President and there is also a meeting with the Vietnamese Prime Minister who, some of you may recall, had visited India on a State visit in July, 2007.

In the visit to Indonesia, this visit is actually in return for the State visit of President Yudhoyono who had visited India exactly three years back in November 2005. The meeting between the two Presidents will take place in Jakarta on the 1st of December. Apart from being close geographical neighbours, just a bit of statistical detail, the southernmost island of the Andaman Nicobar group and the northwestern most tip of Sumatra, the separation is just 80 kilometers. So, we do have a maritime boundary with Indonesia. They are very very close.

We have a long history of close ties. Indonesia is a key economic partner of India among the ASEAN countries. Our President's visit to Bali and Jakarta will provide us an opportunity to reaffirm and strengthen our bilateral ties particularly commercial and cultural ties because some of the cultural aspects of India and Indonesia overlap quite extensively.

The visit to these two important countries will reaffirm our pursuit of a closer and enduring partnership not only with these two countries in the ASEAN region but as part of our look-east policy it will be yet another milestone in ensuring that our engagement remains strong and beneficial to all concerned.

Thank you.

Question: Will be there some agreements between the tow countries?

Secretary (East): Some are under consideration. If they are ready for signature by then, I am sure they will be signed at that time.

Question: Are we expecting coal from Indonesia?

Secretary (East): Indonesia is already exporting coal to India. Many private sector Indian companies are investing and have invested in the coal sector in Indonesia by taking out partnership agreements with firms that have leases on these coalmines. This is an ongoing process. Some of them may come to fruition say in the next year or so after the discussions are complete.

Question: My question is regarding the growing piracy in the Somalian region. There is another ship which has been captured on Wednesday. So, we are all concerned about what and how we are allowed inside. Has the UN allowed us inside the Somalian waters, the Indian warships to be there? Have we entered into any agreement with them? How do you approach this?

Secretary (East): There are two Resolutions of the United Nations Security Council - 1816 and 1838. Under 1816, countries that are desirous of fighting piracy have this channel of writing to the Permanent Representative of Somalia in the UN and then through the Security Council we get an acknowledgement saying that the Permanent Representative of Somalia has received a country's request, say in India in a particular case; and that the transitional Federal Government of Somalia which under the UN Security Council Resolution 1816 has allowed such countries which convey an interest to enter Somalian waters so that they can fight piracy. So far India's encounter with the pirates has been in international waters. But our desire to fight piracy through this UN route has been conveyed and confirmed through the UN Security Council via the Permanent Representative of Somalia in the UN.

Question: Is the Indian Navy now sending more ships there?

Secretary (East): I am afraid you will have to ask a pointed question to somebody else. I would not have any idea on that.

Official Spokesperson: No other questions? All right. Thank you very much.



380. Statement of President Smt. Pratibha Devisingh Patil, on board her special aircraft on her departure from New Delhi to Ho Chi Minh City, at the start of her State Visits to Vietnam and Indonesia¹.

November 24, 2008.

I am happy to be undertaking a State visit to Vietnam and Indonesia, countries with whom India has historical association and bonds of understanding over a long period. Both countries are important partners in the bilateral and in the framework of India's 'Look East Policy'.

I look forward to my discussions with President Triet and other leaders of Vietnam on ways to further strengthen our political and economic links which is a pivotal part of our Strategic Partnership. The solid foundation of our relationship was laid by Prime Minister Nehru and President Ho Chi Minh, more than five decades ago. Our friendship has been nurtured continuously since then, and is deeply valued and cherished by our two countries. We maintain a process of regular dialogue with the leadership of Vietnam on matters of mutual interest. During my visit, I will reiterate our close relations with Vietnam and, seek new avenues of cooperation, to make our ties even stronger.

After Vietnam, during my visit to Indonesia, I would be emphasizing the strength and diversity of our new strategic partnership in my discussions with President Yudhoyono.

My visit to Indonesia, a friendly country with which we have had people to people exchanges for more than two millennia, have a historical character of their own, as seen through the strands of our shared cultural traditions. Ever since we attained independence, our cooperation bilaterally and in the multilateral context has been highly significant. We attach great importance to our relationship with Indonesia and will look forward to building partnerships across multiple sectors in a mutually beneficial manner. My visit to Indonesia, signals our commitment to have relations that befits two large nations who are neighbours, sharing a maritime boundary. The distance between the southern most island of the Andaman group and the north western tip of Indonesia is only 80 kilometers.

1. The Indonesian leg of the tour was curtailed due to terrorist attack in Mumbai.

Vietnam and Indonesia, as well as India, have been developing at an impressive rate in the past decade, according to their respective economic policies. This has enabled higher interaction not only in the traditional areas of cooperation like trade and investment but also in specific areas like capacity building, entrepreneurship development, science & technology among others. I hope to have discussions on identifying additional areas of co-operation with these countries as well as exchange views on matters of regional and global interest including terrorism, energy security, food security, reform of the international organization, among others, in the current backdrop of the international financial crisis.

As a part of India's 'Look East Policy', it has been our endeavour to forge close relations with countries of ASEAN, of which Vietnam and Indonesia are important members. My visit seeks to emphasize this engagement in all its aspects. The India-ASEAN Trade in Goods agreement, which has been concluded recently, will open new possibilities of regional inter-linkages in commerce. A Business delegation accompanies me on this visit to explore avenues for intensification of our economic ties with Vietnam and Indonesia.

During the visit I will also convey the warm greetings and the message of friendship of the people of India to the people of Vietnam and of Indonesia.

Thank You.



381. Speech by President Smt. Pratibha Devisingh Patil at the meeting with the Prominent Citizens of Bali.

Bali, November 29, 2008.

Distinguished friends from Bali,

India and Indonesia ties span two millennia of trade and cultural contacts. Bali was at the heart of this historical exchange. It gives me great pleasure to meet you today because you have always been and will always remain close to us. There is deep understanding and empathy between us.

India and Indonesia have both known the suffering and the pain caused by terrorism as have many other parts of the world. The recent incidents in India are most reprehensible and there are, no words strong enough, to condemn those who have targeted innocent people. I express my deepest condolences to those who have lost their loved ones and those who are injured in this horrific incident. India will determinedly take all measures to fight this menace. International community, including the Government of Indonesia, has expressed solidarity with India.

During my meeting with President Susilo Bambang Yudhoyono, I will be discussing with him the issue of terrorism which requires all nations to work jointly and relentlessly to fight this global threat. This is necessary if we are to have peace in the world, if we want the progress and prosperity of our people and, indeed, if we are to preserve our heritage.

We are aware of the rich cultural heritage of Bali. Your arts and crafts, your performing arts and your social and cultural traditions are alive and well preserved. The Balinese are an outstandingly artistic and talented people. They give a unique character and flavour to Balinese society, adding to the natural beauty of the island. It is for these reasons it is said: Bali *Dwipa Jaya* - "Glorious Bali Island".

We share common elements and themes in our cultural traditions, the result of our long historical association. Even today, in the State of Orissa in Eastern India, the local people celebrate a festival called "The Bali Yatra" in the months of October or November to commemorate the departure of traders from Orissa to Bali. We would like to strengthen our cultural exchanges with the people of Bali.

The Indian Cultural Centre in Bali is at the centre of our efforts to build closer cultural bonds with Balinese people. It has been instrumental in encouraging visits by cultural troupes to and from Bali. We were pleased to receive earlier this year a Ramayana troupe which performed in the Ramayana Festival in India. An Indian cultural troupe performed the "Bali Yatra" in the Bali Arts Festival in June this year. I am confident that the Centre will continue with its good work in building linkages.

I end with the traditional Balinese salutation, which again is common to our two cultures - *OM Shanti Shanti Shanti OM*. May peace pervade in the world and those who are pursuing the destructive path, return to the path of peace.

Thank you

Jai Hind



382. Statement to the Press by President Shrimati Pratibha Devisingh Patil following her meeting with the Indonesian President.

Jakarta, December 1, 2008.

Excellency Dr. Susilo Bambang Yudhoyono,

Ladies and Gentlemen of the Press,

Good Morning

I and my delegation are deeply touched by the warmth and friendship we received here.

Indonesia is a country with whom we have had a long historical and cultural association. Our leaders, President Sukarno and Prime Minister Nehru cooperated closely during our respective struggles for independence and laid the foundation of an enduring friendship between the two countries.

My visit to your beautiful country is to emphasise the strong ties that exist between our two countries who share a maritime boundary and the largest pluralistic democracies of Asia.

The Joint Declaration on the Establishment of a New Strategic Partnership between India and Indonesia concluded during the visit of President Yudhoyono to India in November 2005 underlines the importance that we attach to our bilateral relations. My present visit is in pursuance of this Partnership.

I have had extended discussions with President Yudhoyono on the state of our bilateral relations and our cooperation in multilateral fora. On both accounts while we are satisfied with the level of engagement, we seek to further intensify our collaboration. Our points of view, objectives and approaches are similar on many issues.

As two vibrant democracies which embody the concept of unity in diversity, we face similar situations and challenges. Indonesia and India have both been the targets of terrorists. The recent brutal attacks in India are the handiwork of those who have no regard for human life and whose designs are to disrupt the progress of nations and peace in societies.

The incident has reinforced the determination of India to fight resolutely against the threats of terrorism. India will take all steps necessary to deal with the menace and will also work jointly with the international community.

I would like to thank the Government of Indonesia for their strong condemnation of the incident and for the solidarity expressed with India.

Our two countries are committed to give substance and content to the New Strategic Partnership and in this context, impart higher political and strategic dimensions to our bilateral relations. The trade and economic aspect of our partnership provide a critical underpinning to the edifice of our relations.

During our meeting today, we resolved to work for increasing bilateral trade and investment. We are pleased that our trade is growing at a healthy rate and has reached US\$ 6.5 billion in 2007. We are well on our way to realizing the target of US\$ 10 billion in trade turnover by 2010.

It is also heartening to note that a number of companies from both countries are establishing new joint ventures covering the textiles, steel, banking, automotive and resources sectors.

I am confident that as a consequence of the discussions that President Yudhoyono and I have had today, relations between India and Indonesia will in the coming period develop and diversify into new areas. Regular interaction at the highest political level is an important component of our evolving Strategic Partnership. I have invited President Yudhoyono to India and we look forward to his visit.

Before I conclude, I would like to thank President Yudhoyono, the Government and people of Indonesia for the friendship and warm hospitality that my delegation has received since our arrival here. I would also like to take this opportunity to convey greetings and best wishes from the people of India to the people of Indonesia.

Thank You.



383. Press Statement of President Smt. Ptatibha Devisingh Patil on board the Special Aircraft on her way back to New Delhi after her visit to Vietnam and Indonesia.

December 1, 2008.

We had departed from Delhi on 24th November to visit Vietnam and Indonesia.

Earlier in the day, I held bilateral talks with President Sushilo Yudhoyono covering bilateral and other subjects of regional and international importance. We agreed on the need to give substance and content to the Joint Declaration on the Establishment of a Strategic Partnership between the two countries. We expressed satisfaction at the growth of institutional linkages between India and Indonesia, the rapid expansion in bilateral trade and investment and the development of closer linkages in science & technology and culture.

In response to the expression of sympathy and support, in the aftermath of the recent terror attacks in Mumbai, I conveyed India's determination to face the challenges squarely and root it out completely. I indicated that India and Indonesia should cooperate actively in dealing with this menace to which President Yudhoyono responded positively.

I also had separate meetings with the Chairmen of the three Houses of Parliament of Indonesia. During these meetings I had the occasion to reiterate the willingness of India to receive more parliamentary delegations from Indonesia. As the two largest democracies in Asia, this would enable the democratic institutions in both countries to grow strong for diversified cooperation in the coming years and decades.

An MOU on Agriculture and allied sectors as well as an MOU on Exchange in Youth Affairs and Sports were signed today after the bilateral talks.

I visited Bali, a region with which we have had more than two millennia of cultural contacts. Bali has been very successful in preserving its cultural traditions. During my stay there, I met with the Governor of Bali and with eminent Balinese personalities from various fields. We discussed ways of enhancing our linkages with Bali. The Governor of Bali expressed condolences at the loss of lives in the acts of terrorism in Mumbai. While in Bali, I visited the Taman Ayun Temple where I participated in a traditional prayer ceremony. At the temple, I planted a Mangosteen fruit tree which is

regarded as a symbol of peace, serenity and harmony. I, along with others present, prayed for peace in India and all over the world.

During my visit to Vietnam earlier, I was able to meet with the entire leadership of Vietnam and a cross section of the Vietnamese society in the field of economic, commercial and social spheres. This was the first high level visit to Vietnam after the declaration of the establishment of a Strategic Partnership between India and Vietnam made in July 2007. The leadership congratulated India on its great economic achievements through the advancement of science & technology posted over the last couple of decades. They expressed the desire to work closely with India to strengthen the Strategic Partnership. While condemning the terrorist attacks in Mumbai the Vietnamese leadership expressed full support to India.

In my discussions with the leadership we laid emphasis on increased contacts through tourism, trade and commerce, assisted by direct air links between India and Vietnam. There was a keenness on the side of Vietnamese leaders and business organisations, to invite more investment from India, and thus to diversify our economic partnership. An MoU was concluded between the Chambers of Commerce and Industry of the two countries. At the social-cultural level, I look forward to the exchange of women's delegations between India and Vietnam, and increased cooperation in the field of education and modern science & technology, in the coming months and years. We have decided to open a Cultural Centre in Hanoi.

As I look back at the visit, I see the significance of India's 'Look East' policy with two members of ASEAN, Vietnam at its northern periphery and Indonesia at its southern rim. During my discussions, I was able to sense the feeling of genuine friendship that exists in both countries. I am, therefore, satisfied that the objective of further deepening and strengthening relations with these countries have been achieved. My visit was a step in the 21st century, which offers us many opportunities and yet equally complex challenges. I am confident that with the experience, maturity and wisdom that all countries possess, we can work towards a bright future.

As you are aware, due to the sad demise of former Prime Minister V.P. Singh, a number of events during the visit had to be cancelled on account of the State mourning declared in India. I also limited the State Visit to Indonesia to the events on the main day of engagements on 1st December and decided to return to India after undertaking all scheduled engagements, in view of the situation in Mumbai.

The incidents in Mumbai were an act of terrorism committed by those who have no respect for human life. The armed and trained terrorists deliberately targeted innocent lives to cause panic, to disrupt normal life, to inflict damage and hamper the progress of the country. Many innocent lives were lost and many more injured. I would once again like to convey my deepest condolences to the bereaved families and my heartfelt sympathies to those who are injured. I am returning directly to Mumbai today.

Those brave men of my defence forces, the security personnel of NSG and the Maharashtra police who fought valiantly and those among them who lost their lives deserve the nation's gratitude. The consensus of the nation is that terrorism is unacceptable. The need of the hour is for the whole nation to stand unitedly and to support all measures to deal effectively with the situation. The Government is looking at strengthening the laws as well as the security systems. With this in mind, the Government had convened an All Party meeting also.

Countries across the globe have condemned the horrendous act and expressed their solidarity with India. The Governments of Vietnam and Indonesia have been unequivocal in extending their full support and co-operation to India on this issue.

The safety and the security of citizens is of the utmost importance. I call upon all fellow citizens to work together in the fight against terrorism. This is important for the nation's security. It is only when we are united, that the nation will continue to progress.

Thank you.



JAPAN

384. Press Release of the Ministry of Finance regarding Japanese assistance for infrastructure projects in India.

New Delhi, May 9, 2008.

India-Japan economic relationship received a big momentum in the year 2007-08. Government of Japan committed to provide 225 billion Japanese Yen (Rs. 8582 crores) to India for undertaking nine new infrastructure projects in various parts of the country. New projects approved with Japanese assistance and signed recently include Kolkata Metro Project, Hyderabad Outer Ring Road Project, Hogennakal Water Supply Project, Tamil Nadu Urban Infrastructure Project, Haryana Transmission System Project and UP Forestry and Poverty Alleviation Project. In addition, Government of Japan also committed to fund Phase-II of Delhi Metro Project, which is seen as a shining example of India-Japan relationship. Earlier the year, Government of Japan also committed to fund Goa Water Supply and Sewerage Project and Maharashtra Transmission System Project.

This is the highest ever Official Development Assistance (ODA) committed by Government of Japan to India, an increase of 22% over previous year. India continues to be the highest recipient of ODA from Japan.

All the loan agreements concluded in March 2008 have been effectuated in a record time - within two weeks of signing of the agreements. Further, the actual disbursements on ongoing projects reached a new high of 95 billion Japanese Yen (Rs. 3500 crores approx.) during the year which is a hike of 70% over the previous year.

Both Governments have already started negotiations to undertake several key infrastructure projects like Dedicated Freight Corridor, Delhi Mumbai Industrial Corridor, Chennai Metro besides several other infrastructure and social sector projects in the year 2008-09. Both Governments are also negotiating to set up an IIT in the country with involvement of Government of Japan.

India and Japan during the year have also agreed to have a Bilateral Currency Swap Agreement to meet any short term liquidity crisis. Though, given the foreign exchange reserves of either country, such a situation is

unlikely to happen, however, this agreement marks a major step in deepening the economic relations between two countries.

Both countries also set up two important forums namely, High Level Policy Dialogue on Economic Development and India-Japan Strategic Dialogue on Economic Issues to discuss all important economic issues. These two dialogues will be held annually now.

In the last few years, the relations between two countries have steadily progressed based on India-Japan global partnership. The visit of Prime Minister to Japan in 2006 and the visit of Japanese Prime Minister to India in 2007 have strengthened the relationship between the two countries. During last couple of years, exchange of visits at various levels have also increased substantially.



385. Joint Statement between the Planning Commission of India and the Ministry of Economy, Trade and Industry of Japan issued on the Occasion of the Third Meeting of the Japan-India Energy Dialogue.

Tokyo, September 17, 2008.

H.E. Montek Singh Ahluwalia, Deputy Chairman of the Planning Commission of India and H.E. Toshihiro Nikai, Minister of Economy, Trade and Industry of Japan, met in Tokyo on 17 September, 2008 for the third Ministerial- Level Energy Policy Dialogue between Japan and India.

The two Ministers reiterated the importance of the ministerial dialogue between Japan and India, and endorsed the common recognition reached by the Prime Ministers of Japan and India in their Joint Statement of 22 August 2007 that the issues of energy security and the environment are important priorities that require sustained and effective action, and that meaningful progress in these areas should be made through individual and collective efforts in a manner that does not foreclose the possibilities of accelerated social and economic development.

The Japanese side welcomed India's recent formulation of the "National Action Plan on Climate Change". The Indian side reaffirmed that it has positioned "enhanced energy efficiency" as one of the eight priority missions of the plan

as an effective course of action against climate change. The Indian side expressed its intent to step up efforts to improve energy efficiency.

In order to improve energy efficiency, the two Ministers agreed that focusing on key energy consuming sectors could enhance the effectiveness of respective national energy efficiency policies. The Ministers also recognized that a cooperative approach for enhancing energy efficiency through sectoral approaches as described in the joint statement by Energy Ministers of G-8, the People's Republic of China, India and the Republic of Korea, could be a useful method for improving energy efficiency, and agreed to work collectively with the other countries on their practical development. The Ministers also agreed that the Asia-Pacific Partnership on Clean Development and Climate (APP) and the International Partnership for Energy Efficiency Cooperation (IPEEC) could be useful for enhancing energy efficiency.

The two Ministers consider that setting individual, and where possible, sector specific energy efficiency goals and formulating action plans on a voluntary basis as worked at the EAS will facilitate their efforts to improve energy efficiency.

The two Ministers recognized that, in order to enhance energy efficiency and increase investment in alternative sources of energy, it is essential to move energy prices closer to market-based prices.

In the meeting, the two Ministers reached a conclusion on the following cooperation outlined below from (1) to (4) in order to concretize the common recognition and to build cooperative relationships in the environment and energy sectors between the two countries.

1. Cooperation in Energy Efficiency and Conservation Sector

- (i) The Indian side expressed its intention to establish Energy Efficiency Centres to promote energy efficiency on a national basis. The Japanese side welcomed India's initiative and, as a first step, offered to provide assistance in the concept formulation by inviting to Japan a delegation of Indian officials who will be involved in their planning and operation. Next steps such as the training of trainers, dispatch of specialists and possible provision of equipment will be considered further in the Working Group(WG).
- (ii) The two Ministers welcomed the completion of the feasibility study by the New Energy and Industrial Technology Development Organization (NEDO) for a commercial-scale Model Project for Sinter Cooler Waste Heat Recovery. They look forward to NEDO's reaching a decision on the prospects for implementing the project, as it has the potential to

lead to energy savings of 39,000toe/year by itself with greater reductions if deployed on a wide basis. The two Ministers also welcomed the ongoing implementation of two of NEDO's commercial-scale model projects for a Coke Dry Quenching System and Conversion of a Diesel Generator to Dual-Fuel Operation. The two Ministers agreed to ask the WG to consider ways to promote wider deployment of these energy-efficient technologies.

- (iii) The two Ministers welcomed the continuation of NEDO's "energy conservation diagnoses" programme in the steel and cement sectors, part of an APP project, as important steps to identify possible areas to improve energy efficiency in these sectors. The Indian side expressed its appreciation of NEDO's decision to conduct a study regarding the potential for applying heat pump technology to urban buildings, which could contribute to improved energy efficiency in the commercial sector.
- (iv) The Indian side expressed its appreciation for the capacity building cooperation provided by the Ministry of Economy, Trade and Industry of Japan (METI) (cf. 154 trainees received and 7 experts dispatched from Fiscal Year 2006), and stated that such cooperation was bearing fruit, for example, in the development of a Top Runner style labeling programme for vehicles, which is a direct result of the Top Runner Workshop organized by METI.
- (v) The Japanese side welcomed these developments and expressed its commitment to provide continued cooperation, through: (1) acceptance of trainees from India's state-designated agencies for energy conservation through the Energy Conservation Center, Japan (ECCJ), (2) dispatch of experts on Small Group Activity (SGA) and Total Energy Management (TEM) on a short-term basis, in order to support energy conservation by small- and medium-sized enterprises in India, and (3) invitation of Indian Energy Service Companies to an ECCJ workshop in Japan to provide an opportunity for the Japan Association of Energy Service Companies (JAESCO) and its counterpart to share experiences. The WG will discuss ways to promote energy conservation in SME clusters through SGA.
- (vi) The two Ministers agreed that the technical training programme provided by the Japan International Cooperation Agency (JICA) to foster Indian energy managers has been extremely useful and hoped that it will continue to play an important role.

- (vii) The Japan External Trade Organization (JETRO) will participate in the International Engineering & Technology Fair (IETF), an Indian exhibition for energy conservation technologies. Taking this opportunity, the Indian side will consider the holding of a workshop to provide increased opportunities for business matching with a view to enhancing business-based technology transfer between Japan and India.

2. Cooperation in the Power and Coal Sectors

- (i) The two Ministers will promote technology transfer efforts to help reduce the ash content of coal used in India, including the implementation of a commercial-scale model project for high-efficiency coal preparation. The two Ministers welcome that the Memorandum of Understanding concerning the Model Project for Highly Efficient Coal Preparation Technology will be signed by NEDO and its Indian counterpart this autumn. The two Ministers agreed that the WG should discuss the possibility of developing a Feasibility Study on a similar project in other areas in the coal sector.
- (ii) In order to improve the thermal efficiency of existing conventional coal-fired thermal power plants and reduce their environmental impact, the two Ministers welcomed the Japanese proposal to study the renovation of coal –fired power plants in India, such as by dispatching experts to examine the condition of several facilities, providing advice regarding possible modifications and holding seminars to promote the benefits of energy efficiency improvement. The two Ministers directed the WG to discuss possible support for upgrading existing thermal power plants.
- (iii) The two Ministers welcomed the training programme executed by NEDO that accepted a total of 51 Indian trainees between fiscal 2001 and 2007 for training regarding Clean Coal Technology (CCT) transfer. Furthermore, they also welcome that, in fiscal 2008, NEDO will accept a total of 20 trainees in the fields of power generation and coal preparation.
- (iv) In the area of electricity generation, the two Ministers welcomed the commencement of the training programme on thermal power engineering by JICA. They also welcomed the finalization of the Scope of Work between JICA and the Ministry of Power (MOP), NTPC limited (NTPC) to conduct a Study on Enhancing Efficiency of Operating Thermal Power Plants in NTPC-India. In accordance with

the afore-mentioned Scope of Work, the JICA team will examine efficiency deterioration of plant equipment and assess measures for improvement of operation and maintenance procedures.

- (v) The two Ministers welcomed the proposed joint ventures between Japanese and Indian companies in the area of high-efficiency super critical power generation equipment. They directed the WG to begin discussions on possible ways to promote the further use of energy efficient super critical technologies, and the training of experts such as in the operation and maintenance of super critical power plants.

3. Cooperation in the Renewable Energy Sector

- (i) The two Ministers welcomed the implementation of a cooperative research and development project offered by NEDO regarding technology for evaluating the operating life of solar cells, as one of the activities of the APP's Renewable Energy and Distributed Generation Task Force.
- (ii) The WG will begin discussions on possible cooperation in various renewable energy sectors including solar energy and biofuels.

4. Cooperation in the Oil and Natural Gas Sectors

- (i) In accordance with their memorandum of understanding, the Japan Oil, Gas and Metals National Corporation (JOGMEC) and the Oil and Natural Gas Corporation (ONGC) Videsh have made steady progress in their cooperation, for example, in their third meeting that was held in Tokyo on 11 April this year.
- (ii) In accordance with their memorandum of understanding, JOGMEC and the Directorate General of Hydrocarbons (DGH) of India have made steady progress in their cooperation, as represented by their second meeting on methane hydrate that is scheduled to be held in Tokyo in late October.
- (iii) Through JOGMEC, METI has proposed support for India in oil stockpiling, such as by dispatching experts on oil stockpiling and inviting Indian officials to visit a stockpiling base in Japan. METI welcomed the holding in October 2007 of a seminar regarding technologies related to stockpiling. It would be glad to accept Indian officials for a visit to a stockpiling base as soon as the Indian side is ready. METI and JOGMEC expect further mutual cooperation with

the Ministry of Petroleum and Natural Gas (MOPNG) and the Indian Strategic Petroleum Reserve Ltd. (ISPRL) in the area of oil stockpiling.

- (iv) The two Ministers highly valued the results of the "Joint Study Between Japan & India for Natural Gas Market in Asia: Measures for Stabilization," conducted by the Institute of Energy Economics, Japan (IEEJ) and the Petroleum Planning and Analysis Cell (PAAC) of MOPNG. Meanwhile, a new joint research project is planned by Japanese and Indian research organizations.
- (v) The two Ministers welcomed the renewal of a memorandum of understanding signed by the Petroleum Conservation Research Association of India and ECCJ.

The two Ministers will promote cooperation between the two countries' industries in order to expand bilateral energy cooperation on a commercial basis.

The two Ministers noted that the Nuclear Suppliers Group adopted by consensus the Statement on Civil Nuclear Cooperation with India. They confirmed that they will exchange views and information on their respective nuclear energy policy.

The two Ministers agreed that on the earliest possible date for both sides, the relevant working groups will meet to further deepen the cooperation between Japan and India in specific sectors, and where applicable discussions will focus on further advancing specific projects of mutual interest such as the Regional Energy Efficiency Center, the Joint Study for a Model Compact Layout of Thermal Power Plants, and the Model Project on Coal Washing.

The two Ministers emphasized that bilateral cooperation based on the Japan-India Energy Dialogue will not be limited to what has been identified above and that they will continue to further deepen their bilateral cooperation. They agreed that the 4th Ministerial Meeting will be held in New Delhi at a mutually convenient time in 2009.

For the Planning Commission
of India

[Montek Singh Ahluwalia]
[Deputy Chairman,
Planning Commission]

For the Ministry of Economy,
Trade and Industry of Japan

[Toshihiro Nikai]
[Minister of Economy,
Trade & Industry]



386. Statement by Prime Minister Dr. Manmohan Singh on his departure to Japan and 7th ASEM Beijing Summit.

New Delhi, October 21, 2008.

Please see Document No.140.



387. Prime Minister Dr. Manmohan Singh's Remarks at the Joint Press Conference with Prime Minister of Japan.

Tokyo, October 22, 2008.

I have just held very productive and fruitful talks with Prime Minister Aso. He is an old and highly respected friend of India. I would like to thank the Prime Minister and the government and people of Japan for the very warm welcome they have given to me and to the members of my delegation.

This is my second bilateral visit to Japan as Prime Minister in less than two years. This in itself reflects the great importance that India attaches to its relationship with Japan. Frequent high level visits reflect the importance we attach to our relations with Japan.

In the past four years there has been a qualitative upgradation in our bilateral relationship. The Joint Statement that Prime Minister Aso and I have signed today reflects the significant progress we have made since the establishment of our Strategic and Global Partnership in December 2006.

Japan is a major economic partner of India. We are grateful for the economic assistance that we have got from Japan. India today happens to be the largest recipient of Japanese ODA. Prime Minister Aso and I agreed that our economic engagement must be widened and deepened.

I told the Prime Minister that the sky is the limit for Japanese investment into India, and requested him to encourage Japanese industry to come to India. On our part we will do all that is necessary to create a congenial investment climate.

I look forward to an early conclusion of a high quality and mutually beneficial Comprehensive Economic Partnership Engagement. Our joint collaboration

on the Dedicated Freight Corridor Project will shortly begin. This will transform the scale and magnitude of our economic partnership.

We have also signed a Joint Declaration on Security Cooperation. This reflects our shared desire to contribute to peace, prosperity and stability in Asia and in the world. We also agreed that there should be collaboration between our two countries in the operationalization of the Delhi-Mumbai industrial corridor for which a memorandum of understanding has been reached for the Project Development Facility for this very ambitious project.

Our discussions also covered regional and global issues, particularly the international financial crisis. We agreed that we will work together and coordinate our thinking on this important issue of today. India and Japan I believe can serve as a new Zone of Growth to counter the global economic slowdown.

We agreed to cooperate in key areas of common interest such as energy security and climate change, East Asia Summit, United Nations reforms and other multilateral issues such as the WTO. We also had a very useful exchange of views in encouraging and promoting people to people contact. I heartily welcome Prime Minister Aso's programme of youth cooperation and I promise him all help in realizing this very ambitious goal that the Prime Minister has set for people to people contact. I greatly appreciate what Prime Minister has told me with regard to the Japanese interest for the development of IIT Hyderabad and the development of the Indian Institute of Information Technology at Jabalpur.

I have invited Prime Minister Aso to visit India at a mutually convenient time next year to continue our dialogue.

Altogether this has been a most satisfying visit for me and I thank His Excellency the Prime Minister for having made a very important contribution to successful outcome of this important meeting.



388. Joint Statement issued at the end of India – Japan Summit level talks on the Advancement of Strategic and Global Partnership between the two countries.

Tokyo, October 22, 2008.

1. The Prime Ministers of India and Japan met in Tokyo on 22 October, 2008 for the India-Japan Annual Summit. They shared the view that India and Japan, as major countries in Asia that share common values and interests, must advance bilateral cooperation as well as cooperation in regional and multilateral areas with the objective of promoting peace, stability and prosperity in Asia and the world. They reaffirmed the importance of the Strategic and Global Partnership established in 2006 for this purpose and for harnessing the full potential of India-Japan relations.
2. The two Prime Ministers reviewed the implementation of the Roadmap for New Dimensions to the Strategic and Global Partnership and expressed satisfaction with the sustained progress that has been made through joint efforts between the two sides. They also recognized that there is still immense untapped potential for the further expansion of bilateral relations. The two Prime Ministers pledged to continue their efforts to broaden and deepen the relationship on the basis of the shared congruence of interests in order to develop it as an essential pillar for the future architecture of the region.
3. The two Prime Ministers welcomed the study on the future course of cooperation in the security field between the two countries and issued the Joint Declaration on Security Cooperation between India and Japan drawing on this study. They recognized that further cooperation on the basis of the Joint Declaration on Security Cooperation will be beneficial to peace and prosperity in Asia and the World. They instructed their respective Ministries to develop an Action Plan with specific measures to advance security cooperation based on this Declaration at an early date.
4. The two Prime Ministers expressed their satisfaction at the deepening of the Annual Strategic Dialogue between the Foreign Ministers as well as the other policy dialogues at respective levels. They also welcomed the steady upgradation of defence exchanges and

cooperation and decided to encourage their Defence Ministries to enhance their dialogue and collaboration further based on the Joint Statement of May, 2006. They also welcomed the contribution of established bilateral dialogue mechanisms and urged them to continue their valuable work.

5. The two Prime Ministers expressed satisfaction at the growth of bilateral trade which is expected to reach \$20 billion by 2010. They welcomed the substantive progress achieved on the Economic Partnership Agreement / Comprehensive Economic Partnership Agreement and expressed the hope that the negotiations would be concluded at the earliest possible time. The two Prime Ministers expressed their belief that this EPA / CEPA would be mutually beneficial and would fully harness the true potential of economic partnership.
6. The two Prime Ministers expressed happiness over the long lasting investment relationship between the two countries which has grown over a period of time, especially the large presence of Japanese multi-nationals in India. This interest has been robust in recent years with Japanese direct investments rising substantially. The pipeline of investments already planned was also noted to be impressive. In this regard, the two leaders welcomed the efforts of JETRO and other organizations to support investment by the Japanese small and medium enterprises to India. Further the Prime Ministers expressed the hope that the upward trend would be sustained in the coming years.
7. The two Prime Ministers shared the view that the Japanese Official Development Assistance (ODA) has contributed to India's economic development and has generated goodwill among the Indian people for Japan. They shared the view that the Japanese ODA should continue to play an increasing role in India's poverty reduction, economic and social infrastructure development, tackling environmental issues and human resource development. The Prime Minister of India expressed his appreciation to the Japanese people for their generous role in India's development.
8. The two Prime Ministers were satisfied that the Special Economic Partnership Initiative launched in December 2006 is beginning to give a strong stimulus to bilateral economic and commercial ties and create new opportunities for business.

9. The two Prime Ministers reaffirmed their commitment to the realization of the Western Corridor of the Dedicated Freight Corridor (DFC) project, as the flagship project of India-Japan cooperation, with Japanese ODA Loan utilizing Japan's Special Terms of Economic Partnership (STEP) Scheme and confirmed their readiness to jointly initiate the first phase (Rewari-Vadodara sector) of the project. In this regard, the Japanese side welcomed India's decision to commission the Western Corridor of DFC with electric traction system. The assistance will commence through an ODA loan for Engineering Services and the total volume of the loan for the first phase is currently estimated to be approximately 450 billion Yen, based on the provisional project design. The two Prime Ministers also expressed their commitment to work together for early finalization of the assistance for the entire Western Corridor.
10. The two Prime Ministers expressed the view that the Delhi-Mumbai Industrial Corridor Project (DMIC), which is linked to the Western Corridor of DFC Project, has the potential to transform the dynamics of the India-Japan economic engagement, and decided to pursue this further. They welcomed the Memorandum of Understanding signed between Japan Bank for International Cooperation (JBIC) and India Infrastructure Finance Company Ltd. (IIFCL)/ Delhi Mumbai Industrial Corridor Development Corporation (DMICDC) and confirmed that they would continue to work together closely for the joint establishment of a Project Development Fund. Both sides also welcomed the active participation by the Japanese companies in the 5 Early Bird Projects in the DMIC region in the areas of logistics, human resource development, power generation and enclave development. Both sides also welcomed the initiative of the DMICDC to take up select projects for early implementation in the Project States alongside the master planning exercise. They expressed their desire to further discuss overall cooperation on DMIC in order to spur mutually beneficial business relations that serve the long term interests of both countries.
11. The two Prime Ministers welcomed the progress made in bilateral consultations on high technology trade and noted the great potential in this area for collaboration. The two Prime Ministers recognized the importance of continuing bilateral consultations to facilitate two way high technology trade while addressing matters relating to respective export control systems.

12. The two leaders recalled the Joint Statement on Enhancement of Cooperation on Environmental Protection and Energy Security signed in August 2007 and stressed the need for accelerating bilateral cooperation in these vital areas. They welcomed progress achieved under the India-Japan Ministerial-level Energy Dialogue which confirmed the strengthening of cooperation in energy efficiency and conservation sector particularly through cooperation in establishing Regional Energy Efficiency Centres in India, and the development of a comprehensive cooperation in the coal and power sectors. They also noted that under this Dialogue the Energy Ministers confirmed that they will exchange views and information on their respective nuclear energy policies. They also welcomed progress achieved under the India-Japan Energy Forum held by the New Energy and Industrial Technology Development Organization (NEDO) of Japan and The Energy and Resources Institute (TERI) of India, and recognized the importance of promoting cooperation between the two countries' industries in order to expand bilateral energy cooperation on a commercial basis.
13. The two Prime Ministers expressed satisfaction on the achievement at the Second Meeting of the India-Japan Joint Working Group on Urban Development in June 2008 and reaffirmed their intention to continue to hold the Working Group meetings regularly.
14. The two Prime Ministers shared the view that they will enhance cooperation in the field of Information and Communication Technology including the research collaboration and the introduction of wide-band wireless technology.
15. The two Prime Ministers welcomed the report submitted to them following the second meeting of the high-level Business Leaders' Forum (BLF). They recognized the crucial role played by business and industry of both countries in intensifying trade, investment and economic relations. They urged their concerned officials to speedily examine and implement the BLF's recommendations.
16. The two Prime Ministers emphasize the importance of exchanges at the cultural, academic, youth and people-to-people levels. They noted with satisfaction the enhanced people-to-people exchange between the two countries under the Aso Programme, including through the Japan-East Asia Network of Exchange for Students and Youth (JENESYS) Programme, and shared their renewed commitment to maintain the upward trend.

17. The two Prime Ministers positively appraised the work of the India-Japan Working Group set up to explore possible collaboration in establishing a new Indian Institute of Technology (IIT) with Japanese assistance and welcomed the report submitted to them by the Working Group. The two Prime Ministers confirmed their commitment to collaborate in the establishment of a new IIT in Hyderabad that will become a symbol of joint efforts in promoting educational excellence in India, through various contributions from Japan. The two Prime Ministers also recognized that such collaboration will require the joint work of the relevant parties of both sides including academic experts to identify the specific areas that can be mutually beneficial.
18. The Prime Ministers acknowledged the need to make all efforts to take forward the collaboration for the development of the Indian Institute of Information Technology, Design and Manufacturing at Jabalpur in accordance with the Memorandum signed in December 2006 on this subject.
19. The two Prime Ministers shared the view that nuclear energy can play an important role as a safe, sustainable and non-polluting source of energy in meeting the rising global energy demands. The two Prime Ministers shared the view that international nuclear disarmament and non-proliferation efforts should be reinforced. The two Prime Ministers also reiterated the importance of strengthening their efforts towards the shared goal of achieving a world free of nuclear weapons.
20. The two Prime Ministers reaffirmed their support for the East Asia Summit as an open, inclusive, transparent and Leaders' led forum to promote cooperation on issues of common interest and to deepen regional economic integration towards the progressive realization of an East Asia Community. They decided to work jointly and with other countries of the region to promote this objective at the forthcoming East Asia Summit. They also welcomed the establishment of the Economic Research Institute for ASEAN and East Asia (ERIA) and referred to the report of the study on the Comprehensive Economic Partnership in East Asia (CEPEA) to be submitted in December this year.
21. The two Prime Ministers reaffirmed the importance of maintaining close cooperation between the two countries in various international fora. They shared the view that the reform and expansion of the United

Nations (UN) Security Council, in both the permanent and non-permanent categories, is central to the process of a comprehensive reform of the United Nations. They welcomed the decision of the UN General Assembly to commence intergovernmental negotiations not later than February 28, 2009. They decided to continue their close cooperation to achieve expeditious forward movement towards a genuine reform of the Security Council, so as to make it more representative, credible and effective. In this context, they stressed the important role of G-4, bilateral consultations as well as their engagement with the larger UN membership.

22. The two Prime Ministers condemned terrorism in all its forms and manifestations, reaffirmed that terrorism constitutes a serious threat to international peace and security, and welcomed efforts undertaken by both countries to combat this menace. They underlined their determination to strengthen bilateral cooperation in combating terrorism through the Joint Working Group on Counter-Terrorism as well as UN mechanisms. They reaffirmed their desire for expeditious conclusion of negotiations of the Comprehensive Convention against International Terrorism at the United Nations.
23. The two Prime Ministers shared the view that the present world economy is facing uncertainty, including financial difficulties, and that it is important for the two countries to continue discussion for the stability and growth in the region and the world. They recognized the need for joint efforts by all consuming and producing countries to mitigate the impact of high and volatile oil prices, which hamper global growth and development. They also expressed concerns that global food prices remain at high level, and called for greater collaborative efforts to address the challenge of the global food security. They also discussed the current state of the negotiations of the WTO Doha Development Agenda and reaffirmed their will to continue their cooperation towards an early and successful conclusion of the negotiations with a balanced and comprehensive outcome.
24. The two Prime Ministers expressed their support for the Bali Action Plan, and reaffirmed their determination for a flexible, fair and effective agreed outcome for now, up to and beyond 2012, in which all countries participate. The Japanese side welcomed India's recent announcement of the "National Action Plan on Climate Change", and the Indian side welcomed the various initiatives taken by Japan on this issue. The two Prime Ministers shared the view that the actions of all countries should be taken based on national circumstances

and various criteria in accordance with the principle of common but differentiated responsibilities and respective capabilities. They reaffirmed the desirability for the UNFCCC Parties to adopt in the negotiations a long-term global goal for reducing global emissions and pledged to cooperate closely in this regard toward the COP 15 next year.

In this regard, they noted the desire of the G8 nations to share with all the parties of the UNFCCC the vision of reducing global emissions by at least 50% by 2050. They also noted that equitable burden sharing for sustainable development should guide the negotiations on a shared vision. In order to secure energy efficiency and address climate change, they reaffirmed to promote energy efficiency and conservation by implementing individual, and where possible, sector specific goals and action plans. Recognizing that actions in various sectors could be a useful tool for global emission reduction through measures such as improving energy efficiency, they decided to move forward on the practical development of cooperative sectoral approaches and sector-specific actions, also in cooperation with other countries, as confirmed in the 3rd meeting of the India-Japan Ministerial-level Energy Dialogue. They highlighted the importance of promoting synergy between development and environmental protection, and recognized the need to devote scaled up resources to adaptation measures in developing countries. They shared the view that India and Japan must work closely together on Climate Change issues in relevant international fora.

25. The Prime Minister of India conveyed his sincere appreciation for the hospitality extended to him and his delegation by the Government of Japan. He invited the Prime Minister of Japan to visit New Delhi in 2009 for their next Annual Bilateral Summit, at mutually convenient dates to be decided through diplomatic channels.

Tokyo, 22 October, 2008

Dr. Manmohan Singh
Prime Minister of the Republic of India

Mr. Taro Aso
Prime Minister of Japan



389. Press Release of the Ministry of External Affairs on the finalization of the Japanese Overseas Development Aid for the 'Dedicated Freight Corridor'.

New Delhi, October 22, 2008.

The Dedicated Freight Corridor (DFC) Project of the Indian Railways was conceived by the Prime Minister of India as an important infrastructure ramp-up project for India. Connecting the raw material production areas with the consumption centres, and linking both to major ports, DFC will positively impact overall growth rates and efficiency in the Indian industrial sector.

The DFC comprises of two railway corridors, Western (1483 Kms) and Eastern (1805 Kms), for a total length of 3288 Kms. The cost of the Western corridor is estimated at Rs 30000 crores, and Eastern Corridor at Rs 20000 crores. The Project is targeted for completion within a five year schedule. The detailed project report (DPR) for the 920 kms Rewari – Vadodara stretch has already been finalised.

Government of Japan have committed to ODA loan of Rs 17045 crores, for the first phase. This amounts to 62% of the total cost of Rewari – Vadodara. Government of Japan is also committed to providing a similar loan for the balance stretch of the Western corridor

Indian Railways has reached an advanced stage for discussions with World Bank and ADB, for financing the Eastern corridor of DFC. While approximate estimate of loan from World Bank is \$ 2.5 to 3 billion, technical assistance for project is under consideration with ADB.

Work on both corridors of the DFC is to commence within the current financial year. The first works to be taken up are 54 important bridges over 200 kms on the Western corridor, and a 105 Km section on the eastern Corridor. Bids for project management consultancy and turnkey contracts in these sub-projects have already been received, and are under evaluation.



390. Address by Prime Minister Dr. Manmohan Singh at the Reception by Japan - India Association and Japan - India Parliamentary Friendship League.

Tokyo, October 23, 2008.

Thank you for your gracious words of welcome. I am truly honoured by the generous hospitality of so many friends of India. I am also happy to be in the midst of my fellow citizens and people of Indian origin.

I deeply appreciate the presence of PM Mori and PM Fukuda. That reflects the depth of India Japan relations.

I greatly appreciate the warm sentiments that have been expressed towards India and towards me personally. Let me assure you that the people of India deeply value Japan's friendship.

The Japan-India Association has been in the forefront of promoting closer cultural and economic ties between our two countries for over a century.

The visionary elder statesmen who established the Association in 1903 were convinced that India and Japan would emerge as two major pillars of the new Asia. It was thanks to their efforts that partnership between India and Japan grew in the early years, particularly in the economic field.

Some of the greatest sons of India, the philosopher Vivekananda, the renowned poet Rabindranath Tagore and the industrial pioneer Jamshedji Tata, among others, renewed our ancient ties with Japan in the modern era.

India's first Prime Minister, Pandit Jawaharlal Nehru, visited Japan in the late 1950s and laid the foundation of a new era of abiding friendship between the two Asian democracies.

We are very grateful to Japan for the development assistance provided to India, particularly for our industrial modernisation. In the past sixty years, we have broadened and deepened this relationship into a durable productive partnership.

In the next phase of our relationship, we seek to exploit the opportunities offered by globalisation and by the synergies in our economies to expand flows of trade, technology, investment and people-to-people contacts.

Under the visionary leadership of former Prime Minister Yoshiro Mori, a new chapter was opened in our ties following his landmark visit to India in

the year 2000. We are very grateful and appreciative of the personal attention that he has devoted to the rejuvenation and deepening of our bilateral engagement.

I thank the Japan-India Parliamentary Friendship League, and its President Mr. Taro Nakayama, for their important role in building the broad based political consensus that exists in both countries on strengthening India-Japan ties.

The world is facing multiple challenges. The spectre of recession in the global economy, coming as it does in the wake of the steep rises of energy and food prices, threatens to disrupt the rhythm of economic development in many developing countries. Terrorism is a danger to our peace-loving societies. Climate change and environmental degradation also threaten our beautiful planet.

We look to the wise counsel and leadership of Japan in rising to meet these challenges. We wish to draw upon Japan's vast developmental experience and her traditional emphasis on consensus, harmony and balance in solving these problems that threaten global peace and prosperity.

I have been a frequent visitor to this beautiful country since 1971. It has been my earnest desire, for the past several decades, to see this relationship prosper and grow. I am very happy to witness today the transformation of India-Japan relations. It is truly developing into a global and strategic partnership as envisaged when PM Mori visited India in 2000.

On the strength of our strong bilateral relationship, we stand as two major powers ready to play a commensurate global role. India believes that a strong and dynamic Japan is a powerful factor of peace and stability in Asia and the world.

I commend the contribution of the Indian community in Japan. They have built bridges of friendship and understanding between our two people. Their achievements have made India proud and we wish them well in their adopted home.

I am confident that all of us gathered here today will redouble our efforts to strengthen our bilateral relationship, which is important for our two countries, for Asia and for the world.



REPUBLIC OF KOREA

391. Press Release issued by the Ministry of Commerce on the conclusion of the 12th round of Korea - India Comprehensive Economic Partnership Agreement.

New Delhi, September 26, 2008.

At the conclusion of the 12th round of the Korea-India Comprehensive Economic Partnership Agreement (CEPA) held in Seoul from September 22-25, India and Korea have announced today that all outstanding issues in the negotiations have been resolved successfully. The CEPA Agreement is expected to further accelerate the growth of the flows of bilateral trade and investment between Korea and India. The Indian side was led by Shri G.K. Pillai, Commerce Secretary, and the Korean side was led by Mr. Hye-min Lee, Deputy Minister.

Both sides expect that they will be able to finalise the formal text of the Agreement including the schedules for liberalization of goods, services and investment by the end of October. Major elements of the Agreement will be made public at that time. Both sides aim to sign the Agreement by the end of this year after completing all domestic procedures and the Agreement will come into effect from the first half of next year on a mutually agreed date.

The Korea-India CEPA negotiations started in March 2006 and a total of 12 rounds of negotiations have been held.

India and Korea are 12th and 13th largest economies in the world respectively. The bilateral trade has been growing by an average rate of around 27% over the last 3 years and amounted to US \$ 11.2 billion in 2007.



392. Response of Official Spokesperson to questions on the decision of the Court in the Republic of Korea to sentence two Indians.

New Delhi, December 15, 2008.

"Government of India is aware of the decision of the Court in the Republic of Korea to sentence two Indians - Captain J. S. Chawla and Chief Officer Chetan Syam - to prison sentences in connection with an accident¹ involving the ship "Hebei Spirit" off the Korean coast last year.

This matter was taken up by Secretary (East), Ministry of External Affairs today with the Ambassador of the Republic of Korea. At this meeting Government's disappointment about the decision of the Court to reverse the earlier decision in which the two merchant marine officers were exonerated, as well as Government's distress at the harsh prison sentences, was conveyed to the Ambassador of the Republic of Korea. Secretary (East) also conveyed our expectation that the Government of the Republic of Korea would ensure humane treatment to Captain Chawla and Chief Officer Syam in keeping with their professional status, and that due sensitivity will be shown to cater for their personal requirements. The Ambassador of the Republic of Korea has assured the Ministry of External Affairs that Government's concerns will be communicated to the Korean authorities.

Government of India has earlier taken up this matter at all levels in the Government of the Republic of Korea in the past few months. The Ministry of External Affairs raised this issue with the Korean side at the Foreign Office Consultations on 25th November 2008. The Ministry of External Affairs also raised it again with the Ambassador of the Republic of Korea in New Delhi on 4th December 2008 as well as with the Korean Foreign Ministry through the Indian Ambassador in Seoul on 5th December 2008. Our High Commission in London, which is our representative at the International Maritime Organization, has also raised this matter in that forum. Moreover, our Minister of Shipping, Road Transport & Highways, during his visit to the Republic of Korea in October 2008, had also drawn the attention of the Korean Minister for Maritime Affairs to this matter.

1 These sentiments were expressed by senior Ministry of External Affairs (MEA) official N. Ravi, Secretary (East), when he met the South Korean Ambassador in New Delhi. The two Indians were given prison sentences in connection with an accident involving their ship 'Hebei Spirit' off the Korean coast in 2007. They had maintained that their crude carrier was safely anchored when a crane barge being towed by another ship broke free in the rough waters and rammed their ship, leading to one of the worst oil spills off South Korea's coast.

Ministry of External Affairs understands that the lawyers of the two Indian nationals intend to file an appeal against the judgement shortly. We have conveyed to the Korean Government our hope that the two officers will be given bail pending the hearing of the appeal. We also hope that a fair hearing will be held on the appeal, and that the Court will take into account the full circumstances including the cause of the accident, the payment of compensation by the IOPCF and the likely impact that the judgement will have on the maritime community.

The Korean Government is fully aware of the high attention that this matter is receiving in India. Government of India intends to continue to pursue this matter with the Korean side, in the backdrop of the close and cordial relations that exist between the two countries."

On December 19, the Spokesperson made another statement:

- "Government of India continues to be in touch with the Government of the Republic of Korea about the detention of two Indian nationals - Captain J.S. Chawla and Chief Officer Chetan Syam in the Republic Korea in connection with the accident involving the ship "Hebei Spirit" off the Korean coast in December last year.
2. In this connection the Ministry of External Affairs has contacted the Embassy of the Republic of Korea in New Delhi on 18th December 2008 and the Ambassador of India in Seoul has also met the Deputy Foreign Minister of Korea on 19th December 2008. On both these occasions the Korean Government has been urged to ensure humane treatment of the two Indian nationals.
 3. The Korean Government has conveyed that the detainees will be given better treatment and that due sensitivity will be shown to their personal requirements. Consular Officers of the Embassy of India have met the two Indian nationals on more than one occasion and the Mission will continue to be in touch with the Korean authorities. The Korean Government is fully aware of our concerns with regard to this matter.
 4. The Ministry of External Affairs has also had meetings with the Ministry of Shipping and with other concerned organization apart from the members of the families of Capt. Chawla and Chief Officer Syam to resolve this matter."

LAOS

393. Speech of President Shrimati Pratibha Devisingh Patil at Banquet in honour of the Laotian President Choummaly Sayasone.

New Delhi, August 27, 2008.

Your Excellency, Choummaly Sayasone,

Madame Sayasone,

Distinguished Guests,

Ladies and Gentlemen,

On behalf of the Government of India, the people of India and on my own behalf, I warmly welcome Your Excellency and Madame Sayasone on your first State visit to India. I also welcome the distinguished members of your delegation.

We fondly recall the visit, to India of the first President of the Lao People's Democratic Republic, Prince Souphanouvong. Your visit is an expression of the unbroken close and strong bonds of friendship that exist between our two countries. Your presence will further reinforce our mutual desire, to enhance bilateral cooperation, for the benefit of our two peoples.

The ancient land of Lan Xang - 'a million elephants' - has always had close ties with India and its people. Our spiritual and cultural ties date back a few millennia. The prevalence of Buddhism and Hinduism in Lao society is an eloquent testimony to these contacts. THAT LUANG Stupa that hosts one of the most precious Buddhist relics and WAT PHOU, the pre Angkorian Hindu Temple, reflect our intense mutual exchanges in the Indo-China region in the earlier times.

The deep understanding that developed in history lasts to this day. Our modern ties are characterized with the emergence of the cooperation in diverse fields. We have projects covering Information Technology, entrepreneurship development, power, defence, training and other sectors. India's friendship with Laos has always been motivated by the common concern for peace, so that economic development could be pursued with greater vigour. Over the years, this approach found a new anchor in the "Look East Policy" of India in which Laos has played a central part. We value the support provided to us within ASEAN, during the period from 2004 to 2006, when Laos played a crucial role as the Country-Coordinator for India. It was during this period that India joined the East Asia Summit, after signing the Treaty of Amity and Cooperation.

Laos has an important role in the global community of nations. Your Government's focus on regional integration is reflected in many fora in addition to the ASEAN and the East Asia Summit. The activities under the Greater Mekong Sub-region, Ganga-Mekong Cooperation, NAM, UN and others speak for themselves. We acknowledge and admire the dexterity with which Laos has transformed the disadvantage of being a land-locked country into a land-linked one providing connectivity through road and railway links in all directions.

India is keen to work with Laos in developing this connectivity. The historic Car Rally from India to Indonesia via Laos, on the occasion of the ASEAN Summit in Vientiane in 2004, was a demonstration of new possibilities. My Government stands ready to work with your Government in road and railway networks for the benefit of the region and our two countries.

We have also followed with great interest the continuing economic progress of your country, which creates numerous opportunities for bilateral economic cooperation both at the level of our Governments and the private sectors. Many Indian companies are interested in entering the Lao economy on a commercial basis with investments into hydro-power, agriculture, mining, transportation and construction and in the small and medium industry sector. Your Excellency's support would help in diversifying commercial ties between our two countries.

At the Government level, we have partnered Laos in the human resource development sector, capacity building, establishment of IT and e-governance structures, power, irrigation and various other social-sector projects. Our unstinted support to the Lao Government in these areas will continue. We will be particularly interested in working with Laos in its e-governance plans.

Excellency, our friendship is time tested. We are grateful for the unstinting support of Laos to our proposal for UN Security Council reforms including the permanent membership for India in an expanded Security Council, our nuclear policies and the strategic role that India can play in Asia in the economic sector.

Ladies and Gentlemen, may I invite you to join me, in a toast to:-

- the health and well-being of Your Excellency and Madame Sayasone;
- the happiness and prosperity of the friendly people of Lao People's Democratic Republic; and
- lasting friendship between India and the Lao People's Democratic Republic.



394. Joint Statement issued on the occasion of the State Visit of Laotian President Choummaly Sayasone.

New Delhi, August 30, 2008.

His Excellency Mr. Choummaly Sayasone, the President of Lao PDR paid a State Visit to India from 26-30 August, 2008 at the invitation of the President of the Republic of India. He was accompanied by his wife Madame Keosaychay Sayasone. The accompanying delegation comprised Deputy Prime Minister & Foreign Minister Dr. Thongloun Sisoulith, Minister in the Presidency and Chairman of Lao National Commission for Drug Control and Supervision, Mr. Soubanh Srithirath, Minister of Planning and Investment, Mr. Soulivong Daravong, Minister of Finance Mr. Somdy Douangdy and other senior officials.

2. His Excellency Mr. Choummaly Sayasone called on President Smt. Pratibha Devisingh Patil and met Vice-President Mohd. Hamid Ansari. President Smt. Pratibha Devisingh Patil hosted a banquet in honour of the President. His Excellency Mr. Choummaly Sayasone and Prime Minister Dr. Manmohan Singh held official level discussions. The Lao President met the Chairperson of the United Progressive Alliance Smt. Sonia Gandhi, Minister of External Affairs Shri Pranab Mukherjee, Leader of Opposition Shri L.K. Advani and other members of the Government of India.
3. The Bilateral discussions were held in an atmosphere of traditional friendship, warmth and close understanding. The two sides expressed complete satisfaction at the state of bilateral relations, and the mutually beneficial cooperation and partnership that was developing rapidly between the two countries. The two sides discussed a wide range of subjects of bilateral interest covering economy, trade and investment, defence, information and communications technology, space, transportation, air services, health, mining, hydro-power, lines of credit, archaeological restoration, railways, culture, arts and sports. The leaders also exchanged views on regional and international issues of mutual interest. The following MoUs/agreements were signed during the visit :
 - i) Agreement on Line of Credit of \$ 33 million for:

- Paksong S/S - Jiangxay 115 KV, double circuit Transmission Line project;
 - Nam Song 7.5 MW hydropower project; and
 - Equipment for Rural electrification Phase-2 Project
4. The two sides also announced that Laos has signed the Letter of Intent for Duty Free Tariff Preference (DFTP) Scheme for LDCs in accordance with the scheme announced by the Prime Minister of India earlier this year and in implementation of the consensus at WTO's Hong Kong Ministerial Declaration of December 2005.
 5. India also announced assistance for construction of a Buddhist College at Champassak and visit of a team from Archaeological Survey of India to Lao PDR to commence restoration of Wat Phou temple for which the two countries have already signed an enabling Memorandum of Understanding.
 6. The two sides noted that the 6th session of the Joint Ministerial Commission of India and Lao PDR had met in Vientiane in 2006 and agreed that the 7th meeting of the Commission will be held in New Delhi in early 2009. They noted that the Joint Commission has proved to be an effective mechanism in monitoring the activities of cooperation between the two countries in diverse areas and in giving concrete direction to such cooperation in future.
 7. The two leaders highlighted the importance of high level bilateral visits, including at the levels of Heads of State and Government. They also decided to promote other high level Ministerial visits. They reiterated their resolve to continue their bilateral dialogue and cooperation within regional framework and at various international fora.
 8. The two sides also considered parliamentary exchanges to be an important instrument to promote bilateral understanding at the level of parliamentarians. The Lao delegation expressed keenness to study the Indian parliamentary practices and system to benefit the developing parliamentary system in Lao PDR.
 9. The two countries recalled the historical relationship between the two peoples on the basis of Buddhism and Hinduism dating back to more than two millennia. They resolved to further promote this

historical relationship through all means including culture, youth exchange and sports.

10. The two sides noted that the bilateral trade volume was small and resolved to take all possible measures to enhance the trade to match the actual potential.
11. The Indian side noted that the Lao economy has grown rapidly over the past several years in the wake of the economic reform programme undertaken by the Government of Lao PDR. They also noted the success achieved by the National Growth and Poverty Eradication strategy adopted in 2001 for a period of 20 years and the 10 year Socio-Economic Development Strategy for the period 2001-10, which has resulted in near 8% GDP growth rate leading to social stability at all levels in Lao PDR. The Indian side complimented the Lao Government on the success it had achieved in raising the economic status of Lao PDR.
12. The Lao side noted that the economic reform in India starting from 1991 onwards marked the turning point in India's economic history, laying the foundation for robust economic growth. With this result, the real GDP growth of the India averaged 9.3% over the past four years. The Lao side praised the Indian Government for the progress in their 11th Five Plan that has improved enormously India's economic fundamentals, paving the way for India to capture its place on the world stage.
13. The two sides agreed that there is considerable potential for Indian companies to enter the Lao economy through investments. The Lao side agreed that hydro-power, mining, agriculture, construction, road and railway network, transportation, information technology and e-governance, steel making, small and medium enterprises offer considerable opportunities to Indian investors and agreed to make every effort to encourage Indian investors to enter into these areas of economic activity. In this connection, they welcomed the initiative of Indian Chambers of Commerce and Industry to organize the first ever exclusive Indian Exhibition in Vientiane in November 2008 to showcase Indian technological capabilities and industries.
14. The Indian side noted with interest the initiatives taken by Lao PDR in developing transportation infrastructure to promote regional connectivity through roads and railway networks. The Indian side

also noted the success of Lao PDR in transforming itself from land-locked to a land-linked country, and conveyed Indian interest in extending suitable support in building road and railway network in Lao PDR.

15. The Indian side recalled with appreciation the helpful role played by Lao PDR as Country Coordinator for India in the ASEAN from 2004 to 2006 during which period, India joined the East Asia Summit after signing the Treaty on Amity and Cooperation. The cooperation existing between India and Lao PDR under Ganga-Mekong Cooperation, was also appreciated by both sides.
16. The Lao delegation also welcomed the initiative taken by India to hold the first Suryakiran Air Show in Lao PDR on 15 November, 2008. The two sides expressed confidence that this will further promote friendship and defence ties between the two countries. The Indian side conveyed its readiness to establish the Air Force Academy in Lao PDR. The Lao side thanked the Indian side for the project. Both sides agreed that the project will strengthen the capability of Lao Air Force. The Indian side also announced its readiness to gift 50 parachutes to the Lao Air Force for the 60th Anniversary of Lao Defence Forces in 2009.
17. The two sides noted the emerging importance of space technology and remote sensing for mapping of resources and as an effective instrument in agriculture, water resources etc., and decided to promote bilateral cooperation in this area through their respective agencies.
18. The Lao delegation expressed appreciation for the offer of the Line of Credit of \$ 33 million from the Government of India for developing three power related projects viz. - Paksong S/S - Jiangxay 115 KV, double circuit Transmission Line project; Namsong 7.5 MW hydropower project; and Equipment for Rural electrification Phase-2 Project. They hoped that the project implementation could start at an early date.
19. The Indian side conveyed its readiness to undertake the construction of neurological hospital in Lao PDR. The Lao side conveyed their happiness on progress in the project and expressed confidence that the hospital would contribute to medicare in Lao PDR particularly for trauma patients.

20. The two sides also expressed satisfaction at the meeting of the officials of the two Governments to implement the Bilateral Agreement on Drug Demand Reduction and Prevention of Illicit Trafficking in Narcotic Drug and Psychotropic Substances and Related Matters, which was signed in 2002. They agreed that drug transit and control are important issues which must be handled by joint efforts of the two countries. The Indian side also expressed its readiness to work with Lao PDR in rehabilitation process of the drug addicts and opium growers.
21. The Lao side expressed its appreciation and gratitude for assistance received from India in IT sector and entrepreneurship development. The Indian side conveyed its readiness to continue its cooperation with Lao side in the area of information technology through training for Lao personnel in IT sector as well as entrepreneurship development programme which would train the trainers and develop scheme for accreditation of training programs in Lao PDR.
22. The Lao side conveyed its appreciation to India for the scholarships provided by the latter for short-term and long-term training of Lao personnel in various professional areas in India and requested the Indian side to increase the number of these scholarships. The Indian side agreed to increase the number from 60 at present to 80.
23. The Lao side also thanked the Indian side for the scholarships provided to Lao nationals for bachelors, masters and doctoral programs in India and requested for increase in the number of scholarships. The Indian side agreed to increase the number from 14 at present to 20.
24. The two sides stressed that terrorism constitutes one of the most serious threats to international peace and security. They strongly condemned terrorism in all its forms and manifestations, and stressed that there can be no justification, whatsoever, for any acts of terrorism. They emphasized the need for concerted and coordinated action by the international community, in accordance with international law to realize the objectives of eradicating terrorism in all its forms and manifestations. Both sides stressed the importance of an expeditious conclusion of negotiations and the adoption of the Comprehensive Convention on International Terrorism. They agreed to further expand the bilateral dialogue and cooperation in combating terrorism, organized crime and trafficking.

25. The Indian side also thanked Lao PDR for its support to various Indian candidatures in international organizations, and agreed to assist Lao PDR in its accession to WTO, through capacity building.
26. The Indian side expressed appreciation to the Lao side for its support to India for a permanent seat in the expanded Security Council as well as for India's program of development and use of civilian nuclear power. The two sides agreed that the creation of a harmonious and prosperous community of nations in East Asia is a long-term goal. They underlined the importance of the emergence of the Asian economic community and need for regional security in this context. They agreed to work together in realizing these strategic goals to promote regional peace and stability.
27. Both leaders expressed satisfaction with the results of the State Visit and concluded that it had contributed positively to the strengthening of the friendly ties between the two countries.
28. The President of Lao PDR invited the President of India and the Prime Minister to pay an official visit to Lao PDR. The invitations were accepted with pleasure and the dates for the visits would be settled through diplomatic channels.
29. His Excellency Mr. Choummaly Sayasone, President of Lao PDR expressed deep gratitude to President Smt. Pratibha Devisingh Patil and His Excellency Dr. Manmohan Singh, Prime Minister of the Republic of India for the kind reception and warm hospitality extended to him and his delegation.



MALAYSIA

395. Report on the visit of Defence Minister A.K Antony to Malaysia.

New Delhi, January 9, 2008.

Defence Minister A.K. Antony paid a three-day (5-7 January) "a very sensitive goodwill visit" to Malaysia aimed at raising the "new momentum" in military-to-military cooperation. Mr. Antony said, "Malaysia is a cornerstone" of India's Look East diplomacy in the defence sector. And, this should be seen in the larger political context that all aspects of the Look East policy, including the defence dimension, were "not [aimed] against China" at all, he said, responding to a question.

He however made it clear that "we are not entering into any kind of military alliance with anybody" as part of the defence outreach of the Look East policy." India's improving defence ties with neighbours in South East Asia should be seen as a response to the emerging geopolitical scenario across the world. India and the United States, too, "need each other in this new geopolitical situation." However, he emphasised, any new line of defence cooperation with emerging partners would not be pursued at the expense of old friends such as Russia.

On the growing defence links with Malaysia, he said the focus was on the air forces and navies. The defence production units in India and Malaysia would also be key players. His talks with Malaysian Deputy Prime Minister and Defence Minister Najib were aimed at "further consolidating" these ties in the present global milieu of "interdependence."

Parrying questions about the political agenda of his discussions, especially in the context of developments concerning the ethnic Indian population here, Mr. Antony said his portfolio centred on defence-related matters alone.



A press release issued by the Ministry of Defence prior to the visit said "Malaysia is celebrating the 50th Anniversary of its Independence and the current year also marks the 50th Anniversary of the establishment of diplomatic relations between the two countries. Over the years, India and Malaysia have developed strong bilateral relationship encompassing political, economic, education, cultural and defence fields. The Defence Cooperation between the two countries was formalized by signing a MoU in 1993 and

396. Extract relevant to Malaysia from the Statement of External Affairs Minister Pranab Mukherjee in the Lok Sabha on Foreign Policy Related Issues.

New Delhi, March 3, 2008.

Hon. Members are aware that in a suo motu statement made on 30th November, 2007, I had referred to the concerns expressed by hon. Members regarding the alleged harassment of participants of the rally organised by the Hindu Rights Action Force (HINDRAF) in Kuala Lumpur on 25 November, 2007 and subsequent related matters. As conveyed to hon. Members on that occasion, Government remains deeply solicitous for the welfare of people of Indian origin living abroad. There is a large community of people of Indian origin in Malaysia who are citizens of that country. We have friendly relations with Malaysia and we are in touch with the Malaysian authorities in the matter. During our interactions with them, concerns expressed in India, including in Parliament, regarding developments pertaining to the Indian community in Malaysia have been suitably conveyed¹.

it has been expanding steadily since then. The primary area of cooperation has been in training to Malaysian Defence personnel at various levels including at the National Defence College and Staff College. The Defence Cooperation between the two countries is also characterized by high-level exchange of visits, visit of ships of the two navies, India's regular participation in Langkawi International Maritime and Aerospace (LIMA) exhibition including the one which was held from 04 - 08 December 2007. Both the countries have participated in bilateral exercises such as PASSEX and MILAN. Last month the Sixth Malaysia-India Defence Cooperation Meeting (MIDCOM) was held in New Delhi when both sides had meaningful discussions on strengthening defence cooperation as well as to explore new areas of cooperation. The two countries last month signed a Protocol on training of Royal Malaysian Air Force (RMAF) Pilots by Indian Air Force on SU-30 MKM aircraft. Earlier in May 2007, a MoU was signed by Hindustan Aeronautics Limited with the Malaysian Ministry of Defence for the technical training of RMAF personnel on SU-30 MKM aircraft."

When the Chief of Army Staff Deepak Kapoor visited Malaysia next month he had held talks with his Malaysian counterpart Mohammed Ismail in Kuala Lumpur on 6th February. They discussed issues ranging from counter terrorism to border management, peace keeping operations and disaster management. They discussed many other forms of army-to-army cooperation. Media quoted official sources to say that the army-to-army dialogue, sequel to a similar mechanism that was launched last year between the navies of Malaysia and India, would be followed by a framework for closer cooperation between their air forces later in the year.

1. Media reports said that India and Malaysia had finalised a draft memorandum of understanding on the recruitment and welfare of each other's workers. The accord would be signed after some procedural formalities were completed. During Defence Minister A.K. Antony's visit in early January to Kuala Lumpur, India was understood to

MONGOLIA

397. Press Release of the Ministry of External Affairs on Humanitarian Assistance to Mongolia.

New Delhi, April 15, 2008.

India and Mongolia enjoy traditionally friendly relations based on historical and civilizational links between our two peoples. In modern times the two countries have continued to build and expand bilateral relations based on shared historical and cultural legacy.

2. To further strengthen the friendly relations and sentiments, the Government of India is pleased to give 5000 MT of Rice and 5000 MT of Sugar as assistance to the people of Mongolia. The consignment is likely to reach Mongolia in the month of May 2008.



have raised the issue of expediting the process. Malaysia hosts about 2.1 million workers from 11 "source countries," including India. This figure, according to authorities, was well above the 1.8 million mark that is considered optimal for now. According to some estimates there were nearly 150,000 Indian nationals working in Malaysia. As for the Indian priests, officiating in the Hindu temples, the government affirmed that there would be no ban on new recruitments. Also, there would be no move to curtail the period of renewals. There are over 5,000 temple priests from India, some of whom have completed 10 years of stay in Malaysia. Normally, annual visas are granted to them on a renewable basis, up to a total period of five years. Temple musicians from India have been given similar visas, for up to three years, while sculptors were given monthly visas, subject to a maximum of six months. According to some political observers the issue of Indian priests acquired sensitive overtones in recent months. Hindraf was last year leading a campaign against the alleged "marginalisation" of this community.

MYANMAR

398. Media Briefing by Official Spokesperson on the visit of Foreign Minister of Myanmar.

New Delhi, January 2, 2008.

Spokesperson: Good afternoon. The Foreign Minister of Myanmar, H.E. U Nyan Win, is visiting India on the invitation of the Hon'ble Minister for External Affairs.

During the visit, H.E. U. Nyan Win called on the Prime Minister today. The Foreign Minister briefed Prime Minister on the recent internal developments in Myanmar. Emphasizing the importance of our multi-faceted relations with Myanmar, Prime Minister expressed his satisfaction at the growing bilateral relations between the two countries. He stressed the need for greater urgency in bringing about political reforms and national reconciliation in Myanmar. This process had to be broad based to include all sections of society, including Daw Aung San Suu Kyi and the various ethnic groups in Myanmar.

In his meeting with EAM, the Foreign Minister of Myanmar conveyed the recent initiatives taken by the Government of Myanmar on their political reform and national reconciliation process. EAM stressed the importance of expediting the implementation of this process and making it inclusive and broad-based. He reiterated India's support to the efforts of UN Special Envoy, Prof. Ibrahim Gambari.

The discussions also covered all areas of mutual interest. EAM expressed his satisfaction at the recent conclusion of discussions relating to the Kaladan Multi Modal Transit Transport Project and hoped for an early signing and implementation of this mutually beneficial project. Both sides noted the current state of bilateral trade at nearly US\$ 1 billion and discussed measures to enhance trade, especially through border trade points. The importance of strengthening cooperation in the Hydrocarbon sector was reiterated. Both sides noted with satisfaction at the growing cooperation at the regional and multilateral level, especially keeping in mind India's Look East Policy and its special focus on CLMV countries.

Myanmar is a close and friendly neighbour, with whom India shares a border of more than 1,600 kms. Myanmar also serves as a gateway to South East Asia. This visit comes in the aftermath of the recent India-Myanmar Foreign Office Consultations in December 2007, and our continuing engagement with Myanmar on the bilateral front.

The Foreign Minister met the Hon'ble Vice President. EAM hosted a luncheon in honour of the visiting dignitary. The programme of the Foreign Minister will also include a visit to Gaya and Kolkata.



399. Report on the visit of Foreign Secretary Shivshankar Menon to Myanmar.

New Delhi, February 11, 2008.

India has reiterated its request to the Myanmar Government to accelerate moves towards a more inclusive democracy.

Foreign Secretary Shiv Shankar Menon, during his two-day visit to Myanmar which ended on February 10, conveyed New Delhi's concern over the detained political activists including pro-democracy leader Aung San Suu Kyi and the need to involve her more intimately in promoting political reconciliation.

The Myanmar Government has unveiled plans to hold a referendum on a new Constitution, which it assured, form the basis for elections. But the political stalemate continued as Ms. Suu Kyi's National League for Democracy slammed the move to hold a referendum without holding consultations. Mr. Menon pointed to the need for broad-based political reforms. In a departure from the position taken by the West, India opposed sanctions as it believed they would hit most the marginal and the destitute.

India felt the desire for sanctions was directly proportional to the distance from Myanmar of the country demanding it. India shared over 1,400 km of porous but strategic border with Myanmar, which was also a staging post for insurgencies. India noted the movement towards reconciliation by Myanmar including four rounds of talks between a Government representative and Ms. Suu Kyi since the thaw in the military regime's attitude about four months ago. Myanmar had also signalled its readiness for a discourse with multilateral institutions by permitting United Nations official Paulo Sergio Pinheiro to assess the human rights situation. Four years earlier it was not possible. But now the military regime led by Senior General Than Shwe has entered into sporadic contacts with U.N. officials. New Delhi's stand operated within the parameters defined by External Affairs Minister Pranab Mukherjee: "We want political reforms and the process of reconciliation to start immediately and it has to be inclusive. As far as possible, important political prisoners should be released."



400. Extract relevant to Myanmar from the Statement of External Affairs Minister Pranab Mukherjee in the Lok Sabha on Foreign Policy Related Issues.

New Delhi, March 3, 2008.

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The Foreign Minister of Myanmar visited India in early January 2008 and briefed us on initiatives taken by the Myanmar Government for political reform and national reconciliation. Foreign Secretary also visited Myanmar in February 2008. Myanmar is India's close neighbour and a gateway to the ASEAN. We have emphasized to Myanmar that the process of national reconciliation should be broad-based to include all sections of society including Aung San Suu Kyi and the various ethnic groups. India fully supports the United Nation Secretary-General's good offices and his Special Envoy Mr. Ibrahim Gambari's mission to initiate a process of dialogue. At the bilateral level, co-operation in cross border infrastructure development projects, for providing better connectivity to the landlocked North-Eastern region of India is an important area of our relationship with Myanmar. Considering our common ethnic linkages and security considerations, it is essential for India to ensure that there is peace and stability in Myanmar during the period of its political reforms.¹

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1. For full text of the statement, pl. see Document No. 19.

401. Press Release of the Ministry of Home Affairs on India - Myanmar consultations for an institutional mechanism to strengthen Security Cooperation between the two countries.

New Delhi, March 10, 2008.

India and Myanmar have expressed strong desire that the common border between the two countries should be a region and symbol of peace and harmony so that the benefits out of various infrastructure projects and economic cooperation between the two countries can be fully realized. Both sides have agreed to work closely for achieving these objectives and, in this context, discussed various institutional mechanisms to strengthen security cooperation¹. The understanding was reached at the 14th National Level Meeting between India and Myanmar which began here last Friday (March 7) and concluded today (March 10). The Indian delegation was led by the Union Home Secretary, Shri Madhukar Gupta, and the Myanmar delegation by their Deputy Minister for Home Affairs, Brig. General Phone Swe. At this meeting, various issues of mutual concern including those related to security, drug trafficking and border management were discussed.

Later, the leader of the Myanmar delegation called on the Home Minister, Shri Shivraj Patil. The Home Minister recalled the strong and close bonds between the two countries and emphasized the importance of strengthening cooperation in the areas of security and border management as well as in the context of India's 'Look East' policy.

Myanmar is a close and friendly neighbour with whom India shares a border of around 1650 kms. India-Myanmar bilateral relations are reflective of the multi- dimensional and traditional linkages between the two countries.



¹ A beginning is expected to be made in the form of police- to-police interaction between northeastern states along the border and their counterparts in Myanmar. The existing arrangements are related to Army-level contacts between the two countries. Effective control of the border continued to be a matter of concern for India, which has been calling for steps to rein in militants operating from bases in Myanmar. India shares a 1640-km border with Myanmar, mostly along Arunachal Pradesh, and Mizoram. With large stretches being "porous", there are frequent instances of militants operating in these states, including members of the NSCN (K) and ULFA, crossing over into Myanmar. With a slew of infrastructure projects on, including the India-Myanmar-Thailand highway and the Kaladan multi-modal transit transport project, improving the security atmosphere in the region was considered a high priority.

402. Press Release of the Ministry of External Affairs on the visit of Myanmar's Vice Senior General Maung Aye.

New Delhi, April 2, 2008.

His Excellency Vice Senior General Maung Aye, Vice Chairman of the State Peace and Development Council, Union of Myanmar, is currently visiting India between 2-6 April 2008 on the invitation of the Hon'ble Vice President of India, leading a high level delegation, including members of the business community. Apart from Delhi, he will also be visiting places of economic, scientific, historical and religious interest.

H.E. Vice Senior General Maung Aye called on the Hon'ble President, Hon'ble Vice President and Prime Minister today soon after his arrival in Delhi. He also met the External Affairs Minister and the Chief of Army Staff. He will be meeting the Hon'ble Leader of Opposition tomorrow.

During his call on the Hon'ble President, the two leaders expressed satisfaction at the fast growing multifaceted relations between the neighbours. The relationship encompassed a wide range of areas including cross-border developmental projects, trade, IT, Telecommunication, hydrocarbon, etc. In particular, Hon'ble President expressed happiness at the conclusion of the Kaladan Multi modal Transit Transport project. This project will greatly enhance connectivity between Myanmar and India, in particular with India's North East States¹. Both leaders noted with satisfaction

¹ Called the Kaladan multimodal transit transport project, it involves developing an alternative trade route between India and Myanmar to provide access to India's North East region, along the river Kaladan in Myanmar at a cost of over Rs. 550 crores. The agreement was signed by External Affairs Minister Pranab Mukherjee and Vice Senior General Maung Aye, the number two in Myanmar's ruling hierarchy. Termed a project of strategic significance, it would not only provide an alternative access route from any part of the country to the land-locked north-eastern states but also skirt Bangladesh. The development of this route became necessary since Bangladesh had reservations on providing transit facilities for access to the North East through its territory. The importance of this route lies in the fact that the existing route to North East is a long one. On the new route Indian vessels would enter Sittwe port from the Bay of Bengal. From Sittwe, the Kaladan river will be made navigable for 225 km up to a place called Kaletwa. From there, a 62-km highway will take the traffic to the India-Myanmar border in Mizoram. A road from the border will then link the project to National Highway-54. It may be recalled that the Union Cabinet on March 27 had sanctioned of funds for upgrading Myanmar's Sittwe port and Kaladan waterway as well as construction of a road up to the India-Myanmar border. The allocation of Rs. 535.91 crore under the 'aid to Myanmar' route included the construction and improvement of a 117-km road from the Myanmar border to National Highway 54. It is also hoped that if the Indian companies bag oil blocks in Myanmar, a pipeline could be built along the route if shipment to the eastern coast is economically unviable.

the growing cooperation at the regional and multilateral level, especially keeping in mind India's Look East Policy and its special focus on CLMV countries in the ASEAN.

During the call on Prime Minister, PM recalled his meeting with the Prime Minister of Myanmar in November 2007. Expressing his happiness at the signing of the Kaladan Multi Modal Transit Transport project and other agreements during the visit, PM stressed the importance of pursuing various cross-border projects to promote greater connectivity and economic engagement between the two countries. Both leaders noted that more needed to be done to enhance trade between the two countries and, towards this end, agreed to take steps to open up the existing border points in the North East States for regular trade. Both leaders recognized the need to cooperate closely in the hydrocarbon sector. PM reiterated India's commitment to support Myanmar in the Telecommunication and the IT sectors. H.E. Vice Senior General Maung Aye thanked India for its generous assistance inter alia for cross-border infrastructure projects, construction of roads, lines of credit and establishment of IT Centre at Yangon. Cooperation in security matters on the India-Myanmar border was also discussed.

Noting the positive steps being taken by the Myanmar Government towards national reconciliation and political reforms, including the announcement of elections in 2010, Prime Minister underlined the need for Myanmar to expedite the process and make it broad-based to include all sections of society, including Daw Aung San Suu Kyi and the various ethnic groups in Myanmar. PM expressed support for the UN Secretary General's good offices and his satisfaction at the facilitation of the visit of UN Special Envoy, Prof. Ibrahim Gambari by the Government of Myanmar.

Later in the evening, during his call on Hon'ble Vice President, H.E. Vice Senior General Maung Aye conveyed the recent initiatives taken by the Government of Myanmar on their political reform and national reconciliation process and the announcement of referendum in May 2008 and elections in 2010. The Hon'ble Vice President reiterated India's support to the efforts of UN Secretary General's Special Envoy, Mr. Gambari and conveyed that India did not believe that sanctions were helpful and that it may well prove to be counterproductive. The discussions covered all areas of mutual bilateral interest and the growing cooperation between India and the ASEAN. In his speech at the dinner banquet hosted in honour of the

visiting dignitary, the Hon'ble Vice President recalled the historical and cultural bonds between the two countries. Calling Myanmar as a natural bridge between ASEAN and SAARC, he reiterated the mutual desire of India and Myanmar to build on the commonalities and synergies between the two countries.

Several agreements were signed in the presence of the Hon'ble Vice President and H.E. Vice Senior General Maung Aye, including the Agreement and two Protocols of the Kaladan Multi Modal Transit Transport project and Double Taxation Avoidance Agreement.

Myanmar is a close and friendly neighbour, with whom India shares a border of more than 1,600 kms. Myanmar also serves as a gateway to South East Asia and ASEAN. External Affairs Minister had visited Myanmar in January 2007. The Foreign Minister of Myanmar H.E. U Nyan Win had visited India in January this year and Foreign Secretary visited Myanmar in February 2008.



403. Speech by Vice- President M. Hamid Ansari at a Banquet in Honour of Vice Senior General Maung Aye, Vice-Chairman of the State Peace and Development Council of the Union of Myanmar.

New Delhi, April 2, 2008.

Your Excellency Vice Senior General Maung Aye, Vice-Chairman of the State Peace and Development Council of the Union of Myanmar.

Madame Daw Mya Mya San,

Distinguished guests from Myanmar,

Ladies and Gentlemen,

It gives me great pleasure to extend to Your Excellency and Madame Daw Mya Mya San and your distinguished delegation a very warm and cordial welcome. It is always a matter of joy and satisfaction when friends come calling. The fact that you have returned to India after nearly eight years makes this a very special occasion.

Excellency

India and Myanmar are bound by historical, cultural, religious and above all emotional bonds. The common cause we forged during the colonial era was the natural culmination of the common heritage we both share right from the dawn of history. Lord Buddha's life, his teachings and his rich legacy brought India and Myanmar closer, as indeed it did India and the rest of Asia. It is an irony that Emperor Bahadur Shah Zafar was exiled to Myanmar and King Thebaw was exiled to India. Mahatma Gandhi himself visited Myanmar several times before independence.

Even while facing the challenges of nation-building and development in a post-independence era, neither of our Governments has given up our sovereign space or our capacity to act independently in foreign policy.

Excellency

Your visit in 2000 proved to be a path-breaking one. Over the last decade, our bilateral relations have grown from strength to strength. Underpinning our relations has been our mutual desire to build on our commonalities and synergies, to enhance sustained economic development of our peoples,

to promote peace and tranquility along our border, to undertake developmental projects and to foster people-to-people interaction.

We appreciate your continuing support for expanding our bilateral ties into a truly multi-faceted one. Our cooperation now encompasses a range of areas including telecommunications, roads, cross-border projects, Information Technology, oil and gas, science and technology and culture.

Since your last visit, we had two very successful visits of His Excellency Senior General Than Shwe to India in 2004 and of the Hon'ble President of India Dr. Abdul Kalam to Myanmar in 2006.

Excellency

This visit would be remembered as one that has significantly transformed our bilateral relations. The Agreement and Protocols for the Kaladan Multi Modal Transit and Transport Project by both countries will be a milestone in our mutually beneficial cross-border cooperation. This project will considerably enhance connectivity to our North East States. Both our countries are exploring more innovative ways of enhancing our trade, including opening up our border to regular trade. The accelerated development of our border areas will be to our mutual benefit and, towards this end, we should continue our joint endeavour to ensure peace, stability and security on our borders.

Excellency

Myanmar's location makes it a natural bridge between the member countries of the ASEAN on the one hand and SAARC on the other. In many ways, Myanmar is our gateway to ASEAN and occupies a central place in our 'Look East' policy. We are both partners in BIMSTEC and the Mekong-Ganga cooperation process. It is evident that our bilateral relationship has an important bearing on regional cooperation initiatives.

As a close and friendly neighbour, we appreciate the recent initiatives taken by your Government to take forward the process of national reconciliation and political reform and wish you well in your efforts to broad-base this process.

We are confident and optimistic that your visit will open a new and dynamic chapter in our bilateral ties. Our vision is of a long-term bilateral partnership with Myanmar, a partnership based on mutually beneficial cooperation, trust, friendship and understanding.

Excellencies, Ladies and Gentlemen, may I now request you to join me in a toast:

- to the health and happiness of His Excellency Vice Senior General Maung Aye and Madame Daw Mya Mya San,
- to the continuing friendship and cooperation between India and Myanmar,
- and, to the progress and prosperity of our two peoples and countries.



404. Protocol on Maintenance and Administration of Kaladan Multi-modal Transit Transport Facility Between the Government of the Republic of India and the Government of the Union of Myanmar.

New Delhi, April 2, 2008.

The Government of the Republic of India and the Government of the Union of Myanmar (hereinafter referred to as the contracting parties);

Desiring to jointly maintain and administer the Kaladan multimodal transit transport facility for mutual benefit.

Respectful of the principles of sovereignty, equality and mutual benefit;

Have agreed as follows:

ARTICLE 1

The Kaladan multimodal transit transport facility consists of the following:

- (a) Sittwe Sea port constructed under this facility and transshipment to river vessels and vice-versa in Myanmar;
- (b) River navigation in Kaladan river and transshipment facility at Setpyitpyin (Kaletwa) in Myanmar; and
- (c) Road link from Setpyitpyin (Kaletwa) to India-Myanmar border

Upon completion of construction of the Kaladan Multimodal Transit Transport facility, the Government of the Union of Myanmar shall carry out

operation, maintenance and administration of the said facility to ensure that the facility is available to both Contracting Parties.

ARTICLE 2

The maintenance of the facilities shall cover the following system components:

- (i) Waterway
- (ii) Port and Inland water terminals
- (iii) Inland Vessels
- (iv) Highway

The maintenance of waterway shall cover dredging and desiltation, repair and upkeep of navigational marks, hydrographic surveys, issue of river notices, data generation through water level gauges and discharge measurements, channel patrol for security of navigational aids/buoys.

The maintenance of Sittwe port terminal and Inland waterway terminals shall cover. port jetty, IWT jetties and approaches, bank protection, internal access roads, handling and transportation equipment and other associated utilities at terminals such as electrical system, water supply, bunkering, fire fighting etc.

The maintenance of highways shall cover ordinary repairs of routine nature, periodic renewals, special repairs and emergency repairs. The ordinary repairs cover maintenance of culverts and drains, pavement patch works, sealing of cracks, road signage etc. The periodical renewal would involve provision of wearing course at a predetermined frequency to safeguard the road and ensure better riding quality. The special repairs would involve improvement of curves and visibility, repair of culverts, bridges etc. The emergency repair would cover the damage caused by heavy rains, cyclones, landslides etc. to restore traffic.

ARTICLE 3

All expenditure related to the operation and maintenance of the facility such as routine repair and maintenance, conservancy of port and river navigation channels, manpower and establishment costs including fuel and power costs, shall be met out of the earnings. In case of exigencies, the

issues shall be resolved by mutual consultation between the Contracting Parties, with a view to ensuring the smooth operation of the facility.

ARTICLE 4

The tariff and dues such as port dues, berthing charges, stevedoring charges, conservancy charges and charges for handling and storage facilities at Sittwe Port shall be according to the rates established by the Myanmar Port Authority. Road-toll charges and other miscellaneous charges, related to generation of resources for the facility shall be discussed and mutually agreed upon. The handling facilities installed at the port jetties of Sittwe and Setpyitpyin (Kaletwa) and the storage facilities in the back up area of the terminals shall be available to vessels and vehicles of both the contracting parties. Charges of any other kind on the cargo/ operators/ vessels/ vehicles/ equipment etc. for handling, storage, transit or any other operation during the course of transit transport other than mutually agreed and determined by the Contracting Parties, shall not be imposed.

ARTICLE 5

The Government of the Union of Myanmar shall be responsible for the requisite conservancy services related to port and river navigation channels. The conservancy services shall also include carrying out periodic hydrographic surveys, issue of river notices, channel marking and upkeep of aids to navigation.

Similarly, for highway also, routine and periodic condition surveys will be carried out to keep the highway traffic-worthy.

ARTICLE 6

The necessary documentation required for transit transport shall be mutually agreed by the Contracting Parties.

ARTICLE 7

The vessels operating in Myanmar territory shall be allowed to purchase a reasonable amount of stores, which they may require for their operation during the voyage at places of bunkering. Similarly, road transport vehicles plying in Myanmar territory shall be allowed to purchase stores at transit and parking places.

ARTICLE 8

Fresh food and other provisions essential for fleet and terminal operation personnel shall be allowed to be purchased in Myanmar territory to meet

their daily requirements. The purchases shall be made at the points of bunkering and terminal locations of Sittwe and Setpyitpyin (Kaletwa). In exceptional circumstances purchases may be made at places other than the above points. The appropriate authorities of either country shall prescribe the manner in which such purchases may be made, should it be deemed necessary.

ARTICLE 9

The riverine cargo vessels and oil barges shall be constructed in accordance with the respective national laws and relevant class rules formulated by International Association of Classification Society.

All Vessels in operation in Kaladan multimodal transit transport facility, calling for urgent repairs shall be allowed to have repairs done at the existing repair docks that are available in the Myanmar territory. The expenditure incurred on such repairs shall be paid directly by the vessel operator to the concerned repair docks.

ARTICLE 10

Myanmar authorities shall extend all the necessary facilities to the vessels in the event of their grounding or otherwise in distress during their berthing in terminals and their voyage through the waterways. Expenditure incurred on salvage operations shall be borne by the operators of vessels.

In the unfortunate events of capsizing of vessel while in voyage or during berthing at terminals, Myanmar authorities shall extend all necessary assistance such as rescue, fire fighting, etc., on humanitarian grounds.

Similar facilities shall also be extended to road transport vehicles using the transit and transport facility.

ARTICLE 11

The licenses, safety certificates and other documents issued by the relevant authorities for the vessels and road transport vehicles shall be recognized and accepted as valid by both Contracting Parties. These certificates or documents shall be produced by the Master of the vessels / the road transport operator concerned to the inspection authorities or Myanmar as per the legal requirement.

ARTICLE 12

All inland vessels deployed in the waterways shall carry national flag of Myanmar besides their house flag to identify the vessel.

ARTICLE 13

Inland Vessels shall be allowed to be equipped with radio-telephone for facilitating effective communications while in transit through the facility, in conformity with the regulations prevailing in Myanmar territory.

ARTICLE 14

Any dispute and grievance of the users that may arise during the operation of the transit transport facilities shall be settled through mutual consultation.

ARTICLE 15

This protocol shall form an integral part of the Framework Agreement on the Kaladan Multi-Modal Transit Transport Facility. It shall enter into force on the date of its signature.

In witness whereof, the undersigned being duly authorized by their respective Governments, have signed this Protocol:

Done at New Delhi on the 2nd day of April, in the year 2008 in three originals each in Hindi, Myanmar and English languages, all the texts being equally authentic. In case of any difference or doubt, the English text shall prevail.

For the Government of the
Republic of India

(Pranab Mukherjee)
Minister of External Affairs

For the Government of the
Union of Myanmar

(Nyan Win)
Minister for Foreign Affairs



405. India's Reaction to the cyclone in Myanmar.

New Delhi, May 5, 2008.

A devastating cyclone hit Myanmar especially in Yangon and the Irrawaddy Delta causing immense damage to life and property. As the story of devastation unfolded, India's response had been swift in coming to the aid of the beleaguered country. The response was on May 5, when the Spokesperson of the Ministry of External Affairs said in his briefing to the media:

As you are aware, a severe cyclone hit Myanmar on 02-03 May 2008 causing widespread death and devastation, especially in Yangon and the Irrawaddy Delta. The Government of Myanmar have now estimated the death toll to be in thousands and the damage to have been more extensive than feared earlier.

The President Smt. Pratibha Devisingh Patil, Prime Minister Dr Manmohan Singh and External Affairs Minister Shri Pranab Mukherjee have each sent messages of condolence to the Government and the people of Myanmar. In his message to the Foreign Minister of Myanmar, EAM has extended his deep sympathy to the victims and the bereaved families. He has also conveyed India's readiness to provide immediate emergency relief assistance to Myanmar to cope with this calamity.

As we have announced earlier, in keeping with India's historical, close and good neighbourly ties with the friendly people of Myanmar, the Government of India is dispatching immediately two Indian naval ships from Port Blair with relief and medical supplies carrying food items, blankets, clothing, medicines, etc. We are also considering further immediate relief and medical supplies, including by air.

The very next day, on May 6 when it was found that the devastation was unprecedented, the Spokesperson in his briefing said:

- Recent reports are revealing that the death toll there is reaching immense proportions. Ten thousand people are reported dead and several thousands are missing. There is also widespread devastation. As we told you yesterday, the Indian leadership has sent messages of condolence. Prime Minister has conveyed his heartfelt condolences to the Government and people of Myanmar and announced India's readiness to assist Myanmar in their relief efforts.

- EAM also wrote to his counterpart conveying heartfelt sympathies to those who have suffered in the cyclone and condolences to the bereaved families on behalf of the Government and people of India. He also conveyed India's readiness to provide relief assistance and emergency assistance to help Myanmar cope with this calamity.
- As a follow up to these messages, two Indian Navy ships INS Rana and INS Kirpan, will reach Yangon early tomorrow morning carrying essential relief and medical supplies. India is also sending two Indian Air Force aircraft carrying tentage and medical supplies which are urgently required. These are also expected to reach Yangon tomorrow.

In the next couple of days it was clear to the Government of India that Myanmar needed more assistance to meet the unfortunate situation, New Delhi's response was further articulated by the Spokesperson (on May 8):

In the wake of the devastating cyclone in Myanmar where more than 20,000 persons are reported dead and 40,000 missing, two Indian Navy ships - INS Rana and INS Kirpan - carrying immediate relief and medical supplies reached Yangon yesterday (May 7, 2008). The Myanmar Minister for Social Welfare, Relief & Resettlement, Maj. Gen. Maung Maung Swe, received the relief supplies and thanked India for the prompt and spontaneous response.

Two AN-32 aircrafts carrying tents and medicine have also reached yesterday. They were received by H.E. Foreign Minister of Myanmar U Nyan Win, who expressed his gratitude for the prompt and generous assistance of the Government of India.

An IL-76 aircraft carrying tents, medicine and roofing material reached Yangon today. Another IL-76 aircraft will be leaving Delhi on Saturday (May 10, 2008) for Yangon¹.



1 Interestingly while Myanmar had no difficulty in accepting Indian assistance for the cyclone relief, it had serious reservations accepting the U.S. assistance because Myanmar's leadership was apprehensive of the intrusive nature of American assistance and the role of American personnel distributing the aid. America anxious to help with

406. Briefing by Official Spokesperson on India's assistance to Myanmar in the wake of devastating Cyclone.**New Delhi, May 12, 2008.**

Official Spokesperson (Shri Navtej Sarna): Good afternoon. Firstly, Myanmar. As you know, in the wake of the devastating cyclone in Myanmar where nearly 100,000 persons are reported dead and thousands missing, India's assistance has been spontaneous and immediate keeping in mind our close and friendly neighbourly relations with Myanmar. Two Indian Navy ships - INS Rana and INS Kirpan - carrying immediate relief and medical supplies, and five Indian aircrafts carrying tents, medicine, roofing material and other relief items have reached Myanmar. This included an IL-76 aircraft which landed in Yangon today carrying Meals Ready to Eat.

The External Affairs Minister spoke to H.E. U Nyan Win, Minister for Foreign Affairs of the Union of Myanmar. He expressed deep sorrow at the tragic loss of lives and widespread damage to property and underlined the empathy and solidarity of the Government and people of India with the Government and people of Myanmar.

humanitarian assistance given the reports of unprecedented damage and loss of life running in thousands approached New Delhi besides Chinese Foreign Minister and UN Secretary General to intercede with Yangon to soften the Myanmar's opposition to US assistance. The State Department Spokesperson McCormack told the media about Ms. Rice's conversation with Mr. Mukherjee and said while "part of their discussion was also about the Indian civil nuclear deal but they focused quite a bit on the issue of Burma [Myanmar]. And the message was to urge all the parties to do what they can to reach out and use whatever leverage they have with the top decision-making layer in the Burmese regime to get them to reverse the course that they have been on in terms of not allowing large scale humanitarian supplies to come into Burma, and then also, and very importantly, to allow experts who can offer assistance with humanitarian relief into Burma." "The issue to this point has been the decision of the Burmese regime not to allow in large-scale assistance. We're doing everything that we possibly can but importantly, the entire international system is mobilised now to do what it can to convince the Burmese regime to change its decision," added the spokesperson Sean McCormack. As a result of India's efforts, the US aircraft was able to land in Yangon where the aid cargo was unloaded. According to media reports Mr. Mukherjee while conveying this to Ms. Rice, explained her the need to move gradually with the military regime in Yangon which was sensitive to western presence on its soil. It may be noted that India had intervened in the past as well to facilitate the second visit of UN Special Envoy Ebrahim Gambia into Myanmar.

EAM reiterated India's readiness to assist Myanmar in whatever way we can in both the relief and rehabilitation efforts. He also urged Myanmar to accept international relief supplies to supplement their efforts.

The Foreign Minister of Myanmar expressed gratitude for the prompt and generous assistance of the Government of India. Myanmar have also conveyed their readiness to accept international relief and medical supplies. These are today's developments regarding Myanmar.

* * * *

Question: With reference to Myanmar, has India in any way raised concern about reports that are coming so far about UN relief material being stamped by the regime there? Have you in any way been concerned about it?

Official Spokesperson: Not to my knowledge. But this is a first conversation that has taken place with the External Affairs Minister and, as you can see, we have offered all assistance possible and we have expressed our sympathies. Our aid and assistance has been appreciated.

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**407. Press Release of the Ministry of External Affairs
announcing Indian contribution of US \$ 200,000 for repair
and renovation work at Shwedagon Pagoda complex in
Yangon, Myanmar.**

New Delhi, June 3, 2008.

India has decided to contribute US \$ 200,000 towards repairs and renovation work at the holiest of Buddhist shrines in Myanmar - the Shwedagon Pagoda complex in Yangon.

During the visit of Hon'ble Minister of State for Commerce & Power, Shri Jairam Ramesh to Yangon in May 24-25, 2008, he visited the Shwedagon Pagoda and witnessed the damage to some of the structures in the complex by the devastating cyclone in Myanmar earlier in May.

Given the close and friendly relations between the two countries, particularly India's ancient civilizational and spiritual links with Myanmar and in keeping with our commitment to assist Myanmar in the rehabilitation phase, India will contribute a sum of US\$ 200,000 for the renovation of the Shwedagon Pagoda complex¹.



1 When Minister of State of Commerce and Power Jairam Ramesh again visited Myanmar later in June, he presented a cheque for \$200,000 to the trustees of the sacred Shwedagon Pagoda in Yangon on June 22. The contribution was meant for repair of the holy shrine following damage caused to it by the recent Hurricane Nargis. Handing over the cheque, Mr. Ramesh said that it demonstrated the goodwill that the people of India have for the Myanmar people. The assistance also showed the deep cultural, geographical and historical bonds between the two countries. India was among the very first countries to send relief supplies as well as team of doctors to Myanmar in the aftermath of Hurricane Nargis. India had also agreed to finance the cost of 16 power transformers that were damaged in the cyclone. The assistance would amount to about \$20 lakh.

408. Press Release of the Ministry of Commerce on the visit of Minister of State for Commerce and Power Jairam Ramesh to Myanmar.

New Delhi, June 24, 2008.

India and Myanmar today signed four economic cooperation agreements demonstrating the expanding partnership between the two countries. The agreements were signed in the Myanmar capital in the presence of the Union Minister of State for Commerce and Power, Shri Jairam Ramesh and the Myanmar Minister for National Planning and Economic Development, Mr. U Soe Tha. He also called on the Myanmar Minister for Commerce Brig. General Tin Naing Thein and the Minister for Electric Power, U Zaw Min.

The first agreement is the Bilateral Investment Promotion Agreement (BIPA) between the two governments designed to facilitate greater Indian investment in Myanmar and vice versa. The Agreement, the 71st of its kind that India has entered into, provides a framework for the resolution of disputes, for promotion and protection of investment, for extending national treatment and most-favoured-nation treatment, for repatriation of investment and returns and for entry and sojourn of technical and managerial personnel.

The second agreement is a credit line agreement between the Exim Bank of India and the Myanmar Foreign Trade Bank for \$ 64 million for financing three 230 kv transmission lines in Myanmar to be executed by the Power Grid Corporation of India.

The third agreement is a credit line agreement between the Exim Bank of India and the Myanmar Trade Bank for \$ 20 million for financing the establishment of an aluminium conductor steel reinforced (ACSR) wire manufacturing facility to be used for expansion of the power distribution network in Myanmar.

The fourth agreement is between the United Bank of India and the Myanmar Economic Bank for providing the banking arrangement for the implementation of the border trade agreement between the two governments that takes place at Moreh (in Manipur) at present. Shri Jairam Ramesh also took up the expansion of border trade centres to

include Avangkhu and Lungwa in Nagaland, Zowkhathar in Mizoram, Pangsau Pass in Arunachal Pradesh and Behiang, Skip and Tusom in Manipur. In addition, he informed the Myanmarese Minister for Commerce that India would like to see normal trade at the border and not have it restricted only to specified items like at present in Moreh where trade only in 22 specified items is permitted.

Shri Jairam Ramesh also expressed India's great interest in participating in developing the hydel power potential on the Chindwin River in Myanmar and hoped that preliminary work on identifying and detailing these projects would commence soon. India is already developing hydel projects in Bhutan and recently Indian private companies have won contracts to develop hydel projects in Nepal also. India's investment in hydel power in Myanmar would bring significant benefit to both countries.



409. Press Note issued by the Ministry of Commerce on the visit of Minister of State Jairam Ramesh to Myanmar.

New Delhi, October 16, 2008.

The Prime Minister of Myanmar H.E. General Thein Sein and the Minister of State for Commerce & Power Shri Jairam Ramesh inaugurated the India-Myanmar Centre for Enhancement of IT Skills (IMCEITS) in Yangon today. The IMCEITS, set up by the Centre for Advancement of Computing (C-DAC) with Indian assistance, will be connected to ten regional centres and train nearly 1000 IT professionals per year.

In a significant development, India and Myanmar have announced the conversion of border trade to regular trade. Earlier, the India-Myanmar Joint Trade Committee, headed by the Minister of State for Commerce & Power and the Myanmar Minister for Commerce Brig. Gen. Tin Naing Thein met on 14-15 October 2008 in Mandalay. Both countries agreed to convert the present border trade at Moreh-Tamu and Zokhawthar-Rhi border points to normal trade. All goods except a handful of restricted items can now be traded at these points at MFN rates. The Joint Trade Committee also decided to open border trade at a new border point Avakhung (Nagaland) - Leshi (Myanmar), expand the current list of items for barter trade under the India-Myanmar Border Trade Agreement to 40 and operationalise the new banking arrangement for trade. The Ministers also reviewed bilateral cooperation in the field of gas/petroleum, power, information technology, telecommunication and agriculture including pulses.

The Myanmar Government announced their intention to submit the Letter of Intent to join the Duty Free Tariff Preference (DFTP) scheme of India under which India would provide unilateral tariff concessions to Myanmar on 94% of the tariff lines covering 99.6% of the trade. Myanmar has, in recent times, become an important trade partner of India. In 2007-08, India's exports to Myanmar were US \$ 185.28 million and imports were US \$ 809.55 million, with total two-way trade between the two countries almost touching one billion US \$.



410. Press Release issued by the Ministry of External Affairs after the conclusion of India-Myanmar Foreign Office Consultations.

Yangon, November 23, 2008.

The 9th Foreign Office Consultations between India and Myanmar were held in Yangon on 22-23 November 2008. The Indian side was led by Foreign Secretary Shri Shivshankar Menon and the Myanmar side by H.E. Deputy Foreign Minister U Kyaw Thu.

Leaders of both delegations expressed satisfaction at the close and friendly relations between the two countries and emphasized the need to maintain the momentum in bilateral relations. They welcomed the exchange of several high-level visits from both sides, including that of the visit of H.E. Vice Senior General Maung Aye, Vice Chairman of State Peace and Development Council in April 2008, and H.E. Prime Minister of Myanmar, General Thein Sein in November this year. .

The discussions covered a wide range of bilateral issues, including security and border issues, trade and economic cooperation and cooperation in cross-border developmental projects, IT, Energy, Power and Education & Training. Both countries stressed the need for greater vigilance at the border and agreed to enhance security cooperation to combat insurgent groups and arms smuggling. The decisions taken during the 3rd Joint Trade Committee held in October 2008 were welcomed, which included converting Indo-Myanmar border trade into normal trade, opening of a border trade point at Avakhung in Nagaland and expanding the existing border trade items from 22 to 40. Both sides expressed willingness to enter into an arrangement for long-term purchase of pulses from Myanmar.

Both countries appreciated the strengthening of cooperation in the areas of Energy and Oil & Natural Gas. They expressed satisfaction at the recent signing of an MoU on the development of Tamanthi and Shwezay Hydropower Projects on the Chindwin River in Myanmar. Other projects in the power sector include the renovation of the Tahtaychaung Hydropower Project, construction of transmission lines, replacement of transformers damaged during cyclone Nargis, supply of biomass gasifiers and solar lamps. India announced the waiver of the ban on wheat export to Myanmar for 950 tonnes. .

India welcomed Myanmar joining SAARC as an Observer and its taking over BIMSTEC Chairmanship in 2009. Both countries expressed

satisfaction at the close engagement between India and ASEAN and the special relationship of India with CLMV countries in supporting their developmental efforts. .

The talks were most cordial and constructive. Foreign Secretary invited his counterpart to India for the next Foreign Office Consultations - an invitation, which was readily accepted.



NEW ZEALAND

411. Speech by President Shrimati Pratibha Devisingh Patil at the banquet in honour of the Governor-General of New Zealand Anand Satyanand.

New Delhi, September 9, 2008.

Your Excellency, The Honourable Anand Satyanand,

Madame Satyanand,

Distinguished Guests,

Ladies and Gentlemen,

On behalf of the Government, the people of India and on my own behalf, it gives me great pleasure to extend a warm and cordial welcome to Your Excellency and Madame Satyanand on your first State Visit to India. I also extend a hearty welcome to the distinguished members of your delegation.

Excellency, your visit to India is the first ever by a Governor-General from New Zealand. We look upon your visit as ushering in a new phase of cooperation in the India-New Zealand relationship.

Our two nations share an extraordinary convergence of values, ideals and concerns. We have demonstrated a remarkable degree of independence of spirit in defending and upholding democratic values that are vitally important to the family of nations. Both our nations are active participants in regional and international fora and have worked together in close cooperation in matters of mutual interest and concern. It is this affinity of values and aspirations that has enabled our peoples to come closer. The

ease of blending of the significant Indian community with the New Zealand society, arises from a common appreciation of intrinsic human values.

We note with satisfaction a new momentum in our bilateral relations, especially since the visit of Prime Minister, the Right Honourable Helen Clark, to India in October 2004. The regular exchange of ministerial visits, the several agreements in operation for bilateral cooperation in education and information technology and high level official consultations have imparted a strong impetus to deepening and diversifying our bilateral relationship. The significant potential that bilateral investment, trade, tourism and the film industry hold, needs to be tapped and developed for mutual benefit.

It was an expression of the solidarity of our two peoples, that I had the privilege of conferring on late Sir Edmund Hillary, the Padma Vibhushan, one of India's highest civilian awards. We acknowledge, similarly, the magnanimous gesture of the City Council of Wellington, of the unveiling of a statue of Mahatma Gandhi on October 2 last year, the date dedicated by the UN General Assembly as the International Day of Non-Violence.

We recognise the imperatives of strengthening the UN system and other international organisations so that they are truly representative and reflective of contemporary reality, in order to address more effectively the political, social and economic challenges that confront the world community. In this context, India stands ready to shoulder greater responsibilities in the international arena.

Among the many challenges, terrorism and climate change are issues of enormous global consequence calling for thoughtful and prudent action. We acknowledge the expression of solidarity that New Zealand has extended to India in its steadfast struggle against the menace of terrorism.

India has adopted a strong national action plan on climate change so that carbon emissions remain within reasonable limits and our environment is protected. India's per-capita emissions are among the lowest in the world and India's carbon footprint is, indeed, small. India is committed to a path of sustainable development in harmony with its environment.

India's imperative, to maintain a high growth rate of its economy, to enhance the quality of life of our people and to generate employment for all, needs little emphasis. Internationally, nuclear energy has been acknowledged as a clean source for producing electricity with negligible environmental impact.

To develop this sector, we have in place effective and comprehensive regimes, which meet the highest international standards. In this regard, India has always demonstrated a strong commitment to non-proliferation objectives and has an impeccable record. Thus nuclear energy can help us meet the challenges of economic development, energy security and climate change, simultaneously.

Excellency, I do hope that what you see and experience during this State visit will reinforce the image that you have of a vibrant India taking significant strides towards progress and prosperity, in harmony and constructive partnership with the community of nations. India has always been and will continue to be a nation that stands by its commitments. At no time in our history, have we been ever wanting in promoting the cause of peace, economic progress and stability in our journey of socio-economic development.

We wish to reaffirm India's abiding friendship and goodwill for the people of New Zealand and our commitment to building a stronger and more flourishing bilateral relationship.

Ladies and Gentlemen, may I invite you to join me, in a toast to: -

- the health and well-being of Your Excellency and Madame Satyanand; and
- the close friendship and strong partnership between India and New Zealand.



SINGAPORE

412. Press Release of the Ministry of Commerce after review of economic relations with Singapore.

New Delhi, June 23, 2008.

Shri Kamal Nath, Union Minister of Commerce & Industry, has stated that a Bilateral Agreement on Intellectual Property Rights (IPR) Cooperation between the Intellectual Property Offices of India and Singapore will be signed shortly. During his bilateral meeting with Mr. Lim Hng Kiang, Minister for Trade and Industry of Singapore, here today, Shri Nath informed that as regards ASEAN-India FTA, considerable progress was made during the last meeting in Bali and added: "I am now hopeful that we would be able to achieve our target of announcing the conclusion of negotiations at the AEM-India Consultations in August".

During the interaction, Shri Kamal Nath said that Singapore was India's 5th largest merchandise trading partner and 4th largest merchandise export market and added that India's exports to Singapore grew by 16% in the year 2007-08 compared to a growth of 42% in the imports from Singapore. He further stated that Singapore ranks 4th in terms of foreign direct investment in India during the period 1991-2008 with investments of US \$ 4.7 billion.

The total bilateral trade during 2006-07 was US \$ 11.49 billion and has increased by 25.88% to US \$ 13.42 billion in the year 2007-08 (up to February 2008) over the same period in 2006-07. Major items of Indian exports to Singapore were: petroleum (crude & products); other commodities; transport equipments; electronic goods and non-ferrous metals. Major items of Indian imports from Singapore were: electronic goods; petroleum (crude & products); organic chemicals; machinery (except electrical & electronic) and project goods.

The top five sectors attracting FDI inflows from Singapore are: petroleum & natural gas, mining, services sector, construction activities and power, whereas the top five sectors attracting technology transfer are: electrical equipments (including computer software & electronics), hotel & tourism, food processing industry, chemicals (other than fertilizer) and miscellaneous mechanical & engineering industries.



VIETNAM

413. Press Release of the Ministry of Home Affairs on the signing of the MOU for Bilateral Cooperation between India and Vietnam on Security Matters.

New Delhi, March 24, 2008.

India and Vietnam have signed a Memorandum of Understanding (MoU) for bilateral cooperation in security matters which, among others, would include international terrorism, illicit drug trafficking and trans-national crime. The MOU was signed here today following delegation-level talks between the Union Home Minister, Shri Shivraj Patil and the visiting Vietnamese Minister for Public Security, General Le Hong Anh.

During the delegation-level talks, the two sides reviewed the on-going initiatives and discussed issues relevant to wider and enhanced co-operation in security-related matters. Capacity-building and training issues were substantially addressed.

General Le Hong Anh is visiting India with a team of senior officers on the invitation of the Union Home Minister, Shri Shivraj Patil. The visit has further catalysed the momentum in high-level exchanges between the two countries.

Shri Shivraj Patil had earlier paid an official visit to Vietnam from 8th to 10th October last year. During the visit, a Treaty on Mutual Legal Assistance in Criminal Matters between India and Vietnam was signed. The Treaty facilitates widest measures of mutual assistance in prevention, investigation and prosecution of crime, service of summons and other judicial documents, execution of warrants and other judicial commissions, and tracing, restraint, forfeiture and confiscation of proceeds and instruments of crime.

During the visit, India had agreed to impart training to officers of Vietnam in investigation of bank fraud cases, organised crimes, money laundering, economic offences, drug trafficking, cyber crime and scientific investigation. Two courses have since been conducted and more are likely to be conducted shortly. India had also agreed to set up in Vietnam a laboratory on cyber forensic at an estimated cost of 2.2 crore rupees in a phased manner. The components of this project are being put together in a prioritized manner.



414. Memorandum of Understanding for Cooperation between the Ministry of Home Affairs of India and The Ministry of Public Security of the Government of Vietnam.

New Delhi, March 24, 2008.

The Ministry of Home Affairs of the **Republic of India** and the Ministry of Public Security of the **Socialist Republic of Vietnam** (hereinafter referred to as the "Parties");

Guided by the desire to consolidate the strategic cooperative partnership between the two countries;

Recalling the Joint Declaration on the comprehensive cooperation framework between the Republic of India and the Socialist Republic of Vietnam signed in May 2003 and the Joint Declaration on the Strategic Partnership between India and Vietnam signed on July 06, 2007;

Reaffirming the desire to further strengthen and consolidate their discussions and cooperation in the framework of their bilateral dialogue mechanism on counter terrorism, transnational organized crime, and other relevant areas;

Have agreed as follows:

Article - 1

The Parties shall enhance cooperation, subject to their respective domestic laws, in combating international terrorism. To this end, the Parties shall:

- (a) Exchange experiences and information on terrorist activities, terrorist groups and their linkages;
- (b) Exchange experiences on combating hijacking, hostage situations and other crimes similar to terrorism;
- (c) Coordinate anti-terrorism endeavours at regional and multilateral levels.

Article - 2

The Parties shall cooperate, subject to their respective domestic laws, in the prevention and suppression of transnational organized criminal and illegal activities as follows:

- (a) Money laundering, other economic crime;
- (b) Illegal production, distribution and trade in narcotic drugs and psychotropic substances including chemical precursors;
- (c) Illegal dealing and trafficking in firearms, ammunition, explosives, strategic and prohibited materials;
- (d) High-tech crime;
- (e) Other transnational organized crime.

Article - 3

Cooperation between the Parties in the areas above shall be accomplished by:

- (a) Exchanging information in all areas indicated in Article-1 and 2 above;
- (b) Taking coordinated measures in their respective territories against illegal and criminal activities indicated in Article-1 and 2 above;
- (c) Exchanging regulations, publications and results of scientific research in the areas of mutual interest;
- (d) Making joint efforts in scientific research, technical exchange in all areas covered under Article-1 and 2 above.

Article - 4

The Parties shall promote coordination in regional and multilateral endeavours with reference to areas listed in Articles 1 and 2 and for this purpose carry out exchange of positions and views on related regional and multilateral issues.

Article - 5

The Parties shall strengthen cooperation in the areas of training and capacity building and to this end:

- (a) Organize technical exchanges between their respective Ministries, agencies, and organizations;
- (b) Provide training slots, on a reciprocal basis, in their training institutions;
- (c) Encourage exchanges between police forces and experts to share experiences and training;

- (d) Facilitate exchange of regulations, publications and scientific research in areas of mutual interest; and
- (e) Organize seminars on issues of mutual interest.

Article - 6

The Parties shall strengthen co-operation between Interpol National Central Bureau (NCB), India and Interpol National Central Bureau (NCB) Vietnam, in a beneficial manner in accordance with the Interpol's Regulations.

Article - 7

The Parties shall establish a mechanism to facilitate the effective implementation of the Memorandum of Understanding and to this end:

- (a) Designate the Policy Planning Division of the Ministry of Home Affairs of the Republic of India and the International Cooperation Department of the Ministry of Public Security of the Socialist Republic of Vietnam to work out the details, timing and methods of implementation of this Memorandum of Understanding, which shall be submitted to their respective Ministers or corresponding officials for approval;
- (b) Send delegations to meet once every year, alternately in the capital of each country, to exchange information on the implementation of this Memorandum of Understanding and discuss plans for future cooperation;
- (c) Encourage to strengthen the exchanges of police, security delegation between the Parties, especially the exchanges of expert delegations on special subjects and specific areas as agreed by the Parties;
- (d) Hold meetings between experts, when considered necessary, by mutual agreement in advance; and
- (e) Contact details of focal points on both sides may be exchanged for speedy interaction to facilitate the implementation of the Memorandum of Understanding.

Article - 8

The delegation and official exchange under this Memorandum of Understanding shall be implemented; the international return airfare shall be borne by the delegation sending Party while meals, accommodation and local transport shall be borne by the delegation receiving Party.

Article - 9

The information and materials exchanged under this Memorandum of Understanding shall not be handed over to a third party without the prior consent, in writing, of the originating Party.

Article - 10

Issues not covered by this Memorandum of Understanding may be decided through consultation between the Parties.

Article - 11

This Memorandum of Understanding shall be valid for five years commencing from the date of signing. Before 03 months of expiry of validity, if the Parties do not have any opinions in writing about validity termination, it shall be automatically renewed for another five years. The Memorandum of Understanding may be terminated by either Party after giving a written notice, of its intention to do so, of not less than 90 days in advance. The Memorandum of Understanding is subject to modification by mutual agreement whenever necessary.

Done at New Delhi on the 24th day of March 2008 in two originals each in Hindi, Vietnamese and English languages, all texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

For the Ministry of Home
Affairs of the Republic of
India

For the Ministry of Public
Security of the Socialist
Republic of Vietnam

Shivraj V. Patil
Minister of Home Affairs

General Le Hong Anh
Minister of Public Security



415. Briefing by Secretary (EAST) MEA N Ravi on President's visit to Vietnam and Indonesia.

New Delhi, November 21, 2008.

Please see Document No.379



416. Statement of President Smt. Pratibha Devisingh Patil, on board her special aircraft on her departure from New Delhi to Ho Chi Minh City, at the start of her State Visits to Vietnam and Indonesia.

November 24, 2008.

Please see Document No. 380



417. Speech by President Pratibha Devisingh Patil at the business luncheon meeting hosted by the Vietnam Chamber of Commerce and Industry.

Ho Chi Minh City, November 25, 2008.

Ladies and Gentlemen,

I am delighted to be here amongst you today at this very important business meeting. I appreciate the initiative of the Federation of Indian Chambers of

1 A 16-member business delegation from the Federation of Indian Chambers of Commerce and Industry was in Ho Chi Minh City to attend the Business Forum Meeting. A memorandum of understanding was signed between INCHAM and VCCI. In his address, Minister of State for Commerce and Industry Ashwani Kumar said Vietnam was "completely ready to embrace Indian industry." Noting that Vietnam's foreign investment was of the order of \$35 billion in 2007, he listed the investment advantages of the country as "a free market economy with a 95 per cent literacy rate and half its population below the age of 25." With this, the "huge goodwill towards India and leveragable democratic dividend

Commerce and Industry¹ and the Vietnam Chamber of Commerce and Industry in arranging this meeting during my visit to Vietnam.

Vietnam has always been a country that has evoked in India images of bravery and endurance. Under the leadership of President Ho Chi Minh, this great country waged a historic struggle for independence, and won it. The same energy and determination is now visible in Vietnam's economic development and national reconstruction.

Ever since the launch of "Doi Moi", Vietnam has seen rapid economic progress, which has brought prosperity for the nation and higher living standards for the Vietnamese people. I would like to compliment the Vietnamese leaders for their vision and leadership. I am confident that Vietnam will continue to march on its current path in the days and years to come. While the global economy is currently going through a turbulent phase, and which has impacted both India and Vietnam alike, I am confident that with the patience and wisdom of our leaders and sound economic policies of the two governments, India and Vietnam will be able to successfully address the current challenges.

India and Vietnam have a long tradition of friendship and close ties. These ties are based on unbreakable bonds of genuine trust and mutual goodwill. The economic and commercial content in our ties has also seen an upswing in recent years and which I believe would provide even more strength and sustenance to the political ties. The process of economic reforms under way in both countries will also, I am sure, open up even more opportunities for the businesses to create mutually beneficial linkages.

I am happy to know that Ho Chi Minh City, which is the economic engine of

make Vietnam an ideal destination for Indian investments." Vietnam's Vice-Minister of Trade and Industry Le Duong Quang said that in the wake of the adverse impact of the global recession in 2008 there was an "aggressive effort by the Vietnam government to promote foreign investments and we are seeing increasing foreign direct investment owing to our stable and favourable investment climate. We are a reliable partner in the world arena." To a question how Vietnam was managing the impact of the global crisis, Madame Nguyen Thi Hong, Vice-Chairperson of the People's Committee of Ho Chi Minh City, said the administration of the city and the central government had put in place a group of policies "with a focus on stabilising the economy for development with attention to social welfare." Despite the crisis, Ho Chi Minh City had seen a GDP growth rate of 10.9 per cent in the first nine months of 2008, she said.

Vietnam, is home to many Indian companies. I am told that specially in recent few years, several new investments have come to Vietnam from India. The investment by ONGC for oil exploration and exploitation, by TATA Steel for setting up an integrated steel plant, by ESSAR to set up a steel rolling mill, and similarly by many other companies, is good not only for the partner companies and entities, but also for the economic progress of our two countries. More and more linkages and ties will be created through such projects and more and more people will come in contact with each other.

I understand that many Indian companies are exploring investment and trading opportunities in this country in fields as diverse as minerals to pharmaceuticals. I am confident that the Vietnamese Government will continue to provide a congenial atmosphere for Indian companies and businesses to operate in Vietnam. Similarly, I would also request Indian companies to look at all possible areas where joint ventures or partnerships can be created with Vietnamese companies.

Both India and Vietnam are currently focusing on infrastructure development. India has, in recent years, achieved commendable success in this area. Some sectors such as the Highway Development Programme has become a model for public-private partnership, which can be usefully replicated in many other developing countries, including Vietnam. We would be happy to share our experiences. In many other areas, such as engineering, transportation and power generation, Indian companies can transfer their expertise to Vietnamese. Also, in higher education, research and human resource development, India can be a useful partner.

Similarly, there are many areas in which Vietnam has achieved commendable success and where India can learn from Vietnam. Be it processing of marine products or agricultural crops like cashew, pepper, coffee and rice, Vietnam has become a major exporting nation in the world. There are very many useful lessons in Vietnam's success for Indian companies.

Ladies and Gentlemen,

In many regional and multilateral fora, India and Vietnam closely consult and coordinate with each other. India also has very close ties with ASEAN, of which Vietnam is an important member. In fact, India and ASEAN are soon going to sign Trade-in-Goods Agreement. Conclusion of this Agreement will take India-Vietnam economic ties to even greater strength.

Our partnership with Vietnam in Ganga-Mekong Cooperation, the East Asia Summit and similar other regional fora will continue to provide further strength to our ties.

I look forward to my discussions with President Nguyen Minh Triet and other leaders in Hanoi. I intend to discuss with them ways and means to further strengthen our economic partnership, which is a pivotal part of our 'strategic partnership'.

I am confident that the discussions and deliberations at this business meeting will contribute to ever strengthening ties between India and Vietnam.

Thank you.



**418. Speech by President Shrimati Pratibha Devisingh Patil
at the Dinner hosted by Chairman of Ho Chi Minh City
People's Committee.**

Ho Chi Minh City, November 24, 2008.

Your Excellency Chairman Le Hoang Quan, Chairman of Ho Chi Minh City People's Committee,

Distinguished Guests,

Ladies and Gentlemen,

I am, indeed, overwhelmed by the warm welcome given to me and my delegation since our arrival in Vietnam. I am particularly happy to be in this great Ho Chi Minh City, which carries the name of the legendary leader of Vietnam, President Ho Chi Minh.

Excellency, our friendship is historical and traditional with deep cultural moorings dating back to centuries. The foundation of this friendship, which was laid by the leaders of our two countries, remains as solid as ever, amidst the changing world around. I am happy to note that in the current times too, our bilateral relations continue to be nurtured and developed, including through high level exchanges.

Excellency, we in India have sincerely admired the rapid economic progress made by Vietnam. In the rapid march of your country, Ho Chi Minh City has played a pivotal role and continues to be in the vanguard of Vietnam's march towards development. This province has also attracted many Indian investors. I would like to compliment you for your leadership and wish you ever greater success.

Excellency, we in India are also engaged in a similar process of major economic reforms and economic development of our country. Our policies have similarly produced good results. This provides new opportunities for the entrepreneurs, businessmen and industrialists from both countries to interact closely and avail of the emerging opportunities. An Indian business delegation is accompanying me and will be interacting with their business counterparts. We hope that this results in fruitful and productive outcomes.

Tomorrow, I will have an opportunity to visit the History Museum, which houses a rich treasure of the rich history of Vietnam. I will also witness the Water Puppet Show, which I am told is a unique facet of Vietnamese culture. I understand that Ho Chi Minh City has sister city relationships with cities like Osaka, Moscow, St. Petersburg, Toronto, San Francisco, Shanghai, Istanbul and Manila. We can also consider linking Mumbai and Ho Chi Minh City as sister cities. After all, both cities drive the economic engines in our fast growing nations.

Excellency, as our two nations stood by each other in the past, and as we stand now at the threshold of prosperity, it would be our endeavor to walk together, hand-in-hand, for future cooperation. There is immense possibility of further strengthening cooperation in diverse areas so that the strategic partnership between India and Vietnam continues to acquire ever greater strength.

May I now request you all to join me in a toast to: -

- the health of Chairman Le Hoang Quan and of all present here tonight;
- the ever growing friendship and cooperation between India and Vietnam; and
- the prosperity and happiness of the people of Vietnam.

Thank you.



419. Speech by President Shrimati Pratibha Devisingh Patil at the Reception hosted by the Indian Ambassador in Vietnam.

Ho Chi Minh City, November 25, 2008.

Ladies and Gentlemen,

My fellow Indians and

Vietnamese friends,

I am very happy to visit Vietnam and to meet the leaders and the people of this great country. I am delighted to be here today with members of the Indian community, who have all been participating in the rapid economic transformation of Vietnam.

India-Vietnam friendship is deep rooted. The people of India have always stood with the people of Vietnam, once for liberation and re-unification of Vietnam, and now for Vietnam's economic development. Similarly, the people of Vietnam have always held the people of India in high esteem, and have always welcomed Indian visitors. The friendship between us is very strong, based on genuine trust and goodwill.

We salute the achievements of the Indian community in South East Asia, and especially in Vietnam. We are proud that the Indian community is contributing in no small measure to Vietnam's admirable achievements. I am also happy that the Indian community is working and living in an atmosphere of cordiality and camaraderie as the Vietnamese people have always welcomed Indian visitors.

I understand that Indian companies doing business in Vietnam are contributing in promoting Vietnam's exports to India. In a few weeks, we expect that India-ASEAN Trade in Goods Agreement will be signed, thus paving the way for faster growth in trade and help in alleviating various constraints faced by exporters from both countries. We have every intention to fulfill our commitments. This Agreement, we hope, will also address the issue of trade deficit of Vietnam, which is a matter of some concern. India will be happy to help promote Vietnam's exports to India.

There are strong historical and cultural linkages between India and Vietnam. A number of ancient archaeological monuments depicting Indian culture have been found in Vietnam. The famous My Son Cham sanctuary near

Danang is a testimony to such links. I am told that Vietnam has been identified among the countries where new cultural centres are to be set up by the Government of India. The Indian Cultural Centre in Hanoi will be a bridge between the peoples of India and Vietnam.

I am happy to convey to the distinguished gathering here that India today is on the move. Indians are appreciated and respected all over the world for their skill, knowledge and enterprise. Indian companies are marching with confidence to many countries across the globe. Our mission to the Moon - Chandrayaan, is a symbol of our acknowledged strength in science and space technology. There are enormous opportunities that the new India provides to you, from Vietnam and indeed to all in many corners of the world. I invite you to take advantage of such opportunities.

The Indian community must always feel secure in the knowledge that India cares for you. The Ministry of Overseas Indian Affairs has been specifically set up to cater to various requirements and concerns of Indian expatriates living abroad.

I look forward to my meeting with Vietnam's leaders in Hanoi. Our countries are strategic partners and we have every intention to act like one. In fact, all political parties in India have great admiration and respect for Vietnam. There is a very bright future for India-Vietnam relations and for our bilateral cooperation.

I wish you success in your endeavours and seek your continued contribution to the development of India-Vietnam relations.

Thank you very much.

Jai Hind



420. Statement to the Press by President Shrimati Pratibha Devisingh Patil at the end of her visit to Vietnam.

Hanoi, November 27, 2008.

Your Excellency President Nguyen Minh Triet,

Ladies and Gentlemen of the Press,

I am greatly pleased to have had this wonderful opportunity to visit Vietnam, one of India's closest friends. I am privileged to have had this occasion for a detailed exchange of views with His Excellency President Nguyen Minh Triet. My talks with the President were extensive and covered the entire gamut of relations with Vietnam.

Our discussions were held in an atmosphere of traditional friendship and close understanding marked by a warm atmosphere. We expressed deep satisfaction at the level of bilateral relations and the mutually beneficial cooperation and partnership developing rapidly between India and Vietnam. Our discussions included a wide range of subjects of bilateral interest. These covered the expanding bilateral trade and the promising trend of Indian investment in Vietnam. We exchanged views on cooperation in the vital fields of defence and law enforcement, terrorism, information and communications and nuclear technology, lines of credit and cultural cooperation including restoration of the Cham temples. We also discussed regional and international issues of mutual interest, and agreed that terrorism was a global menace that required nations to work jointly.

I condemn in the strongest form the terrorist attacks Mumbai. This mindless attack is the work of those who have no regard for human lives, and are pursuing a path of destruction. My heartfelt condolences to those who have been affected by this act of terror.

Hostages are being held and I am informed that the authorities are dealing with the situation. I hope that this suffering comes to an end quickly and the perpetrators brought to book.

We noted that the Joint Commission has proved to be an effective mechanism in monitoring the activities of cooperation between the two countries in diverse areas and in giving concrete direction to such cooperation in future. We agreed that the 14th meeting of the Commission will be held in Hanoi in 2009.

We also considered exchange of visits between members of Parliaments to be an important instrument to promote bilateral understanding.

I have invited President Nguyen Minh Triet to pay a State Visit to India. The invitation has been accepted.

I am grateful for the warm hospitality extended to me and my delegation, and would like to take this opportunity to convey my deep gratitude to President Triet of the Socialist Republic of Vietnam. I look forward to reciprocating the hospitality we have received when President Triet visits India.

Thank you.



421. Press Statement of President Smt. Ptatibha Devisingh Patil on board the Special Aircraft on her way back to New Delhi after her visit to Vietnam and Indonesia.

December 1, 2008.

Please see Document No. 383



(iii) CENTRAL AND WEST ASIA

422. Address by Vice President M. Hamid Ansari at the inauguration of the Seminar on 'India and the Gulf' organised by the Association of Indian Diplomats at the India International Centre.

New Delhi, February 23, 2008.

I am delighted to be here today, amidst friends, and to talk about a subject that, by accident rather than design, became a life long pursuit.

Confusion about nomenclature is avoidable. The correct name of this body of water is the Persian Gulf (PG). This is recognised by the United Nations, the US Department of State, and by historical maps of the region. This confusion about name is reflected in practical usage; at times we are exclusive and make 'the Gulf' synonymous with the GCC, and at others we include all the littoral states in the term.

The Persian Gulf, and its littoral states, has been described as India's 'proximate neighbourhood'. Our task then is to locate India in relation to the PG states. This necessitates identifying the perception, in self, of the other: to determine (a) how we see these states and (b) how do PG states perceive India? Both are necessary to bring about a convergence of interests and the establishment of mutually beneficial relationships.

Iran occupies the whole of the northern coast of the Persian Gulf and has a coastline of 2440 km; Iraq, by contrast, has 58 km. The narrow entrance to the Persian Gulf in the Straits of Hormuz is controlled on the one side by Iran and on the other by Oman. This entire sub-region is:

- Within the security parameter of India and within the operational radius of the Indian Navy;
- Principal source of imported hydrocarbon energy supplies;
- Principal destination for manpower exports that provides employment to 4.5 million Indian nationals whose remittances exceed to US\$ 9 billion per annum;
- A major trading partner with whom the overall economic engagement is of the order of US\$ 75-80 billion;
- An increasingly important destination for Indian projects, and IT services;

- An increasingly important source for investments into India;
- Having an India-friendly and Indian-friendly orientation and desirous of enhancing its political, economic and technological interaction with India.

The focus of Indian interest, now and in the foreseeable future, is on the imperative necessity of (a) regional peace and stability (b) friendly regimes (c) access to oil and gas resources of PG (d) freedom of navigation in PG and through the Straits of Hormuz, and (e) continued access to regional markets for Indian trade, technology, investments and workforce. Within this general framework, the challenge for India is to develop policy approaches relevant to each of the littoral states.

The Persian Gulf states perceive India as (a) an emerging major power in their neighbourhood (b) a major destination for their primary exports (c) a possible venue for investments (d) a major source of skilled manpower that is acceptable in security terms and (e) broadly acceptable in cultural terms.

Domestic stability and regional peace are prerequisites for the Persian Gulf States to continue playing their role as the principal suppliers of oil and gas. These states, however, are also undergoing social, economic and political transformation that is generating tensions that need to be managed carefully in terms of domestic and external pressures. The imperatives of the 'youth-bulge', in particular, necessitate immediate responses in terms of social and political reforms. There is a near-consensus that these reforms need to be evolutionary. The earlier expectation that political change can be expedited has now been abandoned in favour of stability.

Developments on the domestic scene in each of these states need to be watched and analysed carefully. The forthcoming Majlis elections in Iran may suggest changes in political equations there. Stability and cohesion of Iraq remains an open question. Saudi Arabia and the other GCC states have appeared to imbibe the germs of political change. Kuwait's example of the succession question being settled in parliament, rather than in the ruling family, may have wider implications. In Saudi Arabia, King Abdullah has put in place an Allegiance Commission charged with implementing succession procedures; its efficacy is yet to be tested. The challenge in the immediate future is for the ruling establishments to renew their legitimacy

through a process of political liberalisation, cooption and accommodation. Each society would develop its own road to participatory governance, and should be allowed to do so without external imperatives.

Complexity characterises inter-state relations in the region. These relate to threat perceptions and national interests and need to be reconciled. The process would neither be short nor easy but must nevertheless be undertaken. The littoral states themselves are showing growing awareness of this.

Islamism is an ideology of protest, and of change. A perceptive observer has noted that 'Wahabism constructed from above was a pillar of the status quo. Wahabism from below has become the mortal enemy of the same status quo'. The pressures emanating from Islamist groups and tendencies are unlikely to subside and may gather momentum in the light of the successes recorded by these trends in Egypt, Lebanon and Palestine. At the same time the low levels of political activity in the GCC states, and the ingrained culture of tribal consensus that persists despite urbanisation, is likely to keep these trends within manageable bounds. In Iran, and notwithstanding the power struggle within the establishment, the primary orientation of policy will be reflective of national identity and interests.

The economies of all the Persian Gulf states would continue to prosper in the wake of high oil and gas prices. This would benefit all sections of these societies. Their integration in the global economy would increasingly reduce the local peculiarities. The structural changes now underway, pursuant to a policy of economic diversification away from hydrocarbons, cover areas of interest to Indian business. These include education, healthcare, construction services, insurance and banking, business and financial services, and tourism. An area of analysis should be the impact on India of possible changes in the skills-mix of manpower requirements of GCC countries.

Exercises in futurology have been undertaken, some in terms of pure economic growth and others in terms of variable politico-economic scenarios. No inter-state war appears likely in the region. Divergent security perceptions, however, would continue to prevail. Iran would remain apprehensive of external attempts at regime change or an attack against it. Iraq's threat perception would be focused on national unity and possible external interference.

Non-traditional threat to the security of the Persian Gulf states, or to their economies, can arise from (a) political mismanagement in domestic terms leading to instability and economic disruption (b) violence and terrorism directed at regimes and resulting in domestic instability (c) military action against a regional state by regional or extra-regional states resulting in retaliatory action that could disrupt shipping in the Persian Gulf and prevent / hamper the export of oil. All interested parties (including India), therefore, need to develop contingency scenarios to safeguard their interests.

Recent years have witnessed debates about an alternate security architecture for the Persian Gulf. NATO has been proposed as an option. Some regional states, and opinion makers, have gingerly suggested a role for larger Asian states like China and India. Iran's focus remains riveted on a cooperative security regime of the littoral states. The smaller littoral states, however, seek security in the involvement of Western powers. This debate needs to be monitored closely. The example of CTF 150 is suggestive of an inclination to keep India away from practical arrangements for security of sea lanes in this general area.

All these factors necessitate close and continuous study, and rigorous research, of the region. This, I am afraid, is not being done in adequate measure. The totality of India's interest demands that the 'Look East' policy be supplemented now by a 'Look West' policy.

The need of the hour is to put these studies on a firmer footing on the basis of cooperation between the academia and the business community. Knowledge of operative languages, and familiarity with the region through frequent field-trips, has to be a pre-requisite for such an endeavour.

Today's seminar, I venture to hope will underline the imperative necessity of such an approach. It would be in our national interest.

Thank you.



423. Inaugural Address by External Affairs Minister Pranab Mukherjee at the Conference on "Cooperative Development and Peace in Central Asia: An Indian Perspective", at CRRID¹.

Chandigarh, March 15, 2008.

**Shri Keshub Mahindra,
Dr. Rashpal Malhotra,
Ambassador P.S. Sahai, Prof. R.P. Bambah,
Distinguished Guests,
Excellencies,
Ladies & Gentlemen,**

India firmly believes in working constructively with the community of nations, particularly in its neighbouring regions. The past bears testimony to this cooperative approach, not just in the last sixty years of our independence, but over thousands of years of history. In a historic speech to the Constituent Assembly to mark India's independence in 1947, our First Prime Minister, Pandit Nehru, was mindful of the world community while referring to ending poverty, ignorance, disease and inequality of opportunity. He said, and I quote: "We have to labour and to work, and work hard, to give reality to our dreams. Those dreams are for India, but they are also for the world, for all the nations and peoples are too closely knit together today for any one of them to imagine that it can live apart. Peace has been said to be indivisible; so is freedom, so is prosperity now, and so also is disaster in this One World that can no longer be split into isolated fragments". Unquote. This remains the quintessential guiding spirit of our foreign policy to this day.

Excellencies, Distinguished Guests,

It is a matter of great satisfaction that India enjoys a vast reservoir of trust, confidence, understanding, respect and appreciation in all its five Central Asian neighbours. We cherish this strong foundation and are keen to actively build upon it. In the last fifteen years since the establishment of diplomatic relations with the countries of the region, we have established a sound framework for developing and nurturing these ties. We have periodic exchanges of high-level visits, Inter-Governmental Commissions, Foreign Office Consultations, Working Groups and other institutional mechanisms

1. Centre for Research in Rural and Industrial Development.

to systemically work towards further developing and strengthening our bilateral relations. It is our endeavour to deepen and broaden India's engagement with the region and make it more purposeful, productive and mutually beneficial for both sides.

All relationships are dynamic since they exist in a constantly changing global environment. There have been notable economic, social and political developments in India and all Central Asian states over the past one and half decades. When India launched an economic liberalisation programme in 1991, the Central Asian states had just embarked upon a new course of national transformation and development. The international political and economic scenario has evolved considerably since and Asia has emerged as the new hub of economic activity and growing attention of the international community. It is, therefore, timely to evaluate the partnership between India and the Central Asian region and identify areas for greater thrust and focus in the coming years.

Alongside its own immense domestic challenges, India has extended cooperation in the progress and development of its neighbouring regions. Central Asia has been one of the largest beneficiaries under the Indian Technical and Economic Cooperation (ITEC) programme and we have been offering human resource development training to about 300 candidates annually from this region. India has set up small scale projects in the region in diverse sectors, such as food processing, technical training and information technology. We are presently looking at the possibility of setting up a regional centre in Central Asia which may cater to nationals from the region in areas such as English language training, entrepreneurship development and technical courses. India is also prepared to share its experiences in the banking sector, market mechanisms, services, telecommunications, etc., with the Central Asian states.

There are natural synergies for greater economic cooperation between India and the Central Asian region where economies are strongly dependent on agriculture and dairy farming. India's experience in boosting food production and modernising agro-techniques, under the Green Revolution and subsequent periods, could be relevant for Central Asia, particularly in the context of the recent steep rise in food prices globally. Similarly, the strides made by India to emerge as the largest milk producer in the world, following our White Revolution, may be of interest to the region. India's success in developing small and medium enterprises could also be replicated in Central Asian countries in areas such as processing cotton, wool, leather and in producing carpets.

While efforts on the part of the Governments would continue, it would be important to involve the private sector in our cooperative ventures. A public-private partnership would not only enhance the reach of cooperative development but also make it more sustainable. In India, the private sector has demonstrated its capabilities by contributing immensely to progress in higher education, healthcare and schooling. Central Asian governments have accorded high priority to education and health, and it would be opportune for Indian companies to take initiatives there in these areas.

Excellencies, Distinguished Guests,

India's bilateral trade with all the Central Asian countries taken together stands at a modest US\$ 340 mn. I would urge businesses on both sides to see this as an opportunity. There is enormous potential for diversifying our trade basket. The pharmaceutical sector could serve as an example, as indeed the pursuit of the business potential in textiles & garments, metallurgy, automotive, chemicals, and food-processing sectors in Central Asia. India's technical and managerial skills also have complementarities in the region in the fields of hydrocarbons, mining, mineral processing, construction and industrial production. I believe that involvement of business and industry representatives in such conferences could also contribute by reducing the gap between ideas and their realization.

Absence of direct surface transportation routes has been a major handicap in further developing economic and trade ties between India and Central Asia. The recent steps taken by Kazakhstan, Turkmenistan and Russia to increase road and rail connectivity could be linked to further development of the International North South Transport Corridor. At the same time, air connectivity could be used to overcome this impediment; after all, several Central Asian capitals are closer to Delhi than Delhi is to certain Indian cities. The existing flights connections from Almaty, Ashgabat and Tashkent have potential for expansion in terms of capacities and frequency. The tourist flow and movement of people would also benefit from this development. I would therefore urge Indian air carriers to come forward and evaluate the feasibility of starting flights from India to these destinations and back. Depending on their assessment, the Government would be willing to look at ways of addressing any viability gap.

Excellencies, Distinguished Guests,

Regional organizations play a significant role in creating a conducive atmosphere for growth and development and strengthening cooperation

among countries. With Afghanistan's membership of SAARC last year, Central Asia and SAARC are now contiguous neighbours. This provides a further basis for closer regional cooperation. Some of the natural corollaries could be development of regional transportation networks, easing the movement of people and goods, and broadening the ambit of developmental projects and activities. As an Observer, India is awaiting finalization of guidelines by the Shanghai Cooperation Organization to enable more active and meaningful participation in SCO bodies and activities. Meanwhile, we look forward to identifying measures jointly with the Central Asian countries, so that connectivity can be enhanced.

Peace, stability and security in the region are of cardinal importance to all of us. India and the Central Asian countries are pluralistic societies endeavouring to accommodate the aspirations of diverse groups into a common national thread. Tolerance and mutual respect are the hallmarks of our shared cultures, traditions and heritage. The evils of terrorism, radicalism and narco-trafficking pose a serious threat to our social fabric and economic development efforts. Bilateral instruments such as Working Groups on terrorism should be made more pragmatic and effective by becoming a tool for exchange of concrete information and experiences. We should also look at regional structures to collectively address these challenges and promote our security interests. In this regard, interactions between regional organizations in South and Central Asia could make a fruitful contribution.

In conclusion, let me reiterate my appreciation at this very important initiative that has been taken. Let me also thank the organizers and participants for their contributions to the Conference and convey my best wishes for successful deliberations over the next two days. I hope that the Conference would outline and evaluate mutually beneficial opportunities between India and Central Asian states. The Conference could also aim at bringing out specific recommendations which could be circulated to governments, businesses, scholars and specialists. I look forward to receiving these recommendations.

Thank You.



424. Address by Minister of State E. Ahamed at the 20th Summit of the League of Arab States.

Damascus, March 30, 2008.

Your Excellency, President Bashar Al Assad

Your Majesties, Highness and Excellencies,

Your Excellency Dr. Amre Moussa, Secretary General of the Arab League,

Ladies and Gentlemen,

1. It is a great pleasure and honour to attend the 20th Summit of the League of Arab States in Damascus. On this occasion, I convey warm greetings from the people and leadership of India to the member states of the Arab League and the brotherly Arab people. I would like to express gratitude to H.E. Dr. Amre Moussa, Secretary General of the Arab League and to the Syrian Arab Republic and the members of the League of Arab States for inviting India to this august Conference. I warmly recall my leading the Indian delegation to the 19th Summit in Riyadh. We value this invitation as we have warm and cordial relations with all member states of the Arab League and the Arab League itself. I wish to assure the distinguished congregation that my government is committed to strengthen and diversify cooperation with Arab countries.
2. Relations between India and the Arab world are unique, resting on a civilization and historical foundation, characterized by people to people contacts and socio-economic exchanges for thousands of years. These age-old interactions have enriched our language and literature, culture and customs and art and architecture. India and the Arab world have been cradles of great civilizations of mankind, sharing a quest for knowledge, scholarship and scientific spirit that have left their indelible imprint on human accomplishments over the centuries. In this voyage, India and the Arab world have recognized the importance of the spirit of accommodation among peoples, in their quest for prosperity and peace. The road to progress is full of challenges that test the human spirit.
3. I take this opportunity to reiterate India's consistent and unwavering support for the just cause of the Palestinian people, whose struggle

for six decades has indeed been a very long one. India's solidarity with the Palestinian people was given voice during our own freedom struggle. In the early years of independent India, this policy was consolidated under the leadership of our first Prime Minister Jawahar Nehru. India's empathy with the Palestinian cause and its friendship with the people of Palestine is an integral part of its time-tested foreign policy.

4. India believes that a just, comprehensive and lasting peace in the region can be achieved through negotiations and dialogue so that a sovereign, independent, viable State of Palestine living side by side within secured borders and in harmony with all its neighbors through a negotiated solution to the conflict and in keeping with relevant UN resolutions. India believes that there is no military solution to the problems in West Asia. We have repeatedly called for all parties in West Asia to fully cooperate with the international community in its efforts aimed at achieving lasting peace.
5. At the International Donors' Conference for Palestine in Paris on 17th December last year, India pledged US\$ 5 million for development projects for further strengthening of Palestinian institutions and has committed to provide training to 400 Palestinian officials under the ITEC programme over the next two years. We reaffirm our commitment at the Donors' Conference to assist in the human capacity building and infrastructure development of Palestine. Till date, India has extended assistance to the tune of US\$ 27 million to Palestine, in the form of humanitarian aid and for development of its institutions.
6. The entire world is a witness to the manner in which the border restrictions, economic sanctions and a restrictive regime have brought the Palestinian economy to the verge of a collapse. We have viewed with alarm the continuous vicious circle of attacks, reprisal and counter-attacks, the worsening humanitarian and security situation in Gaza, as well as the continued violence inflicted on innocent citizens.
7. Over the decades, a multi-faceted framework of cooperation has emerged between India and the Arab countries encompassing political, economic, cultural and security areas based on shared interests and concerns for peace and stability in the region and for prosperity of its people. The Arab world has always figured very

high in India's foreign policy priorities. In modern times, traditional bonds have further strengthened and diversified, as our ties have steadily developed. In due course, the Arab world has become our primary source of energy, a growing market for our goods, an important destination for our investment, and a region that provides livelihood to millions of Indians working in the region. India considers the Arab world, a part of its strategic neighbourhood. Arab world is the only region for which the Government of India has appointed a Special Envoy.

8. India has always shown its willingness to share with Arab brethren its experience and expertise in institution and capacity building, governance, science and technology including Information Technology and biotechnology, healthcare and higher education. Indians have shared the growing prosperity of the Arab countries. India has made significant advances in educational, economic and technological fronts. In this context, we look forward to increasing investment from the Arab world in India's infrastructure development which offers a vast array of opportunities. We want to share the benefits of the success achieved so far with all our Arab friends.
9. India desires to strengthen cooperation to opportunities where we can share our capacities in human resource development including training of our Arab friends across the entire spectrum of potentialities that exists. We wish to work together to enable and ensure a framework for future generations to consolidate our ties in emerging sectors of the economy. The Arab world has the capital, while India has the opportunities, especially for the development of infrastructure. The more the long-term linkages that India and the Arab world develop, the greater our mutual stakes and interests in each other's success and prosperity.
10. In conclusion, I would like to convey our gratitude to the Government of the Syrian Arab Republic for the gracious hospitality extended to the members of my delegation. On behalf of the people of India and their leadership, I convey our good wishes for the success of the Summit.



**425. Speech by External Affairs Minister Pranab Mukherjee
at the India - Arab Investment Projects Conclave.**

New Delhi, April 18, 2008.

I am happy to have this opportunity of inaugurating the Arab - India Conclave. This is a laudable effort by FICCI, one of India's oldest industry bodies and I congratulate it for taking the initiative. I also take this opportunity to extend a very warm welcome to all the delegates and wish them productive participation in this two-day conclave.

I wish to extend a special welcome to our friends from the Arab world, whose association with India through commerce spans many centuries of our common history. The Silk Route between Asia and the Middle East was, until the 13th century, among the world's most important trade routes. Trade and investment between these regions have again assumed great importance in the modern era. Today, it is up to governments and the private sector to work as partners in both India and the Arab countries and create a more responsive investment climate that will allow this new Silk Route to achieve its full potential.

This Conclave is aimed at businesspersons and potential investors keen on establishing or expanding their existing projects through enhanced financial, technical and managerial participation in India and the Arab countries. It is also reflective of the desire of Indian industry to engage and increase its involvement in its extended neighbourhood. Today, there are enormous opportunities for profitable ventures in areas as diverse as IT, telecom, auto parts, healthcare, biotech, etc. There is also great potential in areas such as food-processing, education, manufacturing, construction and banking services.

In my view, however, the most important opening for the future is the chance for investible capital on one side to combine virtuously with capacity and experience on the other side. The increased availability of financial resources and investment opportunities at both ends of the new Silk Route is there for all to see. It is now for all of us to devise and help build a modern and strong bridge over the Arabian Sea by enabling the flow of resources and expertise between the two ends. This is especially relevant because one area where India has developed considerable expertise is capacity building, which we would like to share with our Arab friends.

Ladies and Gentlemen,

Let me underline for you three of the most important macro-economic challenges facing India. The first and possibly most important, is enhancing agricultural productivity. Increasing yields and productivity through appropriate technological inputs is our primary aim. This would entail creation of better infrastructure in irrigation facilities, improved quality of seeds, improved farm practices in post-harvest management, including cold chains, etc. We also need to tap the potential available in the agro-based food processing sector, for which enough scope exists through public-private partnerships. While the achievement of food security in the last five decades remains one of our greatest success stories, we are not immune to occasional global imbalances, especially of the kind that we are seeing at the moment.

Our second major challenge, which is almost inextricably linked to the first, is guaranteeing our energy security. India has to depend, to a large extent, on imported fuels for meeting its energy needs. Our energy needs will grow in keeping with our projected growth. High oil prices, now averaging more than 100 dollars a barrel, are a drag on our resources that could otherwise have gone for more productive purposes. We are conscious of these challenges and are exploring avenues for bilateral as well as multilateral cooperation with source countries. Our aim is to enter into long term arrangements for guaranteed supply of energy. We are simultaneously making efforts in the area of renewable energy and new technologies. Civil nuclear cooperation with various countries will also help in the achievement of our energy security objectives.

Thirdly, India is a country of young people. For many years to come, India will be one of the important contributors to the available global workforce. However, in order to sustain this, we need to invest in our people, in their education and in their skill-building.

Ladies and Gentlemen,

For meeting all these challenges, India needs capital. Our guests from the Arab world would be aware that many of the countries they come from are not only flush with funds, but also have massive capacity to invest in the infrastructure needs of India. I am happy to convey that a delegation headed by the Deputy Chairman of the Planning Commission is visiting Saudi Arabia in early May to begin discussions on these ideas. Earlier, an official delegation had gone to Oman to discuss prospects for the creation of a bilateral fund to finance infrastructure projects. All these efforts are part of

an approach to encourage investment from capital rich countries for infrastructure projects in India.

In this context, it is also noteworthy that like India, many Arab countries too are about to reap the talent and energy dividend of a young population whose needs for employment have to be met. Here, the respective capacities and capabilities of India and the Arab countries can prove perfectly complementary. Large projects in infrastructure or in the education and training sector can be the perfect vehicles for absorbing the budding talent of our respective young work-forces.

It is also pertinent to mention here that more than 4.5 million Indian nationals are working in the Arab countries in harmony with the local environment. Their contributions to their host countries through their skills and to India through remittances are remarkable. More importantly, they possess a wealth of experience in infrastructure construction projects which is invaluable. Monetary remittances are a tangible asset, but equally important, if not more, is the value of skills acquired through experience at work.

I am emphasizing these points because, to a large extent, our growth will depend on how we handle investments in infrastructure and remove bottlenecks. It is estimated that infrastructure alone will require an investment of more than 500 billion dollars in the next five years. We are on track to take speedy and faster decisions regarding investments in infrastructure such as rail, ports, airports, transport corridors, shipping, telecom, to name a few. Foreign Direct Investment has to increase substantially in these sectors to complement domestic investments. Given the opportunities available today, our friends from the Arab countries have a broad menu of sectors to choose from. An expansion of the investment footprint of Arab countries in India is long overdue and would be most warmly welcomed by government and business alike.

Friends, we have to take the first steps confidently, yet with care. Standing here, I see many familiar faces who are used to taking business decisions in an environment of uncertainty and have tasted success too. I take this opportunity to assure you that the reform process, which is approaching the end of its second decade, has now matured. The growth story of India and the achievements posted thus far provide us an opportunity to think ahead for an inclusive process that takes into account the needs and wants of all sections of the population, to enable us to lift more and more people from below the poverty line. It is a task that can be and has to be done by

public-private partnership. I look ahead with the confidence that India and the Arab world can work closely together for a brighter future for our following generations.

I wish the India - Arab Business Conclave successful deliberations and all success in its endeavours.

Thank you.



426. Speech by External Affairs Minister Pranab Mukherjee at the Emirates Centre for Strategic Studies and Research(ECSSR) on "India's Foreign Policy and India-Gulf Relations: Meeting the Challenges of the 21st Century".

Abu Dhabi, May 12, 2008.

It is an honour for me to address this august gathering at the Emirates Centre for Strategic Studies and Research. This institution has acquired a well-deserved reputation as a centre for foreign affairs research and as a podium for the expression of important ideas relevant to contemporary times. I am grateful to Dr. Jamal Al-Suwaidi, Director General, for providing me with this opportunity to share some of my perceptions pertaining to our contemporary environment. These perceptions guide India as it shapes its foreign policy and its ties with this important region - the Gulf.

India's ties with the Gulf go back many centuries: every area of the Arabian Peninsula continues to yield evidence of this intimate relationship. Every year, archeologists and scholars unearth new findings from the soil and from ancient manuscripts. This relationship was so comprehensive that it encompassed every aspect of human life - commercial, intellectual, religious, social and cultural. Indeed, our cultures were enriched by these interactions over the centuries. Today, if we feel a natural affinity for each other, it is because these ties were given shape and content by our ancestors over several centuries.

At the same time, relations between India and the Gulf have remained substantial and vibrant because they were constantly reviewed, and, where necessary, re-invented, so that they always remained relevant to their times.

In ancient times, Indian goods traversed across the Indian Ocean and then across land routes of the Arabian Peninsula to markets in Greece and Rome. Peninsular India had very substantial links with the Arabian Peninsula from pre-Islamic times. Hence, after the advent of Islam, interaction between these two regions continued seamlessly. The impact of the new religion which had taken birth in Hijaz came to be felt in Malabar soon after the divine message was revealed to the Holy Prophet, and a number of Indians became adherents of Islam on the basis of the influence and piety of Arab traders and teachers.

Indian pilgrims, over the last 1400 years, bravely crossed the seas in obedience to the call of the Almighty and performed Haj every year in their thousands. In due course, India came to meet most of the needs of this region - food and clothing, as also items of comfort and luxury such as silks, muslin and gold jewellery. It is interesting to note that the principal items exported from India to this region have not changed over the last several centuries: basmati rice, textiles and jewellery continue to constitute an important part of our exports to the Gulf!

The advent of the "oil boom" from the early 1970s qualitatively transformed our relationship. Now, as the countries of the Gulf embarked on massive programmes for the development of their infrastructure, including their hydrocarbon industries, India was in a position to meet their need for human resources.

It would not be an exaggeration to say that for the last 35 years, India has been a reliable source that has been drawn upon by the Gulf countries to meet their requirements of professionals, technicians and labour. It is a matter of pride for us that Indians are associated with most projects undertaken in the Gulf, as contractors, sub-contractors and as contributors of human resources.

Again, in recent years, the profile of the Indian community has changed in accordance with the changing needs of the Gulf. As the Gulf economies move slowly towards the development of the services sector, more and more Indian professionals have begun to come to the Gulf: 20 years ago, the Indian community was blue collar to the extent of 85-90 per cent, with a negligible percentage of professionals; today, it is only 65% blue collar, with 15-20% being professionals.

Before we identify the contours of the new ties between us that would be relevant for this century, let me briefly touch on the principal challenges before us. As I see it, the world today is characterized by two robust but contradictory trends. The first is the trend towards globalization where national boundaries are becoming less relevant in the wake of the movement of technology, finance, information and personnel. However, this scenario of a world without borders, at times referred to as a "global village", is challenged by the other trend, which is the tendency to reject globalization and to assert respective identities and interests.

This is not surprising. Today, the fruits of globalization tend to be enjoyed by those with the appropriate technological and educational tools and training. In this scenario, millions of those who are not similarly endowed and are thus excluded from the fruits of globalization tend to respond by mobilizing support from other similarly excluded groups. The result is resistance to the new global order, at times peacefully, at other times violently. When such a dichotomy occurs within the boundaries of one nation, it cannot but be a matter of concern for policy makers and government leaders.

How are we to cope with these challenges of inequity, both within our national borders and in the world order itself? There are no simple answers to this question, no facile remedies. But I would like to share with you some thoughts I have on this complex subject.

The obvious need, as far as developing countries are concerned, is to pursue the path of high growth rates, with active programmes to address the needs of those at the bottom of the economic ladder. After several years of modest annual growth, India has now entered the era of high growth rates, over 8 per cent per annum across the board, and between 9-12 per cent per annum in certain sectors, particularly the services sector. The impact of these growth rates is quite visible: today, we have a substantial middle class that, in terms of achievement - technological, managerial and financial - is able to hold its own with the best in developed societies. We have also been able to address the problem of poverty substantially. Many more people than before are today able to experience a palpable improvement in terms of food consumed and other aspects of daily life that enhance human dignity.

At the same time, I would not like to play down the problems we still face in India. Despite our successes in poverty reduction, far too many people still

remain in dire economic straits. Hence, the principal challenge before us is to ensure that we maintain high economic growth rates every year for the coming 15-20 years, so that we can bring prosperity to the masses at large.

Two of the most important pre-requisites in this regard for us are energy security and development of infrastructure. India needs \$500 billion in resources to meet specific targets in infrastructure development set out in our 11th Five Year Plan. We also need to expand electric power production six to seven times between now and 2032. Both these challenges, call for a robust national effort to obtain the resources required to meet these targets. It is here that I see the foundations of India's new terms of engagement with the Gulf region.

As a result of high oil prices and prudent fiscal policies, the countries of the GCC have generated extraordinary investible surpluses. More importantly, they are today looking beyond their traditional partners in the West: in fact, the "Look-East" policy is important to all the GCC countries. I am happy to note that all of them see India as an important partner in this regard. Hence, I personally believe that investments will constitute a new, abiding and mutually beneficial area in our ties for the foreseeable future.

The other area of energy cooperation is more familiar to us. For several years, India has obtained the bulk of its oil requirements from the Gulf. Given the Gulf's vast oil reserves and our geographical proximity, I am confident that India and the Gulf will remain long-term partners in the energy sector. However, the challenge before us is to transform the present buyer-seller relationship into something more substantial and enduring. I am referring here to the need for cross investments in each other's energy sectors. Indian companies could participate in exploration and development projects in the Gulf, while Gulf companies could invest in India's downstream and petro-chemical sectors. Both of us also recognize the need for trained personnel in the hydrocarbon sector. Thus, we can collaborate in the development of educational and training institutions, not only covering the technological aspects of the industry, but also related areas such as health, safety and environment sensitivity.

Trade in goods and services between India and the Gulf is expanding rapidly. The export of foodstuff constitutes an important part of India's export basket. Today, we are a reliable supplier of food products to the Gulf countries and this will only expand in keeping with the expansion of Indian agriculture. I thus see India's requirement for energy security and that of

the GCC countries for food security as opportunities that can be leveraged to mutual advantage. In order to strengthen bilateral economic ties, we have now in place institutional arrangements with individual GCC countries and with the GCC as a whole to hold periodic interactions. These should now be made more focused and result oriented.

Ladies and Gentlemen,

I have sketched out some of the broad challenges that the global community faces and the areas that I believe will bind India and the Gulf in the coming years. However, even as we focus on the positive and substantial aspects of our relationship, we cannot ignore the fact that the regional environment within which we are giving shape to our relations is disorderly, insecure and extremely uncertain.

The issue of Palestine is a matter of abiding concern. Even as Israel celebrates the sixtieth anniversary of its Statehood, the rights of the Palestinian people remain to be achieved. This situation cannot be allowed to continue: not only does it cause deep harm to the people of Israel and Palestine, it also has a negative resonance across the region.

India continues to extend its full support to the Palestinian people in realizing their aspirations for a sovereign, independent, viable and united state living side by side at peace with the state of Israel. I believe that the reasonable and pragmatic "Arab Peace Plan", which incorporates the collective wisdom of the Arab leadership, provides a valid basis to address the issue of Palestine, balancing Israel's need for security with the just aspirations of the Palestinian people for statehood.

The other area of concern for us is Iraq, with which India has civilisational ties. We are pained by the continuous violence and instability afflicting Iraq. We wish to see the Iraqi people freely determine their political future and exercise control over their natural resources. We believe the UN has a crucial role to play in the process of political and economic reconstruction of Iraq. The international community, especially Iraq's neighbours and the P-5 countries, should help in finding a political solution to the on-going violence and sectarian strife in Iraq. The US-Iran-Iraq talks are also important in this context and must seriously address these problems. A political process that brings together the different factions in the country and upholds the sovereignty and territorial integrity of this nation is of utmost urgency. India has conveyed its willingness to continue its assistance for

the reconstruction of Iraq in all fields, both bilaterally and through multilateral efforts.

I would now like to say a few words about Iran. President Ahmedinejad visited New Delhi a few weeks ago. This visit reflected our traditionally close relations. We see Iran as a major economic partner, particularly in the area of energy security. Again, taking into account its geographical location, its heritage and its natural resources, it is a significant role-player in regional and world affairs. I believe that engagement with Iran is important. Such engagement can play an effective role in promoting peace and stability in West Asia, particularly in Iraq and Palestine as also in Syria and Lebanon, while supporting the regional and global effort in combating extremism and terrorism. In this regard, I must mention that Iran plays an important role in Afghanistan. The international effort underway there would also benefit from greater engagement with Iran.

There have been, in recent years, some concerns pertaining to Iran's nuclear programme. Our position in this regard is clear: we fully support Iran's attempts to develop its knowledge-base pertaining to the harnessing of nuclear energy for peaceful purposes. However, it has to, in accordance with its own international commitments and obligations, satisfy the international community that its programme is indeed peaceful. In this regard, we believe that the most effective platform to address this matter is the IAEA, and we strongly support the need for continued dialogue between IAEA and Iran, without the accompanying cacophony of recrimination and threats of violence.

I am sure many of you have a deep interest in India's relations with Pakistan. In recent years, India has pursued a policy of positive and substantial engagement with Pakistan. We wish to address issues that have affected our ties over the last several years. We also wish to make progress in areas such as enhancement of physical connectivity and upgradation of economic ties. Through the medium of the composite dialogue, we have addressed a number of serious issues of bilateral interest and I am happy to report that we have made considerable progress in regard to most of them.

While developments in Pakistan over the last one year did slow down the process of bilateral interaction, the overall atmosphere remained positive. We welcome the revival of the democratic process in Pakistan and remain confident that we will be able to pursue the bilateral process of consultation and dialogue and continue to make progress in addressing various issues.

We do, nevertheless, remain deeply concerned about the strength of extremist elements in Pakistan who are not only a source of danger to neighbouring countries such as India and Afghanistan, but are also capable of severely wounding the body politic of Pakistan itself. With their intolerant and extremist mindset and propensity to terror, such forces, unless countered resolutely, could become a source of grave instability in our region.

Ladies and Gentlemen:

India has been a victim of extremist terror for nearly 25 years. We have seen at first hand how societies on the path of progress are torn apart by violence that divides traditionally fraternal groups and encourages hate and intolerance.

Just as we need a robust regional and global effort to pursue our positive and constructive programme of energy security and economic development, so also do we need a similar regional and global effort to combat the scourge of extremism and terrorism. India extends its hand of support and cooperation to the countries of the Gulf and calls upon them to set up vibrant partnerships with us to combat terrorism and also to take up the cause of development. We need to look collectively at the common regional challenges we face - political, economic, social and discuss these issues and find solutions together.

Before I conclude, I would like to say a few words about India's ties with the UAE. India has watched with deep admiration the strengthening of nationhood within a federal structure, which makes the UAE a unique political entity in West Asia. This achievement is entirely due to the wisdom of the founding fathers of the nation, His Highness Shaikh Zayed bin Sultan Al Nahyan, the former President of the UAE and the Ruler of Abu Dhabi, and Sheikh Rashid bin Saeed Al Maktoum, the former Prime Minister and the Ruler of Dubai. Having forged national unity, these two outstanding leaders of our times have put their country on the path of economic, social and cultural progress.

India is proud to have participated in this extraordinary developmental effort that has placed the UAE in the vanguard of nations in terms of its economic achievement. I am delighted to see that Dubai is now positioning itself to emerge as a global services provider, while Abu Dhabi is already a major source of investment on the global scene. Indeed, the UAE's energy resources and investible funds make it a natural partner for India, which is

seeking precisely these resources to sustain her high growth rates. In turn, we see ourselves as partners in the development of the UAE's services sector and the knowledge-based economy, which we will continue to support through our technological, financial and human resources.

Our bilateral relations have been strengthened by regular high level interaction. We were privileged last year to host His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, and His Highness Sheikh Abdullah bin Zayed Al Nahyan, Foreign Minister of the UAE, who led the UAE delegation for the India-UAE Joint Commission that was revived after 13 years. We are committed to expanding our ties and cooperating in ensuring the peace and prosperity of West Asia as a whole. In this regard, I am happy with the regular consultations that we have on issues of common interest and the steady expansion of our political and economic ties. The interactions between our security and defence personnel and the visits of our naval ships have added a new dimension to our relationship.

Ladies and Gentlemen:

I hope my remarks today have helped clarify certain aspects of how India sees the future of its relationship with this region. For us, this is a relationship to which we accord the highest importance and we remain committed to expanding its frontiers. My visit here today is only one in a series of high level exchanges that have marked our ties. I am confident that, in the coming years, our relationship will continue to grow from strength to strength.

With these words, I thank you once again for this opportunity and for your patience.

Thank you.



427. Briefing points by Official Spokesperson on meeting of the Consultative Committee of the Parliament on External Affairs on Central Asian countries.

New Delhi, November 19, 2008.

- On 19 November 2008, the External Affairs Minister met the Consultative Committee of the Parliament on External Affairs and briefed the Committee Members on India's relations with the Central Asian countries - Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan.
- The External Affairs Minister underlined the geographical proximity of the region located in our extended neighbourhood and emphasized the friendly and mature nature of mutually beneficial relations of India with each of the five Central Asian countries. He explained the regular exchange of high-level visits with the region starting from the period of the formation of the Central Asian countries in 1991. In particular, he mentioned that India was chosen as the first country for foreign visits by President Islam Karimov of Uzbekistan and President Nursultan Nazarbayev of Kazakhstan in 1992. Our Hon'ble Vice President has visited Turkmenistan and Kazakhstan in this year and the Deputy Prime Minister of Turkmenistan and Foreign Minister of the Kyrgyz Republic have traveled to India in 2008.
- India has institutionalized its relations with the Central Asian countries through bilateral mechanisms of Inter-Governmental Commissions, Foreign Office Consultations and Joint Working Groups in areas of mutual interest. These forums have been meeting regularly and have effectively steered our bilateral relations in specific areas. The External Affairs Minister referred to the Inter-Governmental Commission Meeting with Tajikistan taking place under the co-chairmanship of the Commerce Secretary on 19-20 November 2008 in New Delhi.
- Referring to steady political and economic development in India and the five Central Asian countries over the years, the External Affairs Minister noted that the trade figures were modest. The Minister mentioned the constraint of direct surface transportation routes between India and the region. He noted that the Government encouraged our private enterprises to adopt innovative approaches

for greater trade and investment with the region. He mentioned the impressive performance of Indian pharmaceutical products in the Central Asian countries. He also spoke about investments by Indian companies in Central Asia, particularly investment of US\$ 80 million by Spentex Group in the textile sector in Uzbekistan and US\$ 200 million by Ratteria Group in metal and mineral mining in the Kyrgyz Republic. He also mentioned that presence of Punj Lloyd in the field of oil and gas infrastructure and Indian IT companies - TCS, NIIT, APTECH and 3i-Infotech - in Kazakhstan.

- The External Affairs Minister mentioned the lines of credit extended by Government of India to all Central Asian countries and their mixed results. Taking into account the debt burden, India had written off two lines of credits to Tajikistan and Kyrgyz Republic. Government of India has undertaken some small scale projects in the region at its cost - food processing projects and IT centres in Tajikistan, Uzbekistan and Kyrgyz Republic. India is going to establish an IT centre in Turkmenistan and has started work on renovating and uprating a mini hydropower plant 'Varzob' in Tajikistan at an estimated cost of Rs. 75 crores. During natural disasters, India has extended humanitarian assistance to Tajikistan and Kyrgyz Republic.
- The Minister mentioned about the synergies in the hydrocarbon sector and bilateral efforts with these countries to pursue them. He mentioned that India had signed Framework Agreements in the field of oil and gas exploration and production with Kazakhstan, Uzbekistan and Turkmenistan and Indian companies are engaged with their counterparts there. He referred to an India-CIS Roundtable on Hydrocarbons scheduled next week (25-26 November 2008) in New Delhi. The Minister pointed out possibilities for cooperation in other mineral resources, including uranium, particularly after the NSG's recent decision on international civil nuclear cooperation with India.
- The External Affairs Minister noted India's efforts to contribute to human resource development in the Central Asian countries, particularly through training facilities funded by India under the Indian Technical and Economic Cooperation (ITEC) programme. He also mentioned the Government's support for academic exchanges, seminars, exhibitions and workshops between India and the countries of the region. Indian cultural centres based in Tashkent, Astana and

Dushanbe have been promoting cultural ties and these efforts have been well-received there.

- He noted considerable commonalities between India and the countries of the region in terms of pluralistic and multi-ethnic societies sharing similar concerns and perceptions. India has Joint Working Group on Counter Terrorism with Uzbekistan, Kazakhstan and Tajikistan. The Minister also mentioned growing defence cooperation with the Central Asian countries, particularly in the field of training.
- There are considerable convergence of views between India and the countries of the region on international issues, including international peace, security, sustainable development and terrorism. The Minister mentioned the Shanghai Cooperation Organisation (SCO) with Kazakhstan, Kyrgyz Republic, Tajikistan and Uzbekistan as members and India as an Observer State. India has participated in all Heads of State and Heads of Government meetings of the SCO since becoming an Observer in 2005. At the last SCO Heads of State Meeting in Dushanbe in August 2008, the SCO had decided to enhance the engagement and participation of Observer States in its work. India has been supportive of Kazakhstan's initiative of a Conference on Interactions and Confidence building measures in Asia (CICA).



428. Briefing by Secretary (East) in the Ministry of External Affairs N. Ravi on India-Arab Forum on Cultural Partnership.

New Delhi, November 20, 2008.

Official Spokesperson (Shri Vishnu Prakash): Good evening.

Secretary (East), Mr. N. Ravi is here to brief you about the India-Arab Forum on Cultural Partnership which is taking place in association with FICCI. To Secretary (East)'s right is JS (WANA) Mr. Tripathi; and to my left is JS (Gulf) Mr. Manickam. After the briefing, Secretary (East) will take a few questions. Thank you.

Secretary (East) (Shri N. Ravi): Good evening to all of you.

As just now mentioned, we are having the second part of the India-Arab Forum Partnership through business cooperation and now partnership through cultural cooperation. The Business Cooperation event was conducted in Delhi in April this year. We are now going to have the India-Arab Forum Partnership through Culture starting 2nd December, and till 7th of December it will be held in New Delhi.

Most of you are aware that India's trading links with the Arab world are as old as time, and these interactions over a period of time have really contributed immensely to our understanding of each other's culture, growth and development of economies. In countries like Oman we have people who have settled there, and who still have connections with Gujarat, for the last five to six or even seven generations in some cases. Over a period of time this link has translated itself in different areas, whether we import energy from there or we have, shall we say, employment of more than 4.5 million Indians across all Arab countries.

The Federation of Indian Chambers of Commerce and Industry in association with the Ministry will be organizing this Forum in Delhi. The six-day event will actually be inaugurated by His Excellency the Minister of External Affairs Mr. Pranab Mukherjee and His Excellency Dr. Amr Moussa, Secretary-General of the League of Arab States. The inauguration will take place on the 2nd of December at the FICCI Auditorium here in Delhi.

There are certain elements of the programme. The inauguration would be on the 2nd followed by a Seminar on India-Arab Relations on 2nd and 3rd December at the Indian Council for World Affairs in Sapru House. Then

there is also an Arab painting exhibition from 3rd to 7th December at the Indira Gandhi National Centre for the Arts. Then there is an Arab film festival; there are cultural performances; there is an Arab handicrafts fair. All these will take place in the FICCI Auditorium and in the FICCI lawns during this period between 3rd and 7th of December.

The Closing Ceremony is on the 7th. At the Opening Ceremony there will be a kind of a cultural performance on the evening of the 2nd where we expect a performance by the Cairo Opera House Modern Dance Theatre. That would be taking place on the 2nd evening.

In terms of participation from the Arab side we have the Culture Ministers from Oman, Palestine, Morocco, Egypt and certain other countries whom we are awaiting some confirmations. As soon as they come in you will have the information.

This Cultural Partnership, as I said in the beginning, marks the second part of the interaction which started with the business interaction in which, if my memory serves me right, about 200 business interactions were organized and up to 100 million dollars worth of proposals were discussed. Some of them have really fructified in the area of real estate, and some in the area of component manufacture. The details I do not have but I am sure FICCI would be able to help you in this.

In this Forum, we are having about 12 Arab countries taking part in different areas whether it is music or art or dance. About 200 artistes from the Arab world would be in Delhi over a period of about four days. We are going to screen award-winning Arab films during this period. A little over 100 pieces of art by modern Arab painters and sculptors would be exhibited at the IGNCA.

Overall, we hope that this would really bring the essential facet of our historical links back into the forefront in the modern era to bring our relations even closer.

Thank you.

Official Spokesperson: Questions please.

Question: Why did it take so long to organize a thing like this?

Official Spokesperson: It takes time to organize such an event. The business programme was organized much earlier because it was easier to establish

links. To collect people across different art forms it takes a little time. So, we have now come down to the end of the year. It is as simple as that.

Question: It has already been talked about that India wants, if nothing else yesterday the Navy Chief said, that all the Navies of different countries who are in the Gulf area to come together under the UN flag to work against piracy. Has India approached the UN for any effort on this matter? What is the procedure in this? When is this going to happen?

Secretary (East): The UN proposal is I think still in the making. The final shape is not yet known. The countries concerned are still examining the shape. But as we wait, there are two Resolutions of the UN Security Council - 1816 and 1838 - which actually directly relate to this issue of piracy. The UN Security Council Resolution 1816 of 2nd June 2008 allows States cooperating with the Government, meaning the Transitional Federal Government of Somalia, for a period of six months to enter Somalia's territorial waters and use all necessary means to repress acts of piracy and armed robbery at sea in a manner consistent with international law. The Resolution which succeeded this, 1838, seeks repressive action in a manner consistent with the United Nations Convention on Law of the Sea. So, under the UN Security Council Resolution 1816, the Government of India has conveyed through the Permanent Representative of Somalia in New York to the President of the Security Council our desire to use all necessary means to repress acts of piracy and armed robbery at sea. As far as the incident of yesterday is concerned, the Indian boat took retaliatory action because they were fired at. After I think giving reasonable warning they retaliated and the result was that one of the so-called mother ships apparently sank, but it is still a report. So, effectively there are already two Resolutions of the United Nations which permit all countries to take recourse to a particular method by which they can deal with this problem. So, the new UN, shall we say, proposal is still under consideration of different countries. So, something concrete will emerge only after everybody has consulted with each other.

Official Spokesperson: Thank you.



429. Press Release of the Ministry of External Affairs on the visit of the Secretary General of the League of Arab States Dr. Amre Moussa.

New Delhi, December 2, 2008.

At the invitation of the Hon'ble External Affairs Minister, Shri Pranab Mukherjee, the Secretary General of the League of Arab States, H.E. Dr. Amre Moussa, paid an official visit to India from 30 November to 2 December 2008.

During his visit, the Secretary General called on Hon'ble Vice President, Shri Mohammed Hamid Ansari, and on the Hon'ble Prime Minister, Dr. Manmohan Singh. His Excellency Dr. Amre Moussa also called on Hon'ble Speaker, Lok Sabha.

The Secretary General and Hon'ble External Affairs Minister jointly inaugurated the 'India-Arab Forum: Partnership Through Culture' at the Federation of Indian Chambers of Commerce & Industry on 2 December 2008.

Hon'ble External Affairs Minister held delegation level talks with His Excellency, Dr. Amre Moussa, following which a 'Memorandum of Cooperation between the Republic of India and the League of Arab States on the Establishment of the India-Arab Forum' was signed.

Hon'ble Minister of State for External Affairs, Shri E. Ahamed, called on the Secretary General.



430. Address by External Affairs Minister Pranab Mukherjee at the inauguration of the Indo-Arab Forum: Partnership for Culture.

New Delhi, December 2, 2008.

Your Excellency, Mr. Amre Moussa, Secretary General of the Arab League,

Excellencies, Ministers of Culture

Excellencies,

Ladies and Gentlemen

It is a matter of great honour for me to address this gathering on such a landmark event in India-Arab relations. Let me first welcome His Excellency Mr. Amre Moussa. I also deeply appreciate that several Arab countries including Syria, Sudan, Yemen, Oman, Morocco, and Egypt are being represented in the India-Arab Forum at Ministerial or Deputy Ministerial-level, though some of them have not been able to be physically present here today with us.

India's vibrant relations with the Arab world go back many centuries. It would not be an exaggeration to say that our relations are as old as time itself. The Indus Valley Civilization had vibrant links with the Mesopotamian and the Egyptian civilizations. We have ample archeological evidence for this. Archaeologists and historians are confirming the details of this relationship from excavations as well as from ancient manuscripts.

Our relationship was so comprehensive that it encompassed every aspect of human life; commercial, intellectual, religious, social and cultural. We always had a regular exchange of visitors between India and the Arab world. Queen Hachepsut of Egypt is said to have despatched a large expedition to India. The famous Saudi Arabia traveller Ibn Batuta travelled extensively in India and wrote interesting accounts in his "Rihla". The Sufi saint, Abdul Kadir Jeelani travelled to our northern province of Jammu and Kashmir and left his indelible imprint on the culture in the Kashmir valley. Dionysus was sent by Ptolemy Philadelpus to the Mauryan court, and left an account of India. The Mauryan emperors sent ambassadors to the Egyptian Courts. It is said also that the rulers of Syria had good relations with the rulers of India. Antiochus of Syria, maintained direct contacts with India in the 3rd Century B.C.

Even our folk tales are derived from a shared heritage. Tales of the Arabian Nights i.e. Alf Laila wa Laila, are as popular in India as they are in the Arab World. Similarly, Panchatantra tales from India have found a second home in the Arab World and find a presence in the Western world also as the Tales of Aesop.

In ancient times, Indian merchants traversed across the continents through the Arab World to the markets in Greece and Rome on the ancient Silk Road. Peninsular India had very substantial links with the Arabian peninsula from pre-Islamic times. After the advent of Islam, this interaction between these two regions continued seamlessly. The impact of the new religion which took birth in the Hijaz came to be felt in Southern and Western India. Indian pilgrims, over the last 1400 years, bravely crossed the seas to perform Haj every year in their thousands.

Since before independence, India has always stood by its friends in the Arab world in their quest for national independence, sovereignty, peaceful existence and development. India and the countries in the Arab World are living examples of South-South cooperation.

The Gulf region, with which India has traditionally enjoyed close historical links, is an important source of energy for India. At the same time, India has become an important source for providing human resources. As we speak, nearly 5 million Indians live in the Arab world and it is a matter of great satisfaction and pride for us that Indians have contributed significantly to the development of the countries which they rightly consider as their second home. Increasingly, the profile of the Indian community in this region is changing and today almost 20% of Indians are professionals. Bilateral trade between India and the countries in the Arab World has also increased significantly. India and the Arab world face common challenges and strive for similar goals and this underpins our cooperation in international fora.

India has always supported the Palestinian cause. There is much popular support for Palestine among the Indian people. Peace and stability in the region is of paramount importance to us. We are concerned about lack of progress in the peace process. India has constantly supported the quest of the Palestinian people for a homeland in line with United Nations Security Council Resolutions 242 and 338 calling for a negotiated solution resulting in a sovereign, independent, viable and united State of Palestine living within secure and recognized borders, side by side at peace with Israel. We have also called for an end to the expansion of Israeli settlements in occupied Palestinian territories and for an early and significant easing of restrictions on the free movement of persons and goods within Palestine such as we have witnessed in recent times in the Gaza strip.

The Arab peace initiative that we wholeheartedly support was a significant move. We feel that the Annapolis process needs to be taken forward. The end of the year, the target date for a settlement, is already upon us. There does not seem to have been much progress. We, however, remain convinced of the need for continued dialogue.

We remain concerned with the isolation of Gaza and the recent upsurge of violence there. We also remain concerned at the adverse effects of the closure of access points into the Strip on the prevailing humanitarian situation. There can be no justification for the denial of essential supplies including food and fuel to the civilian population of the Gaza Strip. Like any other people in the world, Palestinian people must also be given the right to live in a safe and dignified manner.

With the Arab League, we have been developing our relations in a structured manner. India and the Arab League signed an MOU institutionalizing the process of dialogue between the two sides in March 2002. Since then, I have met with Secretary General on several occasions at various fora. We have also had four rounds of formal talks in 2002, 2003, 2004 and in 2007. These interactions are extremely useful as these not only provide opportunity to us to revisit our relations but also to constantly review those in light of changing realities at the global and regional levels. Beginning with the Algiers Arab Summit in March 2005, India has been participating as an Observer at the Arab Summits. My colleague, Shri E Ahamed participated in the Summits held in Algiers, Khartoum, Riyadh and most recently in Damascus.

Today we are taking an important step in our relations with the launch of the India-Arab Cooperation Forum. We believe that this Forum will emerge as a mechanism to strengthen and diversify our relations in various fields including, culture, trade, energy and human resources. I am also happy that we have been able to organise a week-long cultural festival to coincide with this important occasion. I am overwhelmed by the enthusiastic response from our friends. The presence of Ministers of Cultures, Deputy Ministers, senior delegates and artistes from so many Arab countries is gratifying. I thank the Federation of Indian Chambers of Commerce and Industry for its role in organising this Forum. I am confident that the brick that we have laid today will be transformed into an edifice which does justice to our close and longstanding relations.

I thank you for giving me this opportunity to address you.



431. Memorandum of Co-operation between the Republic of India and the League of Arab States on the establishment of an Indian-Arab Co-operation Forum.

New Delhi, December 2, 2008.

Preamble

The Republic of India and the **Arab States**, represented by the League of Arab States, (hereinafter referred to as "the Parties"): -

Cognizant of the depth of historic, cultural and civilizational links between the Parties,

Expressing their satisfaction at the evolution of India-Arab relations in the recent past,

Believing in the strong foundation, great potential and wide-ranging prospect for India-Arab Co-operation,

Aspiring to open new horizons of co-operation in different areas,

Confirming the commitments of both Parties to international peace, security and sustainable development,

Emphasizing the significant contributions made by India in the Middle East Peace Process and consistently supporting the legitimate rights and aspirations of the Arab peoples, including the inalienable rights of the Palestinian people to establish an independent Palestinian State in conformity with the relevant United Nations and other international resolutions;

Reaffirming the positive efforts exerted by the League of Arab States in boosting Arab solidarity and cooperation and enhancing the economic well-being and social development of the Arab peoples;

Convinced of the importance of maintaining the continuity of interaction and further enhancing close consultations and co-ordination between the Parties,

Agree on the following Memorandum of Co-operation:

Article - 1

The Parties have decided to establish the Indian-Arab Co-operation Forum (IACF), as a framework for dialogue and co-operation between the Parties,

for strengthening the foundations of the India-Arab relations and diversifying India-Arab co-operation in all areas.

Article - 2

The IACF would be based on the following

1. Respect for the principles of the United Nations;
2. Commitment to achieving, preserving and enhancing international peace and security through dialogue and consultations;
3. Support for the efforts of the international community to re-activate North-South Dialogue as well as South-South Co-operation;
4. Respect for pluralism and values of different cultures and civilizations, as well as for the need to strengthen the dialogue among civilizations;
5. Further strengthening and enhancing India-Arab Cooperation in all areas based on an "Action Plan", to be mutually agreed upon herein; and,
6. Recognizing the participation by India in the League of Arab States Summits in accordance with the norms of the League of Arab States.

Article - 3

The IACF shall work inter alia, on the following

1. Extending support for all efforts towards establishing, preserving and enhancing international peace and security;
2. Exchanging views and holding consultations on the policies and stances on issues of mutual interest and concern;
3. Enabling the Parties to deepen the level of understanding at the people-to-people level;
4. Intensifying efforts aimed at achieving sustainable development;
5. Boosting and enhancing economic, commercial and financial co-operation between the Parties;
6. Encouraging and facilitating the establishment of joint ventures on both sides;
7. Intensifying co-operation in the fields of education, culture and human resource development;

8. Enhancing co-operation in scientific and technological fields including in areas of applied research, with special emphasis on sustainable development and development of renewable energy sources;
9. Encouraging cooperation in the field of Information and Communication Technologies including in the implementation of the outcome of “the World Summit on Information Society”;
10. Exchanging views and holding consultations on policies in international fora on environment protection and safeguarding each party’s cultural heritage; and
11. Exchanging views and holding consultations on other issues of common concern as may arise from time to time.

Action Plan for IACF

The two Parties :

- Convinced that the said Forum would achieve tangible results and offer positive contributions in consolidating and developing friendly ties between them,
- Taking into account the Memorandum of Understanding between the Ministry of External Affairs of the Government of India and the Secretariat-General of the League of Arab States, signed in Cairo on 06 March 2002,
- Confirming the necessity of drawing up an action plan for implementation of the principles, goals and objectives mentioned in the IACF,
- Affirming their willingness to strengthen links by maintaining regular contacts at various levels;
- Hereby agree to set up an Action Plan for the forum for a period of 5 years as of the date of signature of this Memorandum of Co-operation by the Parties as follows:-

I. Political Cooperation

The Parties confirm their commitment to further strengthen political cooperation and accordingly agree to establish a mechanism for political consultations.

II. Economic, Trade and Investment

In order to further expand trade and bilateral investments, provide easier access to each other's markets, exchange management expertise, and enhance co-operation among small and medium enterprises, the following measures will be taken:-

- (i) Organization of an India-Arab Partnership Conference every year, in one of the Arab member states and in India for co-operation on policy, institutional capacity building and enterprise joint ventures. Venue of this meeting would be decided by the joint high level committee at their annual consultations, as provided for in sub-para VII(i). The Federation of Indian Chambers of Commerce & Industry (FICCI) would liaise with the General Union of the Chambers of Commerce, Industry and Agriculture of the Arab countries and the concerned main chambers of commerce and industry of the member states of the League of Arab States and the Secretariat of the League of Arab States for this purpose. It will also provide information and briefing about the investment climate in India and the member states of the League of Arab States in general, and the specific investment opportunities, in particular, for the businessmen of the Parties.
- (ii) Organization of an exclusive India-Arab exhibition and an India-Arab Symposium along with the India-Arab Partnership Conference as in (i) above. The symposium will discuss potential areas of co-operation in the fields of investment, information technology, science and technology, exchange of information on environmental policies and on the use of technology in environmental protection, poverty eradication, as well as possibilities of establishing co-operation networks between the institutions of both Parties including non-governmental and civil society organizations. India Trade Promotion Organization would liaise with FICCI, and the concerned main trade promotion bodies of the member states of the League of Arab States and the Secretariat of the League of Arab States for organizing the exhibition and the symposium. [ITPO may, if necessary, enter into separate MOU with the League of Arab States for organizing the exhibition]
- (iii) Encourage exchange of expertise in the field of economic management and cooperation between small and medium enterprises. The Technical Cooperation Division of the Ministry of External Affairs of the Government of the Republic of India will offer

experts from India on secondment in appropriate training/skill upgradation programmes in the field of small and medium enterprises to the member states of the League of Arab States.

III. Energy Sector

- (i) The Parties, recognizing the importance of enhancing cooperation in the field of energy, particularly oil, natural gas and renewable energy, will encourage investments from each other to be used in energy sector projects and will encourage their institutions to establish joint ventures in this sector.
- (ii) The Parties will establish a dialogue mechanism for the purpose of India-Arab cooperation in the field of energy. This dialogue will be at the level of senior officials of the concerned ministries of the member states of the League of Arab States, the Secretariat of the League of Arab States, and the Ministries of External Affairs and Petroleum and Natural Gas of the Government of India and meet annually.

IV. Human Resource Development

- (i) The Technical Cooperation Division of the Ministry of External Affairs of the Government of India will, every year, train professionals from member states in the League of Arab States and the Secretariat of the League of Arab States in five areas to be decided by the joint high level committee as provided for in sub-para VII(i) from the courses listed under the ITEC training programme. The number of available training slots shall be determined by the Ministry of External Affairs of the Government of India and the applications for these slots will be channeled through the Secretariat of the League of Arab States.
- (ii) The Foreign Service Institute of the Ministry of External Affairs of the Government of India will organize an exclusive tailor-made training programme on an annual basis for four weeks' duration, for junior and middle level diplomats of the member states of the League of Arab States and the Secretariat of the League of Arab States in India or in one of the Arab capitals. Each member state would be entitled to nominate one of their diplomats to attend this training programme. Local hospitality could be as per mutual agreement.
- (iii) Trainees from India will also be sent to member states of the League of Arab States, wherever feasible and upon mutual agreement.

V. Culture & Education

In order to promote cooperation in the fields of culture and education, the following measures will be taken:-

- (i) Institutionalization of an annual conference of the heads of different Universities in India which have departments of Arab/West Asia/ Middle East Studies as well as in the member states of the League of Arab States. The University Grants Commission (UGC) of India will liaise with the Arab League Educational, Cultural and Scientific Organization (ALECSO) and the Secretariat of the League of Arab States for this purpose.
- (ii) The Parties mentioned in paragraph (i) will consider and discuss, the modalities of establishing Chairs of India-Arab learning in select Arab and Indian universities.
- (iii) Efforts will be made and steps will be taken to identify and twin the libraries in India which are repositories of material including manuscripts which bear testimony to age-old historical and cultural ties between India and the Arab states, with their counterparts in the member states of the League of Arab States.
- (iv) The Parties will undertake a project to build up a database of digitalized Arabic manuscripts from Indian collections, along with similar manuscripts available in various libraries of member states of the League of Arab States. Material for the latter would be made available by member states of the League of Arab States through an organization specifically nominated by the respective Ministries, as the focal organization for this purpose. After collection of such database, displays will be organized in select Arab and Indian universities, along with organization of seminars and symposia on related subjects.
- (v) The Indian Council for Cultural Relations, along with ALECSO, and in cooperation with the relevant organizations of the member states of the League of Arab States and the Secretariat of the League of Arab States, will organize an India-Arab festival on a regular basis in the member states of the League of Arab States. This festival can include, inter-alia, seminars, exhibitions, film festivals, food festivals and cultural performances. ICCR will send one performing art group to the respective Arab member State where the festival is being organized.

- (vi) The Indian Council for Cultural Relations, along with ALECSO and the Secretariat of the League of Arab States, will support FICCI's initiative to organize annually a Heritage Festival in India along with its Partnership Conference. This festival may comprise a food festival, traditional products (handicrafts, gems-jewellery, dress etc) and cultural performances (music, dance & drama, films, books paintings etc). FICCI will invite participants from all the member states of the League of Arab States.
- (vii) The Parties shall organize an India-Arab Friendship Year and arrange suitable cultural and other events by mutual agreement.

VI. Media Sector

- (i) The Parties will work on intensifying media cooperation and encouraging important media organizations on both sides, including those in the electronic and print media and those in both the public and the private sectors, to enhance contacts between them.
- (ii) The Parties will exchange visits of prominent journalists nominated by the two Parties from the print and the visual media, every year, on a tour of India. The External Publicity Division of the Ministry of External Affairs of the Government of the Republic of India will host one journalist each nominated by the League of Arab States from the print and the visual media, every year, on a 10-day tour of India.

VII. Mechanisms

- (i) In conformity with sub-para I regarding political cooperation, the two Parties agree to establish a joint high level committee to be convened at various levels as mutually agreed from the troika of the Arab Summit and the Secretariat of the League of Arab States on the Arab side, and such representatives from the Indian side as may be decided by the Ministry of External Affairs. The committee will meet once every year to discuss bilateral, regional and international issues of mutual concern alternately in New Delhi and Cairo. The agenda for such political consultations would be drawn by mutual consultations.
- (ii) The Ministry of External Affairs of the Government of India and the Secretariat of the League of Arab States shall be the principal focal points for consultations and co-ordination in regard to the implementation of the Forum's Plan of Action.

- (iii) A meeting of the Minister of External Affairs of the Government of India and the Foreign Ministers of the member states of the League of Arab States would be considered one year after the establishment of the IACF.

Final Provisions

The working of the Indian-Arab Co-operation Forum and the implementation of the Action Plan will be reviewed after a period of 5 years from the date of signature of this Memorandum of Co-operation by the Parties with a view to effecting necessary modifications and renewing them for a further period.

This Memorandum of Co-operation and the Action Plan are signed in New Delhi on December 2, 2008 in two originals each in Hindi, Arabic and English languages, all texts being equally authentic. In case of divergence in interpretation, the English text shall prevail. These shall enter into force upon signature and shall remain in force till they are terminated by either of the Parties by giving six months notice to the other Party.

In witness whereof, the undersigned have signed the present Memorandum of Cooperation and Action Plan thereto.

For the Republic of India

For the League of Arab States

Pranab Mukherjee

Amre Moussa

Minister of External Affairs

Secretary General



IRAN

432. Response of Official Spokesperson to a question on a comment by Official Spokesman of the US State Department on the visit of Iranian President to New Delhi.

New Delhi, April 22, 2008.

Our attention has been drawn to a comment made by the official spokesman of the US State Department¹ concerning the visit of President Ahmadinejad of Iran to India. India and Iran are ancient civilizations whose relations span centuries. Both nations are perfectly capable of managing all aspects of their relationship with the appropriate degree of care and attention. The situation in the region has always drawn the attention of both the nations and it can be seen perfectly well that these have been managed through continuous dialogue and exchange of delegations at various levels. Neither country needs any guidance on the future conduct of bilateral relations as both countries believe that engagement and dialogue alone lead to peace. It is important that the genius of each nation living in a particular region is respected and allowed to flower to meet the expectations of enriching relations with neighbours.



¹ The Spokesperson was referring to the American Spokesperson Mr. Casey's statement in Washington that USA wanted India to talk tough with Iran during Mr. Ahmadinejad's visit, hoping it would ask Tehran to suspend its uranium enrichment activities in line with the U.N. Security Council's demands. He had further added that "Washington would also encourage New Delhi to ask Iran to "become a more responsible actor on the world stage" by ending its "rather unhelpful activities" regarding Iraq and support for terrorism. He, however, said it was up to India to decide how to manage its bilateral ties with Iran. Separately the External Affairs Minister interacting with journalists during an interaction with reporters at an orientation programme on parliamentary reporting on April 23, 2008, firmly turned down the U.S. advice and made it clear that it was for the International Atomic Energy Agency (IAEA) to decide on the nature of Iran's nuclear programme. He said the U.S. could not arrogate to itself the right to determine whether Iran's nuclear programme was peaceful or not. "We are advising Iran that since it is a signatory to the Non-Proliferation Treaty [NPT], it has some obligation to international treaties. We are telling the U.S. 'do not take on yourself the responsibility whether Iran was manufacturing weapons or not. Leave it to the IAEA, the designated authority'," Mr. Mukherjee said. "It is not for me or for Iran to certify... it is for the IAEA to convince themselves whether [Tehran's programme] is peaceful," he said. Describing the Ministry's response as "good," CPI(M) leader Sitaram Yechury said the issue had to be taken up "more seriously." It was made clear to Washington that India would not brook any unsolicited advice on its bilateral relations with Iran. He demanded that the U.S. Ambassador in New Delhi be summoned and told in no "uncertain terms" that India knew how to conduct its foreign policy independently.

433. Media Briefing by Foreign Secretary Shivshankar Menon on visit of Iranian President Mohammad Ahmadinejad.

New Delhi, April 29, 2008.

Official Spokesperson (Shri Navtej Sarna): Good evening. We have been waiting for the Foreign Secretary. He has come straight from the talks with President Ahmadinejad. I would request the FS to brief you.

Foreign Secretary (Shri Shivshankar Menon): What I will do is I will just run over what happened and then maybe answer any questions you might have. As you know, President Ahmadinejad stopped over in New Delhi on his way home from Sri Lanka where he paid an official visit. He was in Sri Lanka yesterday and most of today. He came in the afternoon after four; he called on the President at six; and then met with the Prime Minister from about 6:45 onwards. They had a meeting which was followed straight by dinner which the Prime Minister offered to him. This went till about 9:45. So, I come straight to you from there.

They used the occasion to discuss bilateral relations, where to take the relationship, the various big issues in the relationship including our economic, commercial relations, energy, the Iran-Pakistan-India natural gas pipeline, trade. They also discussed regional issues, the situation in the region, in West Asia, in Afghanistan. As I said, they had three hours of talks, went into some detail. They had a very good exchange of views.

1 Before the arrival of the Iranian President there was hectic activity in New Delhi. The Minister for Petroleum and Natural Gas Murli Deora had returned from Pakistan a few days earlier after detailed discussions on the I-P-I Gas Pipeline Project with the Pakistani leaders. On April 27, he said in New Delhi that the \$7.4 billion Iran-Pakistan-India (IPI) pipeline deal would be "clinched soon," Stating that India and Pakistan had almost worked out a general agreement on the "transit fee," Mr. Deora added that the visit of Iranian President Mahamoud Ahmedinejad would be utilised to pave way for trilateral talks on the deal. "The talks with the Pakistan leadership were very cordial and assuring. I will be updating the Prime Minister on all the issues, including the IPI pipeline, and also the \$7.3 billion Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline that India has formally joined this time," he said. He sounded very confident particularly after his meetings with the top political leadership of Pakistan, including the People's Party of Pakistan (PPP) Co-Chairman, Asif Ali Zardari, and Pakistan Muslim League (Nawaz) president Nawaz Sharif. Interestingly, the Iranian President had made a brief halt in Islamabad on his way to Colombo on April 28 when the IPI project too had come up for discussion. The Pakistani Foreign Minister briefing the media after the discussions between the Presidents of the two countries said that all outstanding issues relating to the Iran-Pakistan-India (IPI) gas pipeline had been resolved and a final agreement on the project can now be signed. A press release of the Pakistan's Ministry of Foreign Affairs added a new element

On the bilateral relationship, both sides expressed satisfaction on the fact that it was moving forward. We did about 10 billion dollars worth of trade last year - most of it is oil-related. Therefore, we both agreed there is a need to diversify that part of the relationship.

There was a discussion on the natural gas pipeline, on how to take it forward. From our point of view, most important is to construct an economically, commercially viable project, to have assured supplies, and to ensure the security of supply in various ways. Discussions will continue. They both agreed that the officials would continue to discuss how to craft such a project which would meet the various criteria that we have mentioned.

On trade, there was a feeling that we could do more. President Ahmadinejad mentioned and Prime Minister agreed that we might try for a target of 30 billion dollars, in other words tripling the trade in the next few years.

We are working towards a Joint Commission meeting later this year. It is due. We are hoping that many of the economic and commercial and other ideas that were discussed will bear fruit by then and we will do the work, prepare them and have them ready for the Joint Commission around the middle of the year.

They also discussed Chabahar Port, the railway up to the border with Afghanistan which would give us another means of transit to Afghanistan and Central Asia. We have done the Zaranj-Delaram road within Afghanistan which would connect to the Iranian border which is, you remember, at some cost in terms of lives. In fact, two Indians were killed there a few weeks ago. We talked of the importance of that, of carrying those projects forward, doing them quickly, as quickly as possible.

when it said that the two leaders also discussed the inclusion of China in the project, and the Iranian leader "welcomed" President Musharraf's proposal that China could join the project. "It was agreed that the Foreign Ministers of the two countries would meet soon to discuss and fix dates for its (agreement) signing," the release stated. The Pakistani Foreign Minister said Iran gave a positive response to the Pakistani proposal for allowing a gas pipeline through its territory to provide gas to China, along the Karakoram Highway. This was in sharp contrast to the position which Iran had adopted earlier. Earlier in February on being asked if Iran would accommodate China in the project, the Spokesperson of the Iranian Ministry of Foreign Affairs Mohammad Ali Hosseini had said "Iran is highly determined to implement the project between the three countries that have consulted and cooperated with each other on the project from the very beginning. We can consider other countries after the implementation and realization

Overall, there was satisfaction on the bilateral relationship. There was a discussion on ways to push forward, to move things forward in various projects and to see how to build the economic and trade relationship.

On the regional issues, there was a discussion on Afghanistan; a slightly longer discussion on the situation in the Middle-East and in Iraq. It was basically an exchange of views where we discussed what could happen with the Middle-East peace process. Our interest is clearly in a peaceful resolution of the issues in West Asia. We have big stakes, not just in terms of energy but in terms of four and a half million Indians working in the area. As a source of remittances, as a source of trade, we have big stakes in peaceful transitions in these areas.

On Iran nuclear issue, President Ahmadinejad briefed PM. There was a short discussion on it. Our approach is quite clear. We have said that Iran has the right to peaceful uses of nuclear energy for fulfilling her various obligations and that the right way to do that is through the IAEA, to assure the world that she is fulfilling her obligations.

That is what I have in my list. But you are free to ask about any other aspects that you would like to.

Question: Does this meeting tonight mark a significant shift in relationship after the vote at the IAEA and launching of the Israeli spy satellite to monitor Iran? Do you see this as a shift by India in its relationship with Iran back to how it traditionally had been?

Foreign Secretary: We do not see it as a shift at all. In fact, we see it as continuation of a process that has been going on for some time. All the things I mentioned in this list, the trade, pipeline, Chabahar Port development, these are all issues that we have discussed before. We have been trying to move forward exchanging views on issues like this. We have a regular series of exchanges with Iran. We have foreign office consultations. I was there in January. They have been here. In fact, my

of the pipeline." He had further added "There have been close consultations at different levels and some discussions on technical issues. All three [countries] believe that this project would provide security and stability for the participants. So there is serious determination among the three nations to implement and realise the project as soon as possible." It may be mentioned that in April during his China visit President Pervez Musharraf said Iran and Pakistan should consider China as a partner in the project if India was not interested in it. It may be recalled that Petroleum Minister Murli Deora had told the Lok Sabha on February 28, 2008 that no request had officially been received from China for joining in the IPI gas pipeline.

counterpart has been here twice in the last six months to exchange views on these issues. So, we really see it as a continuation of that. The External Affairs Minister visited Teheran last year, in 2007. We think this is really a continuation of what we have been doing. He happened to be in the region, he is passing through and took the opportunity to exchange views and have a discussion at that level.

Question: Your counterparts in Washington had some suggestions on what they would like you to discuss with Iranian President. Was that at all talked about this evening? What was said?

Foreign Secretary: I am not quite sure what ...

Question: You clearly said you discussed the issue of West Asia, you discussed the nuclear programme of Iran.

Foreign Secretary: I will tell you what we think on each of these things, if you want. But I do not see the connection with what was said in Washington.

Question: Did you talk to him in the way that Washington wanted you to talk to him?

Foreign Secretary: I wouldn't know; you would have to ask Washington. We cannot speak for them.

Question: When is the next meeting likely to be? You said that you want to carry it forward.

Foreign Secretary: For the pipeline we have asked the officials to carry on the discussions as soon as possible. Since we have had a series of bilateral discussions with Pakistan, we had discussions with Iran; the next logical step would be for the officials of the three countries to discuss the same issues. Let us see whether we can set that up. For the other issues, I think many of them will be done. The economic, commercial issues will be done before the Joint Commission meeting in the middle of the year. We have not set dates for the Joint Commission but we agreed that it would be roughly in the middle of the year. So, we will set the meetings up in the next months.

Question: Did President Ahmadinejad raise the issue of this whole Israeli satellite that was launched by India?

Foreign Secretary: He did not.

Question: As far as the 2005 LNG deal is concerned, was there any formula ... And about the pipeline deal ...

Foreign Secretary: On the LNG deal I think there are contacts going on between petroleum officials on both sides to see how we can implement the agreement that we did reach in 2005. I think many of the conditions of the agreement have changed since. So, there is a negotiation on whether or not and how we can implement that. We would like to see it implemented. Obviously, we need all the LNG we can get. But it did not come up at this level because that is going on and it is a fairly smooth process.

On the pipeline, I think the significance is really that at this level we have had a discussion where it is quite clear that it is much more than just a commercial project to build a pipeline. I think we need to see it also in terms of its potential as a confidence-building measure between the three countries. Therefore, we need to do things, find ways of assuring supply in all circumstances. After all, this is a pipeline that hopefully will last for forty years. There will be several Governments, all kinds of situations. So, assured supply, security of the pipeline apart from making it commercially and economically viable for everyone, that is where ...

Question: Did he talk about the pricing at all?

Foreign Secretary: Price is only one small part of all this. When I say you need to assure all this, I think it is more than just a commercial deal and we need to talk about all these aspects. The officials, therefore, have a very clear directive of what they need to discuss.

Question: Did the President ask India to play any role in terms of defusing tensions between Iran and the US?

Foreign Secretary: No.

Question: Did the Israeli raid on Syria come up for discussion?

Foreign Secretary: No.

Question: And Lebanon?

Foreign Secretary: Lebanon was mentioned in general terms, in terms of how the situation in Lebanon is and how we would like it to evolve, just as the situation in Gaza was mentioned also and the need for that to be ameliorated. But, not as specifically as what to do.

Question: I rethought my question. I have got a better one.

Foreign Secretary: Okay, lets try again.

Question: Do you worry about having a closer relationship with Iran will undermine your closer relationship with the United States?

Foreign Secretary: We do not think so. We do not think that (a) these are the hyphenated relationships; (b) there is anything that we are doing with Iran which should worry anybody else. Everything we do with Iran is open, above board and quite clear to everybody. I do not see why that should worry anybody. Frankly, from our point of view the more engagement there is, the more Iran becomes a factor of stability in the region, the better it is for us all.

Question: Iran and Pakistan are thinking of including China in the pipeline project. Did that come up for discussion with President of Iran?

Foreign Secretary: Not directly. What we have been discussing is on Iran-Pakistan-India pipeline. I know China has been mentioned but quite frankly I think that is still an idea. The pre-feasibility study which was the basis of what the officials have been doing so far is really for the three countries. But as I said, still there is still a lot of work to be done on this, on its commercial viability, on its routing, on all the details of it.

Question: You talked of tripling of trade in the next few years. Do you have a date for that, like 2010 or 2015?

Foreign Secretary: They did not set a date. They just said they have to do it as quickly as possible; and they thought it was possible to triple it very quickly.

Question: Both Iran and Pakistan have agreed to sign the deal on the pipeline on a mutually acceptable date. What are India's concerns on this? Have we conveyed to Iran any concerns?

Foreign Secretary: We have no concerns about whatever they might have. Ultimately it is a pipeline that all three countries need to do together. As I have said, our concerns or our interest in this are quite clear. We would like an economically, commercially viable and assured source of supply which is secure. Whether you set a date, whether you talk, how you do it, those are the mechanics of how you arrive at that goal. For us the important thing is that whatever project is at the end has to meet these criteria, And we think it is doable, if we can work together at it.

Question: Before the deal is sealed we are going to have more talks with the three sides, Pakistan, India and Iran.

Foreign Secretary: That is what I said that we will now talk about it.

Question: Are there any plans for launching an Iranian satellite by the Indian Space agency?

Foreign Secretary: They have not asked, but we will be ready to.

Question: What did the President say when India asked him for assured gas supply?

Foreign Secretary: He said yes. I think that is our common goal. We all want to do that. He also is saying that this will be an assured source of supply that we need to work it so that it is.

Question: So, you have an assurance.

Foreign Secretary: I assume, yes.

Question: Did the India-US civil nuke deal come up in the talks?

Foreign Secretary: No, I am afraid not. I am so sorry to disappoint you.

Question: Any talk on crude price and the fact that India's ...

Foreign Secretary: There was general talk of the effect of high energy prices, crude prices, food security issues, worldwide credit, sub-prime and its effects, or the effects that these are having on developing countries. There was a general discussion on that. But it was not about India's responsibility or short supply. It was not that sort of discussion.



434. Extracts relevant to the India-Pakistan-Iran Gas Pipeline Project from the Joint Press Conference of External Affairs Minister Pranab Mukherjee and Foreign Minister of Pakistan Makhdoom Shah Mehmood Qureshi after their talks.

New Delhi, June 27, 2008.

* * * *

Pakistan Foreign Minister Makhdoom Shsh Mehmood Qureshi:

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I also urged and laid emphasis on a decision, for a quick decision on the IPI gas pipeline which I feel is to our mutual benefit. Both sides stand to gain and this pipeline can be a pipeline of peace and a new bond.

* * * *

Question (Mr. Khalid Ahmed, Express TV, Pakistan): My question is addressed to Mr. Mukherjee.

What is the future of the IPI gas pipeline? Will India be committed to this project?

External Affairs Minister of India: We have discussed Iran-Pakistan-India gas pipeline during my visit and during this visit. We are hopeful that it would be possible to resolve this issue both on technical, commercial and all other aspects so that it contributes substantially to resolve the problem arising out of the high energy prices all over the world and also to resolve to some extent the energy crisis which many countries including ours are facing.

Foreign Minister of Pakistan: May I add to that? I am of the view, and I discussed it with the Minister for External Affairs, that the energy prices have gone berserk and both countries are suffering on account of that. You know, the subsidies both countries are providing on petroleum products are immense and really are contributing to our fiscal problems. This is a project that can help us mitigate our problems vis-à-vis energy shortages. Pakistan's requirements are growing at seven per cent per annum and so are India's. Indian economy is growing at a rapid pace. We need energy and this is a project which is a doable project. It so happens that I am

holding the portfolio of Petroleum and Natural Resources as well, and later in the day I will be meeting the Minister for Petroleum Mr. Murli Deora and I will discuss in detail this project. Pakistan is keen to move ahead and I would want to seek his input whether India is ready to fully engage with us or would they like to spend some more time thinking about it.

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Question (D'Souza, Headlines Today, India): My question is to Pakistan Foreign Minister. Sir, you speak of speeding up decision on the gas pipeline. But as far as India is concerned there have been two areas of concern that of the short supply and security. Could you tell me what assurances have you given the Indian Government on these two fronts? My second question is, can you give us some clarity on the situation in Peshawar? What is the security situation as of today?

Foreign Minister of Pakistan: Let me address the pipeline first. You see, we are not trying to reinvent the wheel here. There are many such international experiences in front of us, and international securities can be built into. The will is there, the desire should be there, and the need is there. Given that, I think we can do it. There are mechanisms in the past that have worked well. They have worked well under testing conditions. And let me add, the mechanism of resolution of the water dispute that we have had, the Indus Waters Treaty, has withstood the test of time. If we can work out issues as complicated as water, then the gas pipeline is chicken feed according to that.

Responding to the second part of the question, yes, Pakistan is dealing with this menace of terrorism and we are dealing with it in a very effective manner. We have evolved a new strategy, a three-pronged strategy. And that is: we will engage politically with the positive element that does not believe in violence, that does not believe in taking up arms, we would concentrate on socioeconomic development of that area, tribal belt and the border area; and if required, we will use force when required. As far as Peshawar is concerned, Peshawar is secure and we will defend our integrity and our borders; and we know how to do that.

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435. Press Release of the Ministry of Petroleum and Natural Gas on the discussions between Minister of Petroleum and Natural Gas Murli Deora and Pakistani Foreign Minister Shah Mohmood Quershhi on the Iran-Pakistan-India Gas Pipeline Project.

New Delhi, June 27, 2008.

Please see Document No.274.



436. Press Release issued by the Ministry of Petroleum and Natural Gas on the meetings of Minister of Petroleum and Natural Gas Murli Deora with his Iranian and Colombian counterparts in Madrid.

New Delhi, July 1, 2008.

India held wide ranging bilateral talks with Iran and Colombia on the sidelines of the 19th World Petroleum Congress in Madrid, Spain today on further enhancing cooperation in various activities in the hydrocarbon value chain. In a meeting between Shri Murli Deora, Minister of Petroleum and Natural Gas and his Iranian counterpart Mr. Gholam Hossein Nozari, Iran conveyed its optimism on implementation of Iran-Pakistan-India (IPI) gas pipeline project citing the positive progress made by India and Pakistan in settling outstanding bilateral issues. Mr. Nozari said that Iran was open to considering India's proposal to change the point of gas delivery from Iran-Pakistan border to Pakistan-India border.

Shri Deora reiterated New Delhi's commitment to speedy implementation of the IPI pipeline project and said that delivery point issue will be soon discussed with Iran. Expressing satisfaction on the progress made in resolving outstanding issues, Shri Deora said that most of the issues have been settled and some remaining issues will be discussed in the forthcoming trilateral meeting¹.

¹ It may be recalled that during his brief visit to New Delhi the Iranian President Ahmadinejad had held high level discussions with Prime Minister on the pipeline project and had expressed his optimism when he described his talks as positive and expressed the hope that the deal for the project would be finalised in the "near future". Foreign

Iran also said that it was open to the proposal of ONGC to jointly develop LNG project in Iran with a complete chain by setting up an LNG regassified complex in India with Iranian participation. In respect of approving development plan for Farsi block with ONGC Videsh Ltd as operator (40%) and Indian Oil Corporation (40%) and Oil India Ltd (20%) other partners, the Iranian Minister informed that the commerciality of the project is under consideration and a decision will be taken soon.

GAIL India Ltd proposed developing city gas distribution projects in Iran which was welcomed by the Iranian side, and GAIL was asked to submit a proposal in this regard. In addition, GAIL conveyed its interest in setting up petrochemicals projects in Iran besides participating in development of Iranian pipeline infrastructure.

Earlier, in a meeting with Colombian Minister of Mines and Energy Hernan Martinez Torres, Shri Deora proposed ONGC's participation in improving oil recovery from the existing fields in Colombia. Mr. Torres conveyed Colombia's keen interest in utilizing the expertise of ONGC in implementing Enhanced Oil Recovery (EOR) and Improved Oil Recovery (IOR) projects.

Secretary Shivshankar Menon while reaffirmed Mr. Ahmadinejad's optimism, cautioned that a long road lay ahead to ensure that the project was commercially viable, financially acceptable to India and all security concerns were taken care of. "We think it is doable," Mr. Menon said after three hours of talks between Mr. Ahmadinejad and Dr. Manmohan Singh, adding that a "lot of work" was required. "If we have an assured project we can sign tomorrow," he said when asked when the deal was expected to be signed. The project had the potential to emerge as a confidence-building measure between the three nations, he added.

Being a trilateral project, it involves Pakistan's cooperation as a transit country and hence the essentiality of Pakistan's cooperation in its realization. In February the Pakistani Minister for Petroleum had informed Mr. Deora that Pakistan would be prepared to charge India a transportation fee based on global practice rather than the arbitrary tariff Pakistan had earlier demanded. India too was keen on sorting out the pending question of LNG deal pending in the wake of Iran's insistence that the price should be re-negotiated. India had conveyed to Tehran that it should supply 5 million tonnes of LNG annually at the price agreed upon in June 2005 (\$3.215 per million British thermal unit) and New Delhi was willing to pay a higher price for an additional 2.5 million tonnes a year. The June 2005 contract had linked LNG prices with the Brent crude oil price with a cap at \$31 a barrel. However, the Supreme Economic Council of Iran objected to the agreed price and wanted the deal to be re-negotiated. Iran wanted to raise this ceiling to \$55, raising the LNG price to \$4.78 per mBtu. India said it was willing to pay \$4.78 per mBtu for the additional LNG, thereby averaging the cost for 7.5 million tonnes of LNG to \$3.74 per mBtu.

Pakistan is committed to provide transit facilities to India for the gas from Iran... We are keen to restart consultations with India to arrive at a mutually acceptable tariff compatible with international norms," media quoted a letter from Ahsanullah Khan, Pakistan's

The two ministers also reviewed the existing projects involving ONGC Videsh in a producing field and 3 exploration blocks. They expressed satisfaction on the progress in these projects. Shri Deora invited Mr. Torres to visit India for taking first hand view of developments in the Indian oil and gas sector.

Shri Deora was accompanied by Petroleum Secretary Shri M S Srinivasan, Indian Ambassador to Spain Ms Sujata Mehta, ONGC CMD Shri R S Sharma, OVL MD Shri R S Butola and EIL CMD Shri Mukul Rothagi.



Minister for Petroleum & Natural Resources, to his Indian counterpart Murli Deora. At an unscheduled meeting on January 26 in London, both the Indian and Pakistani ministers had expressed their keenness to put the pipeline project on stream as negotiations between the three countries have been stalled because of differences between Islamabad and New Delhi over transport and transit fee to be charged from India.

On June 22 when Mr. Deora met the Iranian Petroleum Minister Hosein Nozri on the sidelines of the Summit of Oil Producers and Consumers in Jeddah he "assured him that India was very much willing to go ahead with the pipeline. Almost all the bilateral issues have been sorted out and now only trilateral talks are left to be held." He had said this on return to New Delhi from Jeddah and held out the hope that he would also hold talks with his Pakistan counterpart on the transit fee issue. "There has been a change of regime in Pakistan and a new Petroleum Minister has taken over recently. I have already interacted with him once and will not hesitate to meet him to sort out the transit fee issue so that it paves way for trilateral talks. Our policy has been to ensure energy security for India and that remains our priority," Mr. Murli Deora said. Media quoted official sources to suggest that India wanted Iran to hand over custody of gas at the India-Pakistan border, and not at the Iran-Pakistan border, to cut transit risks through the neighbouring country. New Delhi also opposed a price revision clause that Tehran sought to insert in the Gas Sales Agreement. India was pressing Iran to dedicate a particular gas field for the IPI pipeline and get its reserves certified by a third party. It has also sought to know about alternative supply sources in the event of depletion of reserves. It may be recalled that in March Pakistan invited India for talks on finalising the \$7.4 billion Iran-Pakistan-India pipeline deal. Mr. Deora said on March 24 that he had hoped to resume negotiations on the issue as soon as the new government in Pakistan was installed. "I will visit Pakistan sometime next month to hold talks and hope to wrap up the issue of transit fee and related matters as soon as possible and sign a formal agreement to make the project happen." A point of mutual concern for both nations was the incorporation of a new clause sought to be incorporated by Iran on revision of natural gas price every three years.

437. Extract from Foreign Secretary's Press Briefing on Prime Minister's visit to Japan for the G-8 Outreach meeting.

New Delhi, July 4, 2008

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Question: What is the status of negotiations on IPI gas pipeline?

Foreign Secretary: We continue our discussions both with Iran and with Pakistan and it is mentioned each time. I think from our point of view the purpose of the discussions is to ensure that we have a project which is economically and commercially viable, where supplies are assured and where security of the project is also guaranteed. That is what we are trying to do in the process of discussing it both with Pakistan and with Iran bilaterally and also trilaterally. We have had both kinds of meetings because these are issues which we will all have to solve together.

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438. Response of Official Spokesperson to questions about reports that suggested imminent use of military force against Iran.

New Delhi, July 14, 2008.

India is gravely concerned at these statements threatening the use of military force against Iran. India is against any such military attack, which constitutes unacceptable international behavior. There is no military solution to the issues that are being discussed between Iran and the international community. India continues to support negotiations and diplomacy, rather than the threat or use of force¹.

¹ On April 27, soon after his return from Islamabad Petroleum Minister Murli Deora had indicated that the \$7.4 billion Iran-Pakistan-India (IPI) pipeline deal would be "clinched soon." Stating that India and Pakistan had almost worked out a general agreement on the "transit fee," he said that the visit of Iranian President Mahamoud Ahmedinejad would be utilised to pave way for trilateral talks on the deal. Giving a broad resume of his talks with the Pakistani leaders, Mr. Deora said "The talks with the Pakistan leadership were very cordial and assuring. I will be updating the Prime Minister on all the issues,

A military strike on Iran would have disastrous consequences for the entire region, affecting the lives and livelihood of five million Indians resident in the Gulf, and the world economy.

India calls upon all concerned Governments to exercise restraint and choose the peaceful path of persuasion and negotiations.



439. Media Report on the interaction of External Affairs Minister Pranab Mukherjee and the Iranian Economic Minister Shamseddin Hoassein after the Joint Commission meeting.

Tehran, November 2, 2008.

India said on November 2 that the India-U.S. civil nuclear deal was not at the cost of the Iran-Pakistan-India gas pipeline. "Nuclear power is one source of energy. The other important source is the Iran-Pakistan-India (IPI) gas pipeline. One is not exclusive to the other," External Affairs Minister Pranab Mukherjee said at a joint press conference with Iranian Economic Minister Shamseddin Hossein.

(They were interacting with reporters at the conclusion of the two-day Joint Commission Meeting of the two countries.)

The nuclear deal with the U.S. would have no impact on the IPI gas pipeline, Mr. Mukherjee said. "India's energy requirement is quite substantial and we have to locate various sources of energy, including civil nuclear cooperation with countries like the U.S., France and Russia or any other country willing to cooperate with us."

Asked about the implementation of the Liquefied Natural Gas project,

including the IPI pipeline, and also the \$7.3 billion Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline that India has formally joined this time," he said. "I am very optimistic about the IPI pipeline as it would go a long way in meeting India's energy requirements in the long run," Mr. Deora added. The 2,700-km-long pipeline is scheduled to be completed by 2011 and would initially carry 600 million cubic metres of gas per day. Mr. Deora said he had also met the political leadership of Pakistan, including the People's Party of Pakistan (PPP) Co-Chairman, Asif Ali Zardari, and Pakistan Muslim League (Nawaz) president Nawaz Sharif during his recent visit to Islamabad. He said Mr. Sharif had strongly favoured increasing people-to-people contacts and doing away with visa restrictions for travel between India and Pakistan.

Mr. Hossein said there were several financial and technical issues that had to be considered¹.

"All negotiations have not been finalised. We will sign it when all negotiations are completed," he said.

(India and Iran signed the LNG project in 2005. But the project could not be implemented after Tehran raised issues of pricing citing rise in global prices.)

Mr. Mukherjee, who met Iranian President Mahmoud Ahmadinejad and other senior leaders, said he got positive indications about expanding the political relationship between the two countries.

(The two sides signed an Extradition Treaty and a Mutual Legal Assistance Treaty, four Memoranda of Understanding, including a working plan on agriculture and sister port arrangement between the Shahid Rashid Port in Iran and Jawaharlal Nehru Port Trust near Mumbai.)

The two sides also finalised the text of the Bilateral Investment Promotion and Protection Agreement (BIPPA) which Mr. Mukherjee hoped would be signed soon.

(The leaders initialed the Double Taxation Avoidance Agreement and a pact on civil aviation.)



1 Earlier on November 1, Mr. Mukherjee said in Tehran "India and Iran have common interests and perceptions. The leaderships of our two countries have, therefore, always unreservedly stood for a broader and multi-dimensional engagement," he said, while inaugurating the Joint Commission meeting that discussed ways to enhance cooperation in various specific areas of energy, trade and investment, mining and railways. Noting that India and Iran were developing countries with "obvious synergies," Mr. Mukherjee said that so far, the energy sector was at the focus of the bilateral economic ties with Tehran emerging as a major supplier of energy resources imperative for driving his country's growth. "Iran is energy-rich country while India is energy-deficient economy," he said. Observing that India's energy needs would increase in keeping with its projected economic growth, Mr. Mukherjee said: "Both India, as a major consumer and Iran, as a major producer, are natural partners in the energy sector." He said India had the capacity and capability to play a greater role in both the upstream and downstream sectors of Iranian oil industry. "Both sides should give adequate attention to this opportunity." Highlighting the "pivotal" role of the private sector in the economic growth and development of a country, Mr. Mukherjee said it was the responsibility of the governments to create a facilitative environment to encourage trade, investment and exchange of technology. With this end in view, the two governments have finalised the agreement on avoidance of double taxation and are making efforts to conclude the agreement on promotion and protection of investment at the earliest, Mr. Mukherjee said. Talking about the Liquefied Natural Gas (LNG) deal concluded in 2005 for supply of five million MTPA of gas to India by Iran, he said bilateral cooperation in this sector would be further strengthened by the

440. Address by External Affairs Minister Pranab Mukherjee at a Seminar in Tehran: "India and Iran : Ancient Civilizations and Modern Nations" at the Iranian Institute of Political and International Studies.

Tehran, November 2, 2008.

Your Excellency Mr. Manouchehr Mottaki, Minister of Foreign Affairs

Mr. M. Mohammadi, President, Institute of Political and International Studies,

Mr. Amit Dasgupta, Joint Secretary (Public Diplomacy), Ministry of External Affairs

Distinguished guests,

Speaking in Tehran, half a century ago, India's first Prime Minister Jawaharlal Nehru had said that he doubted if there are any two countries in the wide world which have had such close and long historical contact as Iran and India. Jawaharlal Nehru also said, during that very visit, that even as we take pride in the great past of Iran and India, we have to inevitably come to grips with the present and peep into the future.

I speak before you today in that perspective, with the benefit of a continuing close and rich bilateral relationship between our countries.

There are moments in the history of nations which are of great salience.

implementation of the deal by Iran. (Tehran had been reluctant to implement the agreement, seeking revision of its price, which was not acceptable to India.) "We also similarly expect that the 20 per cent stake for ONGC Videsh Limited in Yadavaran gas field as part of this agreement would be honoured," he said. "These would greatly encourage our companies involved in negotiations in other large projects in oil and gas sector in Iran."

On the eve of Mr. Mukherjee's departure for Tehran media quoted senior officials in the Ministry of External Affairs to suggest that during the visit he would carry with him a new set of proposals aimed at addressing the few outstanding concerns still remaining over the cost, project structure and security of the Iran-Pakistan-India pipeline. The media report said that the proposed discussion between the two countries on the pipeline were expected to touch upon their already exchanged earlier in the year 'non-papers'. During the visit to Delhi of Iranian President Mahmoud Ahmadinejad on April 29, India had drawn Tehran's attention to a number of its concerns. The Iranian side replied to these concerns in July but matters did not progress much. In its non-paper, Iran had identified, for the first time, phases 19, 20 and 21 of the South Pars offshore gas field as the source for the gas to be fed into the IPI pipeline. Iran also said it was willing to examine a trilateral arrangement for the delivery of gas to India on the Pakistan-India border, as the Indian note had suggested. In the meantime Pakistan had suggested running the pipeline northwards into China. But the Iranians did not show much interest in the proposal. The media reports further said among the specific ideas New Delhi intended to discuss with Iran were the role that cross-investments in both upstream and downstream projects in all three countries could play in fostering co-dependency and confidence in the project. In addition, India wanted to explore the possibility of Iran undertaking to provide alternative fuel to IPI gas-fed downstream projects in India in the event of supply disruption for any reason.

It is my belief that India is poised at a stage when its creative strength derived from a rich civilizational history, has been unleashed. This may enable a move forward into a future where, for India, the next half century will be very substantially different from the one that has elapsed. In a democracy it is inevitable that the state will use its resources and capabilities to improve and increase the benefits available to its people. Our foreign policy is a key instrument in this endeavor, it will help us realize the goal of a vastly improved quality of life for our people. More than sixty years after our independence, it is worthwhile to examine the considerations that inform and mould the spirit of our foreign policy.

First and foremost is the fundamental principle of independence and freedom of thought and action. We are open to all counsel and manner of views but our assessments and policies are ours alone.

Secondly, we are instinctively multipolar and this inclination to multipolarity draws from the size of our country as also the magnitude of its diversities in terms of faith, language and region.

Thirdly, we have opted consciously for pluralism, secularism and democracy as our own chosen path to development and nationhood. This means that to the existing pluralities and diversities of India, that of political persuasion or belief has been added, which over the years has become as much part of our national fabric as any other attribute.

Finally, we are in the midst of a deep-rooted socio-economic transformation in our country. This major churning nevertheless takes place in a complex and very difficult regional and international environment. We have, therefore, both to engage purposefully with the outside world and yet at the same time keep our own national moorings intact.

Our foreign policy is dictated by the interest of our people for growth and development. This is supplemented by an equally strong impulse of engagement with the world order - but, on terms which our people and our principles would find acceptable. Equity has been at the core of our approach. We also have our own history of colonial suffering and are conscious of the manipulation of international law by those who drafted it. We have therefore consistently urged that multilateralism should be tempered with an appreciation of the inequities in the overarching frameworks governing international order.

We have always played by the rules of the existing world order when we have perceived them to be equitable and consequently agreed to accept them. India has always been a responsible member of the international community. However, when engagement was not possible without compromising the principle of equity and non-discrimination, we did not accept the norms. 'Independence' and 'equality' have always been at the core of our foreign policy, no matter how difficult the circumstances, and even when we stood alone.

Our position on the Nuclear Non Proliferation Treaty (NPT) and the Comprehensive Test Ban Treaty (CTBT) bears this out. In both these treaties, we faced, and sometimes faced alone, the brunt of critical international opinion and pressure simply because we refused to engage on terms which were fundamentally unequal. It is not that we are not opposed to nuclear weapons. From the time of the Mahatma Gandhi, Jawaharlal Nehru, Indira Gandhi and down to Rajiv Gandhi's Plan for Universal Nuclear Disarmament, our instinctive abhorrence for nuclear weapons has been clear. We did not sign the NPT in the late 1960s because it was a fundamentally unequal treaty. But we ensured that our practice and policies were fully consistent with the objectives of non-proliferation. Being a dissenter at that time did imply pressures, costs and burdens. But, in our view, to become party to an unequal arrangement would have been worse. In the end, we stand vindicated. We were never on the wrong side of international law or non-proliferation efforts.

Today we live in an inequitable, yet more interdependent, world order. The Cold War has ended, processes of globalization have accelerated and trans-national challenges are growing. Our needs from the world have changed, as has our capability to achieve these needs. This gets reflected in how India perceives its own future, its ties with its neighborhood and its approach to the larger international order. Yet no matter how complex the issue or no matter how intense the pressures we face, the abiding faith in our approach remains self evident. Our positions on issues of UN reforms, environment, climate change and WTO are reflective of this.

I would now take a look at the broader and deeper aspects of our bilateral relations with Iran. Our histories, both ancient and modern, indicate certain common interests and perceptions. Regional stability is a foremost consideration for both of us. After all, we did share a common border till 1947 and today share borders with Afghanistan and Pakistan, and developments in both these countries affect us vitally. Central Asia and

the Persian Gulf States are in our proximate neighborhood. We share the same seaboard and the waters of the Indian Ocean present to us both challenges and opportunities. These waters can bring other powers to our very beaches at the same time that they link us to the wider worlds of trade, technology and commerce. The proximity in our respective assessments of the regional situation is therefore natural. Recent history has deprived us of geographical contiguity but we are still and will always remain close neighbors because of our civilisational and historical links and the contemporary substance of our relationship.

Secondly, fundamental complementarities bind us together. Iran is a major energy exporter; we are amongst the fastest growing energy market in the world.

These two fundamentals are the forces that shape our strategies and assessments and will continue to guide us in broadly similar directions. Of course, and this is natural, we will have diverse approaches on many issues. But notwithstanding such divergences, the impulse towards similar positions on a whole range of economic, political and strategic issues will remain strong.

I will outline briefly as to how we view the issues of common interest between India and Iran, as also the convergence in our assessments.

First, the rise of Asia. Perhaps more than any other part of the world, Asia is undergoing sweeping changes that impact on its political, economic and social structures. It is inevitable that this would result in new political ties, trade and economic links and increased opportunities for people-to-people contacts. Asia's share in the global GDP at present is about 25%. However, it is estimated that it will rise to more than 50% by 2025. By 2010, 60% of the world's young population between the age group 20 to 35 is likely to be Asian.

The era of globalization has increased our external interaction and, therefore, it is only natural that foreign relations have assumed greater importance. Consequently, Asia's relations with external factors such as EU, Russia and the US, will play a significant role. Interactions among Asian countries will contribute towards consolidating markets, increasing intra-Asian trade and exchange of technology, investment and managerial skills while forging these linkages that will help improve our living standards and contribute to health & education and poverty alleviation.

The threats of terrorism, energy security, food security, climate change, environment and natural disasters, throw new challenges before the Asian nations. India, as the largest democracy of the world, is mindful of its responsibilities in meeting these challenges.

We are extremely concerned about climate change as all indications point to the fact that developing countries would bear a disproportionately severe impact of its adverse effects, even though responsibility lies with those countries which have shown relentless consumption since industrialization. We have made it clear that in accordance with the principle of common but differentiated responsibility, we expect the developed countries to commit themselves to significant, binding emissions reductions.

Second, India's ties with the Persian Gulf region. Our ties with this region go back many centuries. Today, we have a natural affinity for each other. The Persian Gulf is a major source of energy and we are one of the biggest consumers of the world. About 5 million Indians are also involved in economic activities in the Persian Gulf.

Third, the issue of Palestine, which is of abiding concern. The rights of the Palestinian people remain to be achieved. This situation requires to be resolved at the earliest. Not only does it cause deep harm to the people there, it also has a negative resonance across the region. India remains convinced that a just and comprehensive solution to the Palestinian question is achievable. We continue to extend our full support to the Palestinian people in realizing their aspirations for a sovereign, independent, viable and united state living side-by-side, and at peace with the state of Israel.

Fourth, Iraq. India has long-standing, civilisational ties with Iraq. We wish to see the Iraqi people freely determine their political future and exercise control over their natural resources.

Fifth, our common neighbour Pakistan. In recent years, India has pursued a policy of positive and substantial engagement with Pakistan. We wish to address issues that have affected our ties over the last several years. We also wish to make progress in areas such as enhancement of physical connectivity and upgradation of economic ties. Through the mechanism of the composite dialogue, we have addressed a number of serious issues of bilateral interest. Peace, stability and development in Pakistan and our immediate neighbourhood are in the interest of India, Iran and our region, enabling us to concentrate on economic development.

Sixth, the issue of Afghanistan. India has had a historically friendly relationship and we are actively engaged in the reconstruction and development of Afghanistan. Our assistance commitment to Afghanistan since 2002 includes development initiatives in key infrastructure sectors. We are engaged in reconstruction activities such as power projects, power transmission lines, roads, education etc. We have made a commitment of US\$ 1.2 billion towards reconstruction. Iran and India have a common interest in peace and stability there.

Terrorism now constitutes one of the most serious threats to global peace. Terrorists attacked the Indian Embassy in Kabul, killing five Embassy personnel, including two diplomats as well as over 50 Afghan civilians, including young girls on their way to school. The terrorists may claim to act on behalf of religion, but in truth they have no religion, because the essence of religions is peace and universal brotherhood, and not violence and the violation of human rights.

Seventh, the Indian Ocean rim, which today has greater economic and strategic value to the world economy than ever before. India has a natural and abiding stake in the safety and security of the sea-lanes of communication from the Malacca Straits to the Persian Gulf. We have endeavored to promote greater cooperation between Indian Ocean rim states. Existing or emerging threats of piracy, drug trafficking, proliferation of weapons of mass destruction, closure of choke points, environmental hazards, regional conflicts and other developments are of equally vital concern to us. We have sought to encourage economic cooperation in the area through Indian Ocean Rim Association for Regional Cooperation (IOR-ARC).

For instance, today international shipping in one of the world's major waterways is threatened by piracy off the Somali coast. India is ready to play its part in combatting this menace with the international community under the leadership of the UN.

Finally, I will touch upon the "new" India of today and our place in the international matrix, as well as our main priorities and perceptions of our bilateral relations with Iran. India has steadily pursued the goal of economic development since Independence, through self reliance and cooperation. Today we are a trillion dollar economy, which has grown at an average rate of nearly 9% per annum for the past five years. India has conclusively demonstrated that substantive social and economic progress is possible

through true democratic governance. In our success, we have proved wrong the skeptics who had argued that democracy could not be sustained in India, given its continental size, its multi-ethnic and multi-religious character, as well as its large socio-economic disparities. We are working on a realization that an economy that is growing at 8 to 9 percent would require investments, resources, energy and technology at an hitherto unprecedented scale. India is strengthening her relationships with all the major powers - USA, Russia, EU, China and Japan as well as with emerging economies in Asia, Latin America and Africa. The Indo-US civil nuclear agreement and the India-specific safeguards agreements with IAEA were made possible due to the international community's confidence in India's impeccable non-proliferation credentials, and its economic growth potential. Given that more than 50% of our energy requirements are met by coal and fossil fuels, and the sharp rise in the fuel prices, seen in conjunction with our huge energy requirements for the next 20-25 years, we have come to the conclusion that there is no alternative but to develop nuclear energy. The basic imperative of the India-US civil nuclear agreement is the same as that which binds us to the IPI gas pipeline - our energy needs are too large to be met from any one single source.

It is in this changing context that we need to look at India-Iran relations afresh. We have close civilisational ties, and share common interests and perceptions on many regional issues. In the vital area of trade-economic relations, important projects in sectors such as oil and gas, steel, fertilizer, infrastructure and railways are being discussed and implemented. The Government of India is encouraging its public and private companies to invest in Iran. We hope that such projects for mutual benefit would continue to enjoy the support of the Government of Iran. ONGC Videsh Ltd. (OVL) has discovered significant quantities of gas and oil during exploratory work done during 2004-07 at an estimated cost of US\$ 90 million. OVL is also in talks with Iranian companies for development of the Azadegan Gas Field and Phase 12 of the South Pars gas field. We would like Iranian investment in India, especially in the oil and gas sectors. Iran is a very important producer of hydrocarbons and we are a major consumer. There could be mutually beneficial long-term arrangements, including our agreement on supply of LNG or the proposed Iran-Pakistan-India gas pipeline project. In the past, both countries had successfully collaborated in setting up of the Madras Refinery Project, the Kudremukh Iron Ore Project and the Madras Fertilizer Project besides the Irano-Hind Shipping Company. We lay particular emphasis on signing of Bilateral Investment Protection and

Promotion Agreement and the Double Taxation Avoidance Agreement to promote and protect bilateral investments. We would like to see progress on projects pertaining to the Chabahar port.

We have also stressed the importance of further strengthening cultural and people-to-people links, which would continue to be the bedrock of our relations. But most of all, India and Iran are close neighbours. We share a complex challenge in our region but are also best placed to appreciate the potential this region has. Throughout history, our countries have seen an inter-mingling of our people and cultures. Our civilizations reached unparalleled heights of sophistication and achievement when the rest of the world was in darkness. We have also faced external invasions and hegemonies and successfully overcome them. From this shared history we have derived our own principles and norms of engagement with the outside world. We can use this shared history to our mutual benefit and in the interests of our people.

Your Excellency, Mr. Foreign Minister, I am glad to join you in this forum in Tehran. I am confident that the participants in today's Round Table will have serious deliberations on all aspects of our bilateral relations and will come up with a good report on how to strengthen our relations even further. I extend to you the warmest good wishes of the people and Government of India and through you to your leadership and your Government. I am sure our friendship, cooperation and good faith will stand our countries, our region and the entire world in good stead.



441. Extradition Treaty Between The Government of the Republic of India and Government of the Islamic Republic of Iran.

Tehran, November 2, 2008.

The Government of the Republic of India and Government of the Islamic Republic of Iran "hereinafter referred to as the Parties";

Desiring to make more effective the cooperation of the two countries in the suppression of crime by making further provision for the reciprocal extradition of offenders;

Recognizing that concrete steps are necessary to combat terrorism;

Have agreed as follows:

ARTICLE 1

DUTY TO EXTRADITE

- (1) Each Party undertakes to extradite to the other, in the circumstances and subject to the conditions specified in this Treaty, any person who, being accused or convicted of an extradition offence as described in Article 2, committed within the territory of the one Party, is found within the territory of the other Party, whether such offence was committed before or after the entry into force of this Treaty.
- (2) Extradition shall also be available in respect of an extradition offence as described in Article 2 committed outside the territory of the Requesting Party but in respect of which it has jurisdiction if the Requested Party would, in corresponding circumstances, have jurisdiction over such an offence. In such circumstances the Requested Party shall have regard to all the circumstances of the case including the seriousness of the offence.
- (3) In addition, extradition shall be available for an extradition offence as described in Art 2, if it is committed in a third state by a national of the Requesting Party bases its jurisdiction on the nationality of the offender and it would be an offence under the law of the Requested Party punishable with imprisonment for a term of at least one year.

ARTICLE 2**EXTRADITION OFFENCES**

An extradition offence for the purposes of this Treaty is constituted by conduct which under the laws of each Contracting party is punishable by a term of imprisonment for a period of at least one year.

ARTICLE 3**COMPOSITE OFFENCES**

Extradition shall be available in accordance with this Treaty for an extradition offence, notwithstanding that the conduct of the person sought occurred wholly or in part in the Requested Party, if under the law of that Party this conduct and its effects, or its intended effects, taken as a whole, would be regarded as constituting the commission of an extradition offence in the territory of the Requesting Party.

ARTICLE 4**GROUND FOR REFUSAL OF EXTRADITION**

- (1) Extradition may be refused if:
 - (a) the person sought to be extradited is a citizen of the Requested Party at the time of commission of an offence;
 - (b) the persons satisfies the Requested Party that it would be unjust to extradite him because of lapse of time;
 - (c) the request for extradition is contrary to the Constitution or domestic laws of the Requested Party; and
 - (d) The offence of which he is accused or convicted is of a political character. However, the following shall not be considered as offences of political character:
 - (i) murder, culpable homicide not amounting to murder, assault causing bodily harm, kidnapping, or hostage taking;
 - (ii) offences relating to terrorism including offences relating to firearms or other weapons, or explosives, or

- dangerous substances, or offences involving serious damage to property or disruption of public facilities;
 - (iii) any offence within the scope of international conventions to which both the Parties are parties; and
 - (iv) any attempts or conspiracy to commit any of the above.
- (2) The request for extradition may be refused by the Requested Party if the person whose extradition is sought may be tried for the extradition offence in the courts of that Party.
- (3) A Person who has been convicted of an extradition offence may not be extradited, unless the sentence of the sought person is at least 6 months of imprisonment.
- (4) A person may not be extradited if he would, if proceeded against in the territory of the Requested Party for the offence for which his extradition is requested, be entitled to be discharged under any rule of law of the Requested Party relating to previous acquittal or conviction.

ARTICLE 5

EXTRADITION AND PROSECUTION

- (1) If extradition is refused pursuant to the provisions of Clause 1 (a) of Article 4 of this Treaty, the Requested Party shall prosecute the accused person and initiate criminal proceedings against him/her in its own courts. In such cases, the Requesting Party shall provide the Requested Party with reasons and evidence related to the offence.
- (2) Where the Requested Party refuses a request for extradition for the reasons set out in other clauses of paragraph 1 of this Article, it shall submit the case to its competent authorities so that prosecution may be considered. Those authorities shall take their decision in the same manner as in the case of any offence of a serious nature under the law of that Party.
- (3) If the competent authorities decide not to prosecute in such a case, the request for extradition shall be reconsidered in accordance with this Treaty.

ARTICLE 6**POSTPONEMENT OF SURRENDER**

- (1) If criminal proceedings against the person sought are instituted in the territory of the Requested Party, or he is lawfully detained in consequence of criminal proceedings, the decision whether or not to extradite him may be postponed until the criminal proceedings have been completed or he is no longer detained.
- (2) The person sought may not be extradited, until it has been decided in accordance with the law of the Requested Party that he is liable to be extradited.

ARTICLE 7**EXTRADITION PROCEDURES**

- (1) The request for extradition under this Treaty shall be made through the diplomatic channels.
- (2) The request shall be accompanied by:
 - (a) as accurate a description as possible of the person sought, together with any other information which would help to establish his identity, nationality and residence, including, if possible, his photographs and fingerprints;
 - (b) a statement of the facts of the offence for which extradition is requested; and
 - (c) the text, if any, of the law
 - (i) defining that offence; and
 - (ii) prescribing the maximum punishment for the offence.
- (3) If the request relates to an accused person, it must also be accompanied by a warrant of arrest issued by a judge, magistrate or other competent authority in the territory of the Requesting Party and by such evidence as, according to the law of the Requested Party, would justify his committal for trial; as also evidence that the person requested is the person to whom the warrant of arrest refers.
- (4) If the request relates to a person already convicted and sentenced, it shall also be accompanied:

- (a) by a certificate of the conviction and sentence;
 - (b) by a statement that the person is not entitled to question the conviction or sentence and showing how much of the sentence has not been carried.
- (5) In relation to a convicted person who was not present at his trial, the person shall be treated for the purposes of paragraph (4) of this Article as if he had been accused of the offence of which he was convicted.
- (6) If the Requested Party considers that the evidence produced or information supplied for the purposes of this Treaty is not sufficient in order to enable a decision to be taken as to the request, additional evidence or information shall be submitted within such time as the Requested Party shall require.

ARTICLE 8

PROVISIONAL ARREST

- (1) In urgent cases the person sought may in accordance with the law of the Requested Party, be provisionally arrested on the application of the competent authorities of the Requesting Party. The application shall contain an indication of intention to request the extradition of that person and statement of the existence of a warrant or arrest or a conviction against him, and, if available, his description and such further information, if any, as would be necessary to justify the issue of a warrant of arrest had the offence been committed, or the person sought been convicted, in the territory of the Requested Party.
- (2) A person arrested upon such an application shall be set at liberty upon the expiration of (60) days from the date of his arrest if request for his extradition shall not have been received. This provision shall not prevent the institution of further proceedings for the extradition of the person sought if a request is subsequently received.

ARTICLE 9

RULE OF SPECIALTY

- (1) Any person who is returned to the territory of the Requesting Party under this Treaty shall not, during the period described in paragraph (2) of this Article, be dealt with in the territory of the

Requesting Party for or in respect of any offence committed before he was returned to that territory other than:

- (a) the offence in respect of which he was returned;
 - (b) any lesser offence disclosed by the facts proved for the purposes of securing his return other than an offence in relation to which an order for his return could not lawfully be made; or
 - (c) any other offence in respect of which the Requested Party may consent to his being dealt with other than an offence in relation to which an order for his return could not lawfully be made or would not in fact be made.
- (2) The period referred to in paragraph (1) of this Article is the period beginning with the day of his arrival in the territory of the Requesting Party or his return under this Treaty and ending (10) thirty days after the first subsequent day on which he has the opportunity to leave the territory of the Requesting Party.
- (3) The provisions of paragraph (1) of this Article shall not apply to offences committed after the return of a person under this Treaty or matters arising in relation to such offences.
- (4) A person shall not be re-extradited to a third State except when having had an opportunity to leave the territory of the Party to which he has been surrendered, he has not done so within thirty (30) days of his final discharge, or has returned to that territory after having left it.

ARTICLE 10

EVIDENCE

- (1) The authorities of the Requested Party shall admit as evidence, in any proceedings for extradition, any evidence taken on oath or by way of affirmation, any warrant and any certificate of, or judicial document stating the fact of, a conviction, if it is authenticated:
- (a) (i) in the case of a warrant being signed, or in the case of any original document by being certified, by a judge, magistrate or other competent authority of the Requesting Party; and
 - (ii) either by oath of some witness or by being sealed with

the official seal of the appropriate Ministry of the Requesting Party; or

- (b) In such other manner as may be permitted by the law or the Requested Party.
- (2) The evidence described in paragraph (1) shall be admissible in extradition proceedings in the Requested Party whether sworn or affirmed in the Requesting Party or in some third State.

ARTICLE 11

COMPETING REQUESTS

If extradition of the same person whether for the same offence or for different offences is requested by a Party and a third State with which the Requested Party has an extradition arrangement, the Requested Party shall determine to which State the person shall be extradited, and shall not be obliged to give preference to the Party.

ARTICLE 12

CAPITAL PUNISHMENT

If under the law of the Requesting Party the person sought is liable to the death penalty for the offence for which his extradition is requested, but the law of the Requested Party does not provide for the death penalty in a similar case, extradition may be refused unless the Requesting party gives such assurance as the Requested Party considers sufficient that the death penalty will not be carried out.

ARTICLE 13

SURRENDER

- (1) If extradition is granted, the person sought shall be sent by the authorities of the Requested Party to such convenient point of departure from the territory of that Party as the Requesting Party shall indicate.
- (2) The Requesting Party shall remove the person sought from the territory of the Requested Party within one month or such longer period as may be permitted under the law of the Requested Party. If

he is not removed within that period, the Requested Party may refuse to extradite him for the same offence.

ARTICLE 14

SURRENDER OF PROPERTY

- (1) When a request for extradition is granted, the Requested Party shall, upon request and so far as its law allows, hand over to the Requesting Party articles (including sums of money) which may serve as proof or evidence of the offence.
- (2) If the articles in question are liable to seizure or confiscation in the territory of the Requested Party, the latter may, in connection with pending proceedings, temporarily retain them or hand them over on condition that they are returned.
- (3) These provisions shall not prejudice the right of the Requested Party or any person other than the person sought. When these rights exist the articles shall on request be returned to the Requested Party without charge as soon as possible after the end of the proceedings.

ARTICLE 15

MUTUAL LEGAL ASSISTANCE IN EXTRADITION

Each Party shall, to the extent permitted by its law, afford the other the widest measure of mutual assistance in criminal matters in connection with the offence for which extradition has been requested.

ARTICLE 16

DOCUMENTS AND EXPENSES

- (1) All extradition requests and documents shall be submitted in one of the official languages of the Requesting Party and accompanied by their translation in to English language.
- (2) Expenses incurred in the territory of the Requested Party by reason of the request for extradition shall be borne by that Party.
- (3) The Requested Party shall make all the arrangements which shall be requisite with respect to the representation of the Requesting Party in any proceedings arising out of the request.

ARTICLE 17**OBLIGATIONS UNDER INTERNATIONAL CONVENTIONS/TREATIES**

The present Treaty shall not affect the rights and obligations of the Parties arising from International Conventions/Treaties to which they are parties.

ARTICLE 18**CENTRAL AUTHORITIES**

1. Requests for extradition under this Treaty shall be made through the Central Authorities of the Parties.
2. In the Republic of India the Central Authority is the Ministry of External Affairs and in the Islamic Republic of Iran, the Central Authority is the Judiciary. (Ministry of Justice)

ARTICLE 19**SETTLEMENT OF DISPUTES**

Any dispute arising out of the implementation and interpretation of this Treaty shall be settled through mutual consultation and negotiation.

ARTICLE 20**FINAL PROVISIONS**

- (1) The present Treaty shall apply to requests made after its entry into force, even if the relevant acts or omissions occurred prior to that date.
- (2) This Treaty shall be ratified according to the legal formalities provided in the Constitution and domestic laws of both Parties and shall enter into force on the date of sending the last notice by one Party to the other on the fulfillment of all necessary legal formalities for enforcement of this Treaty.
- (3) Either of the Parties may terminate this Treaty at any time by giving notice to the other through the diplomatic channels; and if such notice is given, the Treaty shall cease to have effect six month after the receipt of the notice.

In witness whereof, the undersigned being duly authorized thereto by their respective Governments, have signed this Treaty.

Done in two originals at Tehran this the second day of November 2008, each in Hindi, Persian and English, all languages being equally authentic. In case of any doubt, the English text shall prevail.

On behalf of the Government
of The Republic of India

Minister of External Affairs

On behalf of the Government
of The Islamic Republic of Iran

Minister of Justice



442. Agreement Between The Government of the Republic of India and The Government of the Islamic Republic of Iran on Mutual Legal Assistance in Criminal Matters.

Tehran, November 2, 2008.

The Government of the Republic of India and the Government of the Islamic Republic of Iran (Hereinafter referred to as 'Parties');

Guided by the traditional friendly relations between the two countries;

Recognising the need to facilitate the widest measures of mutual assistance in the service of summons, execution of warrants and other judicial documents and commissions;

Desiring to improve the effectiveness of both countries in the investigation, prosecution and suppression of crime, including crime related to terrorism and tracing, restraint, forfeiture or confiscation of the proceeds and instrument of crime, through cooperation and mutual legal assistance in criminal matters;

Have agreed as follows:

ARTICLE 1

SCOPE OF APPLICATION

1. Under this Agreement, the Parties shall grant each other the widest measure of mutual legal assistance in criminal matters.
2. For the purpose of this Agreement mutual legal assistance shall be granted irrespective of whether the assistance is sought or to be provided by a Court or some other authority.

3. This Agreement shall also apply to any requests for mutual legal assistance relating to acts or omissions committed before its entry into force .

ARTICLE 2

DEFINITIONS

For the purpose of this Agreement:

1. (a) Criminal matters mean, investigations, inquiries, trials or other proceedings relating to an offence created by any law enforceable in the respective Parties.
- (b) Criminal matters shall also include investigations or proceedings relating to offences concerning taxation, duties, customs and international transfer of capital or payments.
- (c) Assistance shall include:
 - (i) measures to locate, restrain, forfeit or confiscate the proceeds and instruments of crime and also funds or finance meant for the financing of acts of terrorism in the territory of either Party;
 - (ii) taking of evidence and obtaining of statements of persons;
 - (iii) providing of information, documents and other records, including criminal and judicial records;
 - (iv) location of persons and objects, including their identification;
 - (v) Search and seizure;
 - (vi) Delivery of property, including lending of exhibits;
 - (vii) Making detained persons and others available to give evidence or assist investigations;
 - (viii) service of documents, including documents seeking the attendance of persons; and
 - (ix) other assistance consistent with the objects of this Agreement.
2. (a) "proceeds of crime" means any property that is derived or realized directly or indirectly by any person from an offence or offences or the value of any such property;

- (b) "property" includes money and all kinds of movable or immovable, tangible or intangible property, and includes any interest in such property;
- (c) "confiscation" means any measure resulting in the deprivation of property;
- (d) "instruments of crime" means properties which are used or intended to be used in connection with the commission of an offence; and
- (e) "the restraint of property" means any measure for the prevention of dealing in or transfer or disposal of property.

ARTICLE 3

CENTRAL AUTHORITIES

1. Requests for assistance under this Agreement shall be made through the Central authorities of the Parties.
2. In the Republic of India the Central Authority is the Ministry of Home Affairs. In the Islamic Republic of Iran, the Central Authority is the Judiciary (Ministry of Justice).

ARTICLE 4

CONTENTS OF REQUESTS

1. Requests for assistance under this Agreement shall be made in writing. However, in urgent circumstances, or where otherwise permitted by the requested party, requests may be made orally but shall be confirmed in writing thereafter.
 - (a) the name of the competent authority conducting the investigation or proceedings to which the request relates;
 - (b) the matters, including the relevant facts and laws, to which the investigation or proceedings relates;
 - (c) the purpose for which the request is made and the nature of the assistance sought;
 - (d) details of any particular procedure or requirement that the Requesting Party wishes to be followed;

- (e) any time limit within which compliance with the request is desired;
 - (f) the identity, nationality and location of the person or persons who are the subject of the investigation or proceedings;
 - (g) in the case of requests for the taking of evidence or search and seizure, a statement indicating the basis for belief that evidence may be found in the jurisdiction of the Requested Party;
 - (h) in the case of requests to take evidence from a person, a statement as to whether sworn or affirmed statements are required, and a description of the subject matter of the evidence or statement sought;
 - (i) in the case of lending of exhibits, the person or class of persons who will have custody of the exhibit, the place to which the exhibit is to be removed, any tests to be conducted and the date by which the exhibit will be returned;
 - (j) in the case of making detained persons available, the person or class of persons who will have custody during the transfer, the place to which the detained person is to be transferred and the date of that person's return;
 - (k) the need, if any, for confidentiality and the reasons therefor; and
 - (l) in the case of requests for restraint or forfeiture of proceeds or instruments of crime, where possible:
 - (i) a detailed description of the proceeds or instruments including their location;
 - (ii) a statement describing the basis for belief that the monies or property are the proceeds or instruments of crime; and
 - (iii) a statement describing the evidence that would be available for a proceeding in the Requested Party.
3. The Requested Party shall not refuse to execute the request solely because it does not include all of the information described under this article if it can otherwise be executed according to the law of the Requested Party.

4. If the Requested Party considers that additional information is needed to enable the request to be dealt with, that Party may request such additional information.

ARTICLE 5

EXECUTION OF REQUEST

1. Requests for assistance shall be executed in accordance with the law of the Requested Party and may be executed in accordance with any requirements/ manner specified in the request if not incompatible with the law of the Requested Party.
2. The Requested Party shall, upon request, inform the Requesting Party of any circumstances which are likely to cause a significant delay in execution of the request.
3. The Requested Party shall promptly inform the Requesting Party of a decision of the Requested Party not to comply in whole or in part with a request for assistance, or to postpone execution and shall give reasons for that decision.

ARTICLE 6

REFUSAL OF ASSISTANCE

1. The Requested Party may refuse the assistance if:
 - (a) the execution of the request would impair its sovereignty, security, public order or other essential interests, or prejudice the safety of any person;
 - (b) the execution of the request would be contrary to the Constitution and domestic laws of the Requested Party;
 - (c) if the request seeking restraint, forfeiture or confiscation, of proceeds or instruments of activity which, had it occurred within the jurisdiction of the Requested Party, would not have been an activity in respect of which a confiscation order could have been made; and
 - (d) the request relates to an offence in respect of which the accused person had been finally acquitted or pardoned.
2. Before, refusing to grant a request for assistance, the Requested Party shall consider whether assistance may be granted subject to

such conditions as it deems necessary. If the Requesting Party accepts assistance subject to conditions, the Requesting Party shall comply with those conditions.

ARTICLE 7

TRANSMISSION OF DOCUMENTS AND OBJECTS

1. When the request for assistance concerns the transmission of records and documents, the Requested Party may transmit certified true copies thereof, unless the Requesting Party expressly requests the originals.
2. The original records or documents and the objects transmitted to the Requesting Party shall be returned to the Requested Party as soon as possible, upon the latter's request.
3. Insofar as not prohibited by the law of the Requested Party, documents, objects and records shall be transmitted in a form or accompanied by such certification as may be requested by the Requesting Party in order to make them admissible according to the law of the Requesting Party.

ARTICLE 8

TAKING EVIDENCE IN THE REQUESTED PARTY

1. A person, including a person in custody, requested to testify and produce documents, records or other articles in the Requested Party may be compelled by subpoena or order to appear and testify and produce such documents, records and other articles, in accordance with the law of the Requested Party.
2. Subject to the law of the Requested Party, commissioners, other officials of the Requesting Party and persons concerned in the proceedings in the Requesting Party shall be permitted to be present when evidence is taken in the Requested Party and to participate in the taking of such evidence.
3. The right to participate in the taking of evidence includes the right of counsel present to pose questions. The persons present at the execution of a request may be permitted to make a verbatim transcript of the proceedings. The use of technical means to make such a verbatim transcript may be permitted.

ARTICLE 9**AVAILABILITY OF PERSONS TO GIVE EVIDENCE OR ASSIST IN INVESTIGATION IN THE REQUESTING PARTY**

1. The Requesting Party may request that a person be made available to testify or to assist in an investigation.
2. The Requested Party shall invite the person to assist in the investigation or to appear as a witness in the proceedings and seek that person's concurrence thereto. That person shall be informed of any expenses and allowances payable.

ARTICLE 10**MAKING DETAINED PERSONS AVAILABLE TO GIVE EVIDENCE OR ASSIST IN INVESTIGATIONS**

1. A person in custody in the Requested Party shall, at the request of the Requesting Party, be temporarily transferred to the Requesting Party to assist in investigations or proceedings, provided that the person consents to that transfer and there are no overriding grounds against transferring the person.
2. Where the person transferred is required to be kept in custody under the law of the Requested Party, the Requesting Party shall hold that person in custody and shall return the person in custody at the conclusion of the execution of the request.
3. Where the sentence imposed expires, or where the Requested Party advises the Requesting Party that the transferred person is no longer required to be held in custody, that person shall be set at liberty and be treated as person present in the Requesting Party pursuant to a request seeking that person's attendance.

ARTICLE 11**SAFE CONDUCT**

1. A person present in the Requesting Party in response to a request seeking that person's attendance shall not be prosecuted, detained or subjected to any other restriction of personal liberty in the territory of that Party for any acts or omissions which preceded that person's departure from the Requested Party, nor shall that person be obliged

to give evidence in any proceeding other than the proceedings to which the request relates.

2. A person, who is present in the Requesting Party by consent as a result of a request for the person's attendance to answer before a judicial authority any acts, omissions or convictions shall not be prosecuted or detained or subjected to any other restriction of personal liberty for acts and omissions or convictions which preceded that person's departure from the Requested Party, not specified in the request.
3. Paragraphs 1 and 2 of this Article shall cease to apply if a person, being free to leave the Requesting Party, has not left it within a period of 30 days after being officially notified that that person's attendance is no longer required or, having left that territory, has voluntarily returned.
4. Any person who fails to appear in the Requesting Party may not be subjected to any sanction or compulsory measure in the Requested Party.

ARTICLE 12

PROCEEDS AND INSTRUMENTS OF CRIME

1. The Requested Party shall upon request endeavour to ascertain whether any proceeds or instruments of a crime are located within its jurisdiction and shall notify the Requesting Party of the results of its inquiries.
2. A request may be made for assistance in securing the forfeiture or confiscation of proceeds or instruments of crime. Such assistance shall be given in accordance with the law of the Requested Party by whatever means are appropriate. This may include giving effect to an order made by a court or other competent authority in the Requesting Party or submitting the request to a competent authority for the purpose of seeking a forfeiture or confiscation order in the Requested Party.
3. A request may be made for assistance in the restraint of property for the purpose of ensuring that it is available to satisfy an order for the recovery of proceeds or instruments.
4. Proceeds or instruments forfeited or confiscated pursuant to this agreement shall accrue to the Requested Party, unless otherwise agreed in a particular case.

5. Where action has been taken in the Requested Party pursuant to a request for assistance under paragraphs 1 or 2 of this Article, and there is a representation in either of the Parties as the case may be by a person affected by the order, the relevant Party shall inform the other Party as soon as possible and shall also inform it promptly of the outcome of that representation.

ARTICLE 13

CONFIDENTIALITY AND LIMITATION OF USE

1. The Requested Party may require, after consultation with the Requesting Party, that information or evidence furnished or the source of such information or evidence be kept confidential or be disclosed or used only subject to such terms and conditions as it may specify.
2. The Requested Party shall, to the extent requested, keep confidential a request, its contents, supporting documents and any action taken pursuant to the request except to the extent necessary to execute it.
3. The Requesting Party shall not disclose or use information or evidence furnished for purposes other than those stated in the request without the prior consent of the Requested Party.

ARTICLE 14

AUTHENTICATION

Evidence or documents transmitted pursuant to this Agreement shall not require any form of authentication, save as is specified in Article 7.

ARTICLE 15

LANGUAGE

Requests and supporting documents shall be accompanied by a translation into one of the official language languages of the Requested Party or in English.

ARTICLE 16

EXPENSES

1. The Requested Party shall meet the cost of executing the request for assistance, except that the Requesting Party shall bear: -

- (a) the expenses associated with conveying any person to or from the territory of the Requested Party at the request of the Requesting Party, and any expenses payable to that person while in the Requesting Party pursuant to a request under Article 9 or 10 of this Agreement;
 - (b) the expenses and fees of experts either in the Requested Party or the Requesting Party;
 - (c) the expenses of translation, interpretation and transcription; and
 - (d) the expenses associated with the taking of evidence from the Requested Party to the Requesting Party via video, satellite or other technological means.
2. If it becomes apparent that the execution of the request requires expenses of an extraordinary nature, the Parties shall consult to determine the terms and conditions under which the requested assistance can be provided.

ARTICLE 17

COMPATIBILITY WITH OTHER TREATIES

Assistance and procedures set forth in this Agreement shall not prevent either Party from granting assistance to the other Party through the provisions of other applicable international conventions, agreements, or through the provisions of its domestic law. The Parties may also provide assistance pursuant to any bilateral arrangement, agreement or practice which may be applicable.

ARTICLE 18

CONSULTATION

The Central Authorities of the Parties shall consult, at times mutually agreed to by them, to promote the most effective implementation of this Agreement. The Central Authorities may also agree on such practical measures as may be necessary to facilitate the implementation of this Agreement.

ARTICLE 19

ENTRY INTO FORCE, AMENDMENT AND TERMINATION

1. This Agreement shall be ratified according to the legal formalities provided in the Constitution and domestic laws of both Parties and

shall enter into force on the date of sending the last notice by one Party to the other on the fulfillment of all necessary legal formalities for enforcement of this Agreement.

2. This Agreement may be amended by mutual consent. Any such amendment will be subject to the same ratification procedures as in Clause 1 above.
3. Either Party may terminate this Agreement. The termination shall take effect six (6) months from the date on which it was notified to the other Party.
4. The Parties may also by mutual consent terminate this Agreement on such terms and conditions as may be agreed to between the Parties.

In witness whereof, the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

Done at Tehran this the 2nd day of November 2008 (Two Thousand and Eight), according to Iranian Hizri calendar 12th Aban 1387 in two originals each, in Hindi, Persian and English, all text, being equally authentic. However, in case of difference, the English text shall prevail.

For the Republic of India
Minister of External Affairs

For the Islamic Republic of Iran
Minister of Justice



ISRAEL

443. Joint Press Statement on 11th Round of Foreign Office Consultations between India and Israel.

New Delhi, January 23, 2008.

The 11th round of Foreign Affairs Consultations between India and Israel was held in the Ministry of Foreign Affairs in New Delhi on 23 January 2008. The Indian delegation was headed by Shri N. Ravi, Secretary (East), Ministry of External Affairs while the Israeli delegation was headed by Ambassador Ruth Kahanoff, Deputy Director General for Asia and the Pacific in the Ministry of Foreign Affairs of Israel.

During the consultations, both sides highlighted the excellent relations between the two countries in all fields. The two sides had a wide ranging and constructive exchange of views on bilateral, multilateral and regional issues, including the situation in South Asia and the Middle East. Both sides discussed a variety of ideas and initiatives in order to further enhance relations in fields such as economy and commerce, agriculture, culture and science, tourism etc. Discussions were also held in variety of consular issues that are of importance to both countries. Secretary Shri Ravi and Ambassador Kahanoff expressed their countries' commitment to strengthen and diversify bilateral relations between India and Israel.



444. Statement by Official Spokesperson on the terrorist attack on Mercaz Harav Yeshiva in West Jerusalem.**New Delhi, March 7, 2008.**

We condemn the mindless terrorist attack on the Mercaz Harav Yeshiva in West Jerusalem last evening in which eight innocent young Israeli lives were lost and several others injured. Terrorism in any form cannot be tolerated.

The issues confronting West Asia today are serious in nature and have to be addressed through dialogue. The current cycle of violence, including disproportionate retaliation by Israel, which has been taken to unprecedented levels, will have to cease if the suffering of the peoples of the region is to end¹.



¹ The Spokesperson's statement came in the background of hectic activity at the United Nations Security Council in New York where a U.S.-British initiative attempted to issue a statement condemning the killings. But this did not come through because Libya (a non-permanent UNSC member) insisted that it also incorporate a reference to the deaths of 120 civilians in the Gaza Strip. A UNSC statement is a notch below a resolution. (However, it must ideally be passed unanimously.) Media reports quoted diplomatic sources to suggest that Libya's intervention found support from some other UNSC non-permanent members. In New Delhi some civil society organisations and other concerned organizations too condemned the disproportionate use of force by Israel against the Palestinians. Meanwhile on April 27 Israeli daily *Ha'aretz* reported that Israel would consider a ceasefire in the Gaza Strip if Hamas restrained Islamic Jihad and other smaller militant groups from attacking the Jewish state. The Hamas and other Palestinian militant groups were due to meet in Cairo on 30th April to discuss a truce deal with Israel. Israeli security officials however, made it plain that if Hamas were unable to control the smaller groups, first and foremost Islamic Jihad, there was not much point to the agreement. Hamas on 26th April signaled agreement to a conditional six-month truce in the Gaza Strip. On 27th April, an Israeli spokesman said the Islamic movement was "not serious" and "trying to buy time in order to rearm and regroup."

KAZAKHSTAN

445. Speech by Vice President M. Hamid Ansari at the Banquet hosted by Chairman of Senate of Kazakhstan K. Tokayev.

Astana, April 7, 2008.

Your Excellency Chairman Mr. Tokayev

Excellencies

Distinguished Guests

Ladies and Gentlemen

It is a privilege and pleasure to be visiting the young and vibrant capital city of Astana. I am touched by the warmth of the welcome and the hospitality extended to me, my wife and my delegation.

We, in India, admire Kazakhstan for its achievements of the last fifteen years. The vision of His Excellency President Nazarbayev in steering the nation towards newer horizons and greater heights is truly remarkable. His recent address to the nation crystallizes his vision towards an ambitious path of development. Given the record of Kazakhstan in achieving economic, political and social milestones, we are confident that the path you have chosen would bring greater prosperity to your nation.

It is heartening to see that Kazakhstan has opted for a democratic mode of governance and has emerged as a nation with a stable polity, a growing economy and a modern outlook. It is a mark of your success that Kazakhstan today plays an increasingly important role in multilateral fora. Kazakhstan's role in spearheading the Conference on Interaction and Confidence Building Measures in Asia (CICA) is well recognized; so is the election to chair the Organisation for Security and Cooperation in Europe (OSCE) in 2010 yet another sign of this multifaceted role. India has been consistently supportive of CICA and would actively take part in moving forward the process in a manner that would benefit all the member countries.

Excellency

I come from a land in the throes of change. At the beginning of the last decade, India embarked on its reform process. For the first time in our

history, the Indian economy has grown at close to 9 per cent per annum for four years in a row. The historically high investment rate, of over 35% of GDP, and savings rate, of over 34% of GDP, point to a new economic dynamism. India is a young nation, with a median age of 24 years. India has the third largest technical man power in the world. Our growing capabilities in emerging areas of science and technology are being globally recognized and give us the wherewithal to assist you in your efforts.

India has historical and cultural linkages with your region spanning millennia. These links constitute a strong foundation for the edifice of bilateral relations in contemporary times. It is a matter of satisfaction that these have progressed steadily.

Relations between Kazakhstan and India have traditionally been warm, friendly and multi - faceted. The ties date back to ancient times. Both our societies are multi- ethnic, multi-religious, multi-lingual and multi-cultural. We share similarity of orientation and views on important regional and international issues.

While Kazakhstan and India have good relations at political, social and cultural levels, our ties in economic and commercial spheres are not commensurate with the vast potential that exists. With both our economies registering impressive growths in recent years, there are new and wide ranging opportunities for us to expand areas of economic cooperation. We need to encourage more people to people contact in both the countries.

I would also like to congratulate you Mr. Chairman, for your valuable contribution in furthering the bilateral relations between our countries in your present and previous capacities. The challenges of today defy borders. Collective effort is needed to fight the menace of terrorism, global pandemics and other destabilizing factors. It is imperative that we work together with determination on the path of development. I am confident that through our joint efforts, we will be able to further consolidate our cooperation in the coming years to our mutual benefit.

Ladies and Gentlemen, I request you to join me in raising a toast:

- to the happiness and prosperity of the friendly people of Kazakhstan and
- to the prospering and everlasting friendship and cooperation between our two countries and peoples.



**446. Address by Vice President M. Hamid Ansari at the
Academy of Public Administration.**

Astana, April 8, 2008.

Hon'ble Rector Dr. Azhimzhan Akhmetov

Respected Members of the Academy

Ladies and Gentlemen

It is indeed a privilege for me to be invited to the prestigious Academy of Public Administration of Kazakhstan.

Academies of public administration and public policy in most countries exert an influence that far exceeds their size or numbers - in training and mentally equipping generations of public servants, they come to symbolise the unique genius of a nation and its specific approaches towards political economy and public policy choices.

Let me begin with a set of questions:

What is public administration?

What is its role in the governance of states?

How does it impact on public policy?

What role do citizens play in it, as subjects and objects?

What role is visualized for it in the coming decades of the 21st century?

In a general sense, public administration can be defined as the development, implementation and study of government policy. It is thus linked to governance and is therefore as old as governance.

Let me demonstrate the point by going back in history to the 4th century BC and to the Indian strategic thinker and administrator Kautilya whose book The Arthashastra remains a classic exposition of the principles of economics and politics in relation to the administration of a state. The objective of governance was spelt out in simple terms:

'In the happiness of his subjects lies the King's happiness; in their welfare his welfare. He shall not consider as good only that which pleases him but treat as beneficial to him whatever pleases his subjects'.

Nor was he alone in our common region. In the 11th century AD Nizam al-Mulk was the chief minister of the Saljuq king Alp Arslan and wrote the *Siyasat Nama* in which the duty of the king was described as God-ordained: 'To close the doors of corruption, confusion and discord' so that the people may live in constant security.

There were others also who dwelt on the subject, long before Machiavelli appeared on the scene. In the 19th century the Viennese professor Lorenz von Stein considered public administration to be a melting pot of several disciplines and was a forum for interaction between theory and practice. In the 20th century proponents of minimum government philosophy shifted the focus somewhat and opined that the object of public administration should be to ascertain what the government can do properly, successfully, efficiently and with minimum cost and energy. This distinction between what the state must do and may do is perhaps reflective of affluence that is got given to most developing countries.

In our own times it is evident that there is a relationship between governance and development. There is enough empirical evidence now that governance plays a central role in economic development and growth because of its crucial role in resource accumulation and allocation. Governance is understood here to mean a focus on outcomes and the extent to which governments institute and implement policies in the interests of all citizens.

It is only in the last decade or so that international developmental theory has recognised that development is not only about projects, programmes and policies, but also about politics. There is also recognition that development is a product of what people decide to do to improve their lives and that it is the people who constitute the principle force of development. The people must have the right political and economic opportunities to create institutions that are responsible for their needs and priorities. Development, in this sense, is not what a government does to its people but what the people do by themselves and for themselves.

In India, this basic paradigm of public administration was enshrined in the Preamble to our Constitution. It defined the objectives of state policy: to secure to all of its citizens:

- JUSTICE, social, economic and political;
- LIBERTY of thought, expression, belief, faith and worship;
- EQUALITY of status and of opportunity; and to promote among them all;
- FRATERNITY assuring the dignity of the individual and the unity of the Nation.

The Indian state since then has been guided towards achievement of these objectives. The public administration and choice of public policy in the country had been geared towards evolving delivery structures and mechanisms to achieve these outcomes. In the initial period after independence this effort focused on three issues:

1. Consolidating a composite national identity and accommodating multiple identities including linguistic, ethnic, religious and caste-based: The various princely states were gradually integrated in a peaceful manner. Affirmative action in the political and economic spheres had empowered long discriminated communities such as Scheduled Castes and Scheduled Tribes in India. The status and equality of women was enshrined in the Constitution and legislation and conscious efforts were made for their empowerment. Linguistic identities were accommodated through re-organisation of provinces on linguistic lines.
2. Land reforms and infrastructure creation: The focus was on addressing the feudal system and bringing about land reforms to the benefit of small and tenant farmers. Much of the focus of infrastructure creation was on large industries in the iron and steel sector, large dams that catered to irrigation and power and establishment of premier technological, scientific and research institutions.
3. Creating a culture of democracy and participative governance: This was an effort to ensure that sectional aspirations for political influence and economic betterment found expression through political mobilisation in a democratic framework. Holding regular elections at the centre and the states firmly entrenched the nuts and bolts of democracy. This in itself was a very significant development considering that the vast majority of developing and newly

independent countries then had opted for non-democratic modes of government to promote nation building and development.

It was in the sixties and seventies that the traditional role of public administration of ensuring law and order and of revenue collection began to be questioned and demands made for expansion of its mandate. It was a time when growth rates in India had fallen and state intervention in economic and political administration was less than effective. It was also a period when the efficacy of political and economic checks and balances was gradually eroded.

In the 1980s, India undertook steps to significantly improve governance structures, enhance checks and balances and accountability mechanisms and bring about decentralisation of power down to the village level. Our structure of local self-governance, called Panchayati Raj, has over 240,000 grassroots institutions with 3.6 million elected persons to village and city level councils, a million of whom are women constituting some 37 per cent of all those elected. A percentage of the seats in local bodies are reserved for marginalized and vulnerable communities.

This innovative and imaginative step became, in the words of Prime Minister Manmohan Singh 'the medium to transform rural India into 700 million opportunities'. It enhanced participatory governance and broad-based planning and implementation of programmes of economic development and social justice. It is the greatest experiment in democracy ever undertaken anywhere in the world or at any time in history.

For the first time in our history, the Indian economy has grown at close to 9.0 per cent per annum for four years in a row. The historically high investment rate of over 35% of GDP, and savings rate of over 34% of GDP symbolize a new dynamism in our economy. In the recent past, public administration and public policy have been focused on making the growth process socially inclusive and regionally balanced. The government has thus crafted delivery mechanisms aimed at:

1. bridging the rural-urban gap in development;
2. instituting a National Rural Employment Guarantee Programme to alleviate rural poverty and offer basic livelihood security;
3. giving equal opportunity to our children in receiving education and realizing their potential;

4. offering basic health care to the rural poor; and
5. promoting socially inclusive and economically manageable urban development; and
6. improving governance and transparency through the enactment of The Right to Information Act.

Ladies and Gentlemen

In the matrix of various issues that impact upon the outcome of governance, public administration in the traditional sense is only one element. Other important elements include civil society, polity, the economic and business sectors and the judiciary. Some of these areas are more contested and competitive than others.

Ensuring the prosperity and well being of citizens demands that we continue to make progress on all aspects of governance. We must also continue to evolve and innovate so that public administration remains an instrument to achieve public good and does not become an end in itself.

I thank the Rector and Members of the Academy for inviting me today.

Thank you.



447. Address by Vice President M. Hamid Ansari at the Al-Farabi Kazakh National University.

Almaty, April 9, 2008.

Honourable Rector Dr. Tolegen Kozhamkulov

Distinguished Faculty

Scholars and Students

Ladies and Gentlemen

I am privileged to be invited to this prestigious University and deeply appreciate it. Even greater is the honour bestowed on me by the decision of the University.

Mohammad bin Mohammad bin Tarkhan Abu Nasr al-Farabi was a Central Asian polymath and one of the greatest scientists and philosophers of the Islamic world in his time. He was also a cosmologist, logician, musician, psychologist and sociologist. Amongst his works read to this day is Al-Madina al-Fadila in which, inspired by Plato, he explained his concept of the Perfect City. It is truly befitting that this University with a distinguished history of over seventy years and contribution to the development of native science, technics, culture, and higher education should bear Al Farabi's name.

Ladies and Gentlemen

We live in interesting times. When I see the young students of this University I see the energy and dynamism of youth, their restlessness and impatience for better lives and happiness and their hope and optimism for the future. We too are a young nation. Over 550 million Indians, out of a total of a billion, are below the age of 25 years. The young are also the seed bearers of tomorrow's leaders. Both our countries have been fortunate in having wise leaders at critical points of our histories.

Leadership, like all resources, is scarce; its domain and platforms are contested. A leader, by definition, stands apart; but he does not stand alone. He must ensure continuous nourishment from the group he leads; in turn, he enriches the group by his leadership. The challenge for an open society is to ensure this.

In India, we have set for ourselves a national objective of building a knowledge society, an inclusive society, and a humane society. The most daunting task for our new leaders is the human development of our people. Their mandate is to explore and exploit all the possibilities for socio-economic advancement and personal fulfillment of our citizens. They also have to lead them to it. The young are resourceful, enthusiastic, willing to work hard; they have neither the patience to wait for extended periods to realise their aspirations nor does today's economic environment permit them the luxury of time that an earlier generation had.

I am tempted to quote Martin Luther King Jr. He said:

'Human progress is neither automatic nor inevitable. We are faced now with the fact that tomorrow is today. We are confronted with the fierce urgency of now. In this unfolding conundrum of life and history there is such a thing as being too late...We may cry out desperately for time to pause in her passage, but time is deaf to every plea and rushes on. Over the bleached bones and jumbled residues of numerous civilizations are written the pathetic words: Too late.'

Friends

As I stand today before you, three issues appear self evident:

- The first is the physical proximity of Central Asia to India.
- The second is the historical continuity of an interactive relationship between us based on ties of civilisation, culture and trade.
- The third is an imperative of the emerging world system where globalisation is compressing distances and speeding up communication.

The old paradigms of economic relations are no longer valid. Similar is the case with the old paradigms of security. We live in a world where the imperative need for cooperative approaches in the security and economic arena asserts itself to overcome previously insurmountable obstacles. Today we do face problems in physical connectivity between our countries. We can rest assured that the compelling logic of this age will lead to solutions to overcome this.

Ladies and gentlemen

Our approach to the world is naturally a function of our values, our history and geography, and of how we define our interests. India's main focus since independence has been to improve our people's lives through inclusive economic development within a pluralist, secular, equitable and democratic framework. In making this effort, India has also decisively demonstrated that democracy and development are compatible and necessary for ensuring sustainability. The primary task of our foreign policy has been to enable the transformation of India's society and economy, restoring traditional patterns of dealing with the world, and building strategic autonomy of choice.

Judging by the results, our foreign policy choices have served the nation well. For more than two decades, India has recorded average annual GDP growth of around 6%. In the last four years, this has risen to around 9%. Historically unprecedented transformations and improvements in the people's living standards have taken place in India in the last few decades. Yet, much remains to be done. If we are to abolish mass poverty in India, we need to grow at 8 to 10% every year until 2020. We need considerable effort, correct public policy choices and a supportive and peaceful international environment.

Our foreign policy is also based on principles and a broad national consensus. The vision of our leaders like Mahatma Gandhi, Jawaharlal Nehru, Indira Gandhi and Rajiv Gandhi has led to the emergence of a secular polity. We share the values of fundamental human rights and freedoms with other democracies. Our values and civilisational heritage make us a barrier against fundamentalism and terrorism and a factor of peace and stability. We also seek maintenance of friendly relations with all countries, resolution of conflicts through peaceful means and equity in the conduct of international relations.

We firmly believe that global threats demand global responses and equitable sharing of responsibilities. India has actively pursued the strengthening of multilateral institutions, in particular the United Nations. We are committed to the comprehensive reform of the United Nations, including its Security Council.

Friends

Relations between India and Kazakhstan have always been warm, friendly and close. Both our countries are multi-ethnic, multi-linguistic, multi-cultural societies committed to countering fundamentalism, religious extremism and

terrorism. Our views coincide or converge on all major regional and international questions.

I am confident that stronger and deeper relations between Kazakhstan and India will further contribute to increased prosperity and security not only for the peoples of our countries, but also for the region and the world.

I once again thank the University for conferring this honour on me and inviting me today. I wish the students a bright and happy future.

Thank you.



KYRGYZSTAN

448. Joint Statement issued on the occasion of the visit of the Foreign Minister of Kyrgyz Republic Ednan Karabaev.

New Delhi, February 6, 2008.

At the invitation of Shri Pranab Mukhejee, External Affairs Minister of India, the Minister of Foreign Affairs of the Kyrgyz Republic Mr Ednan Karabaev paid an official visit to India from 4th to 6th February 2008.

The two Ministers held delegation level talks on bilateral, regional and global issues of mutual concern. External Affairs Minister hosted a lunch in honour of the visiting dignitary and delegation. The Minister had meetings with Shri Arjun Singh, Minister of Human Resources Development; Smt Ambika Soni, Minister of Culture and Tourism and Shri Kamal Nath, Minister of Commerce and Industry. Shri E.Ahamed, Minister of State (External Affairs) also hosted a lunch in honour of the visiting Minister.

Foreign Minister Ednan Karabaev also delivered a lecture on the topic 'Kyrgyzstan in Central Asian Dynamics' at the Indian Council for World Affairs on 4th February 2008.

The talks were held in an atmosphere of friendship, warmth and mutual understanding. The two sides expressed satisfaction with the ongoing bilateral institutional mechanism of Inter Governmental Commission, Foreign Office Consultations and mutually beneficial cooperation and partnership between India and the Kyrgyz Republic encompassing political exchanges, economic, defence, scientific and technological cooperation, and cultural & educational exchanges. They agreed to work together for

the further enhancement of their multifaceted relationship based on shared values, mutual respect and cooperation, and similarity of views on major international issues.

During the visit, Programme of Cooperation was signed between the two Foreign Ministries which lays down the roadmap for dialogue and cooperation between the two Ministries.

Both sides noted that bilateral trade between the two countries, though below potential, had steadily increased in the previous years. Both sides agreed to work to substantially raise the level of mutual trade and to sustain this level of growth. They also welcomed the growing investment partnerships between Indian and Kyrgyz companies in several sectors such as mining and processing of minerals and metals, leather manufacture and food processing.

The Kyrgyz Foreign Minister expressed appreciation for commissioned and ongoing Indian assisted projects in the Kyrgyz Republic. An India-Kyrgyz Centre of Information Technology was inaugurated on 15th August 2007 at Bishkek. Setting up of Potato Processing Plant and Mountain Medical Research Centre with Indian assistance in the Kyrgyz Republic is in advanced stage of planning and is to be implemented shortly.

The External Affairs Minister announced humanitarian relief assistance of US\$ 100,000 for the victims of earthquake that hit southern Kyrgyzstan on 3 January 2008.

Stressing the need for greater people-to-people interaction, particularly through academic and cultural exchanges, the two sides stressed the need for early conclusion of the Cultural Exchange Agreement.

The two sides welcomed the UN General Assembly Resolution on announcement of 2nd October as the International Non-violence Day and the UN General Assembly Resolution on the establishment of 20th February as the World Social Fairness Day. The two sides recognized these initiatives as important achievements of India and Kyrgyzstan for world peace and stability.

Foreign Minister Ednan Karabaev invited the External Affairs Minister and Shri E.Ahamed, Minister of State (External Affairs) to visit the Kyrgyz Republic. The invitations were accepted in principle.

Foreign Minister Ednan Karabaev expressed his gratitude to the Government of India for the warm hospitality extended to him and his delegation.



LEBANON

449. Statement by Official Spokesperson on the election by the Lebanese Parliament of Mr Michel Sleiman as the President of Lebanon.

New Delhi, May 26, 2008.

India welcomes the election by the Lebanese Parliament yesterday of H.E. Gen. Michel Sleiman as the President of Lebanon. The historic election follows efforts of various statesmen and countries of the region*. In this regard, the role played by Qatar and by His Highness the Emir of Qatar is especially noteworthy. India is confident that the election of President Sleiman will enable Lebanon to continue with the task of national reconciliation and reconstruction.

2. India renews its call for progress in the Lebanese track of the Middle East Peace Process.
3. The President of India has sent a message to her Lebanese counterpart felicitating him on his election.



1 His election is the result of the Doha accord, which called for General Sleiman's election as a consensus candidate, the formation of a national unity government in which the opposition has veto power. It also envisaged the enunciation of a law for parliamentary elections, due next year. Hizbollah television Al Manar described the accord - concluded after Qatar's mediation - as an event which "put an end to all endeavours to strain the situation in Lebanon...."

OMAN

450. Report on the visit of External Affairs Minister Pranab Mukherjee to Oman.

Muscat, January 14, 2008.

External Affairs Minister Pranab Mukherjee paid a two day visit to Oman on January 13 and 14, 2008. Apart from meeting the Omani leadership to review bilateral and regional relations with them, the Minister also met the 21 Indian Ambassadors stationed in West Asia in a brain storming session.

After his meeting with the Deputy Prime Minister of Oman Sayyid Fahd bin Mahmood Al Said, Mr. Mukherjee advocated elevating India-Oman ties to a "strategic" level. During the talks both side expressed a shared concern for enhancing security and stability in the region. They identified information technology, telecommunications, oil and gas as key areas for deepening ties. India is looking for Omani participation in the development of infrastructure and petrochemicals.

Mr. Mukherjee who after meeting his Omani counterpart Yousuf bin Alawi bin Abdullah said the Persian Gulf area was of "critical importance" to India. They discussed the road map for adding strategic content to the India-Oman relationship.

The brainstorming session with the Indian Ambassadors was part of India's move to give a fresh direction to ties with countries in the region. This gave the External Affairs Minister the opportunity to prioritize New Delhi's objectives in the region. One of the subjects discussed at this meeting was the West Asia peace process and developments related to Palestinian territories, where tensions between rival factions Fatah and Hamas were growing. Other issues that were on the agenda included Iran, the resurgence of Islam in the region, the situation in Somalia and the crisis in Darfur.

According to media reports Mr. Mukherjee was also briefed about the scope for enhancing cooperation with the six-nation Gulf Cooperation Council (GCC) and the Arab League. Saudi Arabia, Bahrain, Kuwait, Qatar, Oman and the United Arab Emirates constitute the GCC. The GCC was India's single most important source of energy. The trade between India and the countries comprising West Asia and North Africa had risen to \$34 billion.

Community issues relating to the welfare of millions of expatriate workers residing in the Gulf countries had emerged as a focal area during the two-day sessions. While their remittances contributed significantly to India's economic resurgence, there too were growing concerns about their living and working conditions in the host countries. On the economic side, the scope for opening new Indian banks, expansion of civil aviation links, and advancing tie-ups in the fields of science and technology, education and defence also came up for discussions. Mr. Mukherjee jointly inaugurated with his Omani counterpart, Yousuf bin Alawi bin Abdullah, a new chancery complex inside the Indian embassy in Muscat.

Speaking to a gathering of the Indian community on January 14, Mr. Pranab Mukherjee said that the Indian companies had secured oil and gas as well as mining concessions in Oman. A consortium involving an Omani company won exploration bids for oil blocs in India, he said.



451. Press Release of the Ministry of External Affairs on the visit of National Security Advisor M.K. Narayanan, to Muscat.

New Delhi, October 31, 2008.

H.E. Mr. M.K. Narayan, National Security Advisor of India (NSA), paid a two-day official visit to the Sultanate of Oman, during 29th - 31st October, 2008. During the visit, he paid calls on 29th October on His Majesty Sultan Qaboos bin Said al Said, Sultan of the Sultanate of Oman, H.E. General Ali bin Majid al Ma'amari, Minister of Royal Office, and H.E. Mr. Yousuf Bin Alawi bin Abdulla, Minister Responsible for Foreign Affairs. On 30th October, 2008, he had a meeting with Dr. Omer Al Zawawi, Advisor to His Majesty the Sultan.

During the meetings, NSA exchanged views with Omani dignitaries on bilateral relations and other regional and international issues. Both sides expressed satisfaction at the status of bilateral relations.

H.E. Mr. Narayanan expressed happiness at visiting the Sultanate and said that the visit was undertaken with the specific purpose of developing relations between the two countries. General Ma'amari reiterated the Sultanate's keenness to further strengthen bilateral relations with India in all fields.

On 30th October, Ambassador Anil Wadhwa hosted a reception in honour of H.E. Mr. Narayanan. Speaking on the occasion Ambassador Wadhwa stated that the visit was a step in the right direction that would further strengthen the historical bilateral ties between the two countries. In his comments, H.E. Mr. Narayanan expressed his satisfaction with the visit and stated that he had been received with great warmth and affection during his visit here, and was greatly honored by the audience that His Majesty Sultan Qaboos granted him.



452. Extract from the Briefing by Secretary (East) in the Ministry of External Affairs N. Ravi relevant to Prime Minister's visit to Oman and Qatar.

New Delhi, November 7, 2008.

Official Spokesperson (Shri Vishnu Prakash): Good evening and welcome to the Media Hall.

Secretary (East) Mr. N. Ravi is here to brief you about the forthcoming visit of Prime Minister to Oman and Qatar. He will also be talking to you about the forthcoming BIMSTEC Summit. To Secretary (East)'s right is Joint Secretary (Gulf) Mr. A. Manickam, and to my left is my colleague Joint Secretary (Economic Relations) Mr. J.S. Mukul. Secretary will also be taking a few questions after his opening remarks.

Secretary (East) (Shri N. Ravi): Thank you Vishnu.

Thank you very much to all of you for coming for this briefing. This is to cover the visit of the Prime Minister to the Gulf countries. He would be visiting Oman and Qatar from the 8th to the 10th of November. The Prime Minister will be accompanied by a high-power delegation. He would be in Oman on the 8th and the 9th; and in Qatar on the 9th evening onwards and on the 10th. He would return to India late night on the 10th.

If you recall, we have had many visits from the Gulf countries over the last two years. From the Indian side this would be the first visit of any Prime Minister to Qatar. Of course, we have had earlier visits of Prime Minister's to Oman. In Oman, where the Prime Minister would be touching down first, there would be a delegation-level meeting on the date of arrival that is tomorrow. Then there would be an audience with His Majesty the Sultan of Oman on the 9th. A community function is also on the cards, and a meeting with the business community has also been arranged. This would be on the 9th of November.

The programme in Qatar has a similar content. On the day of arrival there is a meeting with the Prime Minister followed by delegation-level talks. Similarly, on the day following, that is on the 10th, there is an audience with His Majesty, following which His Majesty would be hosting a special lunch for the Prime Minister.

The Gulf countries are extremely important for India, and certainly Oman and Qatar in a big way, because there are many Indian workers there.

When we take the whole Gulf and West Asia into consideration we have a little over 4.5 million people living and working there. They send a remittance of a little under nine billion dollars a year. Apart from that, the entire Gulf region is very important both as a market and as a source of energy security for us. From both angles the visit would cover issues and certain aspects of our relations with these countries, keeping our expatriate community which is present in a very large number in both these countries and in the Gulf in general and the prospects of trade and investment also both sides.

Most of you may be aware that in Oman we have one of the largest investments anywhere in the world, a little over 950 million dollars in the company called OMIFCO (Oman - India Fertiliser Company). That is really a major symbol of our cooperation with any country in the Gulf. Qatar on the other hand has the world's third largest reserves of gas which is also a good market for us both for buying gas as well as for selling to those countries.

In a manner of speaking, this visit will be a major milestone in our relations with both these countries to bring us closer both in terms of our people-to-people interaction, in terms of trade, in terms of investment, and in terms of overall long-term energy security, and exchanges in areas that relate to such sectors where India has a lot of strength. The information technology sector, the education sector come to mind first. These would also be areas of interest to us.

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Question: Regarding the PM's visit to Oman and Qatar, who are all the Ministers and major officials who are accompanying the PM?

Secretary (East): Among the Ministers, given the fact that there is a major expatriate Indian community living there, the Minister for Overseas Indian Affairs would be a part of the delegation. The Minister of State for External Affairs, Mr. E. Ahamed would be there. Apart from them, to give the investment aspect a major boost, Deputy Chairman of the Planning Commission is also likely to be there. The Minister for Petroleum and Natural Gas would, I think, be there in Qatar.

Question: Are there any agreements in the pipeline that will be signed during the visit?

Secretary (East): There are some under discussion and these would relate to areas like trade, investment, and the expatriate manpower that we have there. But these are still being finalized and we are looking forward to getting them signed during the visit.

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(It was a joint briefing for the Prime Minister's visit to Oman and Muscat and the BIMSTEC SUMMIT in New Delhi. For the briefing on BIMSTEC please see Document No.147.



453. Statement by Prime Minister Dr. Manmohan Singh on the eve of his departure for Oman and Qatar.

New Delhi, November 7, 2008.

I will be visiting Oman and Qatar from November 8-10, 2008. The Gulf region is an area of vital importance for India's security and prosperity¹. We have always enjoyed a very special relationship with countries of the region. Nothing epitomizes this more than our ties with the Sultanate of Oman and the Emirate of Qatar.

My visit to Oman from November 8-9, 2008 will give me an opportunity to renew with the leaders and people of Oman the very special affinity that has existed between India and Oman through the centuries. I will have the honour of an audience with His Majesty Sultan Qaboos bin Said, and will hold detailed discussions on our bilateral relationship with His Highness Deputy Prime Minister Sayyid Fahd Mahmoud Al Said. Both India and Oman have a special vision for our bilateral relationship and I will use my visit to find ways in which we can concretize this vision into a broad and mutually beneficial cooperative framework between the two countries.

I will be visiting Qatar from November 9-10, 2008. We attach great importance to our ties in Qatar, which is one of the largest and most reliable suppliers of

¹ The two countries being visited by the Prime Minister are important for India in the Gulf region. India also has very close ties with Oman, which is one of the countries to unquestioningly offer berthing facilities to Indian warships. India also conducts joint naval exercises with both countries and accommodates officers and men from their armed forces in its military training institutions. In 2004 India and Oman had signed an Extradition Treaty. India and Oman has set set up the world's largest grassroots fertilizer plant. India had chipped in with an investment of one billion dollars . It is also the largest Indian joint venture overseas. The Emir of Qatar visited India in April 2005. In December 2007 the Deputy Prime Minister of Oman visited New Delhi. The visit resulted in the signing of four MOUs for cooperation in various fields.

our energy needs from the region. Given the complementarities that exist between us, I am confident that we can build a mutually beneficial strategic partnership in this sector. I will have the honour of an audience with the Emir of Qatar His Highness Sheikh Hamad bin Khalifa al Thani and will hold discussions with His Excellency the Prime Minister Sheikh Hamad bin Jassam bin Jabor al Thani. I will discuss with them ways in which we can further strengthen our relations and move them forward in all their dimensions.

The current international economic and financial situation provides a unique opportunity for India to leverage the vast surplus funds in the Gulf for our development needs, and to accelerate trade and investment flows into each other's countries.

We have a large number of Indian citizens working in Oman and Qatar. Their contribution to these countries is widely acknowledged and appreciated by the authorities. I am grateful to both countries for the very warm welcome that has been accorded to them. During my discussions in Oman and Qatar I shall also discuss ways in which we can better assure their safety and welfare.



454. Statement by Prime Minister Dr. Manmohan Singh during his meeting with Business Community in Oman.

Muscat, November 9, 2008.

I am extremely pleased to have this opportunity to meet you, the captains of Oman's business and industry, today.

This is my first visit to Oman as Prime Minister. It reflects the great importance that the Government and people of India attach to our relations with Oman. We seek a broad-based relationship involving our parliamentarians, business communities and civil society actors to realise the full potential of our relations. Your role in building this partnership is truly critical.

We are extremely pleased to see the rapid progress which Oman has made under the wise leadership of His Majesty Sultan Qaboos bin Said. Oman's progress is a tribute to the hard work and spirit of enterprise of its people and the wise stewardship of His Majesty.

The destinies of the Gulf countries and India are closely interlinked. We have had a tradition of trade and civilisational contacts through the sea over many centuries. The large Indian community in Oman serves as a bridge between us, contributing to wealth and prosperity for both Oman and India. Today, the revolution in the communications and information technology sectors has brought us even closer together.

I was glad to learn that there are presently over 125 weekly flights between India and Oman, and new capacity addition is being planned.

Our total non-oil trade which was less than 200 million US dollars in 2000 has gone up seven fold to around 1.4 billion US dollars this year. I am told this figure could soon cross 2 billion US dollars.

On the investment front, the Oman-India Fertilizer Company stands as a shining example of our mutual cooperation. There has been an increase in investments in each other's countries during the last 2-3 years.

Our banks are functioning in each other's countries. Several large Indian companies are already located in Oman or are working in partnership with local companies in such sectors as oil and gas, mining, manufacturing, information technology and telecommunications, power and water, construction and real estate, and health care. Similarly, Omani companies have established joint ventures in India.

We also have the institutional mechanisms to promote our trade and economic cooperation. There is a Joint Commission at the level of

Commerce Ministers and a Joint Business Council representing industry from both sides. They are scheduled to hold their next meetings shortly. We have in place a Bilateral Investment Promotion and Protection Agreement and a Double Taxation Avoidance Agreement. We actively cooperate within the framework of the Gulf Cooperation Council, and an India-GCC Free Trade Agreement is under negotiation.

We must, however, look to the future and plan for it. I see enormous potential for a substantial strengthening of our trade and economic ties based on growing complementarities of our two countries.

The Oman economy is witnessing robust growth. There are ambitious plans for investment in infrastructure, diversification of the industrial base, tourism, free trade zones and energy security. Oman is also keen to upgrade its technical and vocational skills.

The Indian economy has witnessed rapid and sustained growth, averaging 9% over the last four years. The macro economic fundamentals of the economy are sound. Our domestic savings rate is 35% of our GDP and our investment rate is 37% of our GDP. Our young demographic profile will lead to a further increase in these rates of savings and investment over the coming years.

Our infrastructure financing needs are estimated to be 500 US billion dollars in the next five years. India offers a large and growing market. Despite the global economic downturn, the Indian economy is expected to maintain a growth rate of 7 to 7.5% next year. Above all, there is great goodwill and affection for the people of Oman in our country.

In this context, I am very happy that yesterday a Memorandum of Understanding has been signed to establish the India-Oman Joint Investment Fund. The Fund is the first, but long overdue, step to facilitate investments in infrastructure, tourism, health, telecom, utilities, urban infrastructure and other sectors. I would call upon captains of Oman's industry and financial companies to invest surplus liquidity into key infrastructure sectors in India. We are determined to create a hospitable climate for investment, particularly foreign investment from friendly countries like Oman.

There is vast potential for cooperation in the energy, fertilizers, IT, tourism and education sectors. You should also actively work with your Indian counterparts to explore possibilities of joint ventures in third countries.

I can assure you that we will do all that is necessary to facilitate greater trade and investment between India and Oman. India sees Oman as a natural partner in progress that benefits not only our two countries but also the Gulf region as a whole.

Against the background of the current international economic and financial situation I suggest there is an even greater need for us to join hands to shape counter-cyclical growth strategies by focusing on the real economy. India and Oman are well placed to convert this challenge into an opportunity. We count on you to be the architects of this magnificent change.

This is my first visit to your beautiful country and a voyage of discovery for me. In meeting you with the Captains of industry of Oman, I would wish to know your perceptions on how we can further strengthen our trade and economic ties and what problems you are facing for investment in India¹.

Thank you.



¹ During the visit, India and Oman agreed to step up defence cooperation by upgrading their joint naval exercises. India also appreciated the Omani gesture of providing berthing facilities for its warship which is patrolling the piracy-hit waters off the shores of Somalia where 18 Indians were held hostage by pirates. Already Omani service officers have been allotted training slots in Indian training establishments. The issue of stepping up defence cooperation was discussed during Prime Minister Manmohan Singh's visit. Among top security officials accompanying him were National Security Adviser M.K. Narayanan and Defence Secretary Vijay Singh. The joint naval exercises with Oman, named "Tamar-al-Tahir" (Benign Fruit), would be increased in complexity from next year. The upgraded naval exercises at the mouth of the Straits of Hormuz, through which a large proportion of the world's oil flows, would be renamed "*Naseem-al-Bahar*" (Sea Breeze). The idea is to get on a different level of operations and share the best practices with each other. The move to step up security ties was in keeping with the memorandum on defence cooperation signed in December 2005. Oman and India have been regularly exchanging ship visits and the last ship from the Royal Omani Navy visited India in April 2007. Indian warships, on the other hand, have been visiting Oman more frequently. "In the development of relations between our two countries, we have our security and defence. We have reviewed the developments in our region and international and altogether I go back with a great sense of satisfaction that the political leadership of Oman and of India are united in their resolve to cement our relationship into a mighty strategic partnership," noted Prime Minister Dr. Singh. Oman has also sought assistance from the Indian armed forces to set up credible supply systems for their defence equipment. In the past, the Indian Navy provided hydrological assistance to Qatar in order to help it develop fishing harbours as well as chalk out plans for off-shore pipelines. Media quoted highly placed officials to describe Dr. Singh's Oman leg of the visit as "successful," especially in view of the agreement on the joint fund and progress on ensuring the welfare of the five lakh Indian expatriate community. The Prime Minister and the Sultan Of Oman during their meeting had decided to set up a committee to ensure time-determined process of identifying areas where the money of the joint fund would be invested. India had asked Oman to put up its wish list which could be discussed in the next couple of months. India and Oman also discussed the prospects of New Delhi signing a Free Trade Agreement (FTA) with the six Gulf Cooperation Council countries of which both Oman and Qatar are members. Of the three aspects of the FTA, investment and services are not seen as posing much of a problem. Oman expects feedback in this respect by next month and has given indications that it will be happy if India inked the FTA when it takes over the GCC chair next year.

455. Speech by Prime Minister Dr. Manmohan Singh to the Indian Community at the Reception hosted by the Ambassador during his visit to Oman.

Muscat, November 11, 2008.

Ambassador Anil Wadhwa,

Ladies and Gentlemen,

It gives me great pleasure to have the opportunity to meet all of you today.

You represent close to five hundred fifty thousand Indians in Oman, the largest expatriate group in the country. You are a vibrant and industrious community. You are a microcosm of the multicultural and multi-religious diversity of India.

Above all, you symbolize the contemporary face of the civilisational and historical links that have existed between India and Oman for centuries. Traders, merchants and numerous others have over centuries travelled the seas between India and Oman and forged new connections and new links between our peoples. Today you are employing your skills to build a prosperous Oman and a new life for yourselves and your families. Your achievements are a matter of pride for the people back home in India and I bring to you our greetings.

We are grateful for the welcome the Sultanate has given to our countrymen, and the trust and confidence that has been reposed in them. The Omani leaders, His Majesty Sultan of Oman and His Highness the Deputy Prime Minister have expressed appreciation to me for your qualities of hard work, for your civic sense and for your discipline. India is truly proud of your achievements.

This is my first visit to Oman as Prime Minister. India enjoys exceptionally close and warm relations with Oman in all spheres of human activity. I have come to Oman to further strengthen these ties.

I have held excellent discussions with the Deputy Prime Minister His Highness Sayyid Fahd Mahmoud Al Said yesterday. I look forward to my audience with His Majesty Sultan Qaboos Bin Said later today.

The Gulf region is an area of great importance to India. It is part of our extended neighbourhood, and home to five million Indians. It is the largest source of our energy supplies. We have active trade and investment

interests. Piracy, criminal activities and terrorism on our seas and land threaten the Gulf countries and India as well.

There are many reasons for us to work closely together with Oman to ensure a stable and prosperous region.

Ladies and Gentlemen,

India is undergoing a major transformation. Our economy is expanding rapidly. New opportunities for our youth are emerging every day. Our Government has embarked on the largest education, social welfare, skill development and employment generation programmes in the history of our country.

We are paying particular focus on the development of our agriculture and the rural areas. Our financing requirements for the building of massive infrastructure in the next five years are estimated at over 500 billion US dollars.

I am confident that as and when these ambitious programmes are put in motion, India will embark on a new growth trajectory.

Due to the current international economic and financial situation, our growth rate may come down somewhat next year. However, we still hope to achieve a growth rate of seven to seven and a half per cent next year. The fundamentals of the Indian economy are very strong. Our banking system and financial institutions are well capitalized and their depositors are wholly secure. I have constituted a high level committee to monitor the evolving global situation and suggest short-term and long-term measure to use this opportunity to further accelerate our growth.

Your contribution to the development of India is truly invaluable. Annual remittances from Oman to India are more than 780 million dollars. This is a reflection of your ties with the motherland and your confidence in India.

I hope that you will continue to display the same confidence in the future and invest in the future of our children and grand children.

There are over 130 companies from India who are currently engaged in Oman. Several Omani companies are engaged in business in India. We will continue to encourage a much greater flow of investment into each other's countries.

Yesterday, a Memorandum of Understanding was signed for the establishment of the India-Oman Joint Investment Fund. This is only the beginning. I hope that this Fund will open the door for far greater investment and economic cooperation between our two countries.

The Government of India is constantly alive to the welfare of the Non-Resident Indian community. Yesterday, a Memorandum of Understanding was signed between India and Oman on Labour Mobility, Protection and Welfare of workers. This important initiative will provide a framework for strengthening cooperation between our two countries in the field of human resource development.

The Ministry of Overseas Indian Affairs, under the able leadership of my senior colleague Shri Vayalar Ravi, has taken several other initiatives in the last few years for the benefit of the Indian diaspora.

The Ministry is in the process of establishing Overseas Indian Community Welfare Funds in all our Missions in the Gulf. The Overseas Workers Resource Centre, which is a toll free helpline, has been established for Indian workers in the Gulf. We have also created an Overseas Indian Facilitation Centre to provide opportunities for you to invest in India. A Scholarship Scheme for Diaspora Children has been introduced.

Ladies and Gentlemen,

Our relations with the Sultanate of Oman are based on solid foundations of close mutual understanding, trust and great warmth and respect for each other. Each one of you has an important role to play in further cementing this very important relationship and in spreading the message of goodwill at the people-to-people level. In many ways you are the Ambassadors at large for India.

I wish you continued success and happiness in your future endeavours. May God bless you.

Thank you.



456. Press Release of the Ministry of External Affairs on the visit of Omani Foreign Minister Yusuf Bin Alawai Bin Abdullah.

New Delhi, December 16, 2008.

The Foreign Minister of the Sultanate of Oman H.E. Yusuf Bin Alawai Bin Abdullah paid a visit to India on 16 December 08, which was the first from a Gulf country since the terrorist attack in Mumbai. It also follows the landmark visit of Prime Minister Dr. Manmohan Singh to Oman on 8-9 November 08.

In his meeting with EAM, Shri. Pranab Mukherjee, the Foreign Minister of Oman expressed deep condolences at the loss of life in the Mumbai terror attacks and solidarity with the people of India, noting that there can be no excuse for not dismantling the infrastructure of terrorism across the Indian border. EAM thanked the Omani dignitary for the expression of support and solidarity, and conveyed sympathies to the family of the citizen of Oman who was injured during the attack. While recalling with appreciation the telephonic call made by FM Abdullah soon after the Mumbai attack, EAM apprised Oman Foreign Minister of the results of the ongoing investigation which clearly pointed to the complicity of elements in Pakistan. Referring to the demarche made to Pakistan on 1st December, asking Islamabad to honour the commitments made on several occasions, not to allow Pakistani territory to be used for terrorist attacks against India, EAM stressed that it was time for Pakistani action not words.

Both leaders reviewed the excellent state of the multifaceted bilateral relations, noting with satisfaction that trade had doubled in 2007 to \$ 1.8 billion and continued to maintain its buoyancy. They agreed to strengthen ties further, in various areas including energy, petrochemicals, IT and joint investments. They exchanged notes on the global economic crisis and other subjects of mutual interest.

FM Abdullah also met MOS Sh. E Ahamed and NSA Sh. M K Narayanan during his stay in India.



PALESTINE

457. Address by Minister of State E. Ahamed on the International Day of Solidarity with the Palestinian People at the Indian Council of World Affairs.

New Delhi, January 18, 2008.

H.E. Mr. Saleh Mohd al-Ghamdi, Ambassador of Saudi Arabia,

H.E. Dr. Ahmed Salem Saleh Al-Wahishi, Chief Representative, League of Arab States,

H.E. Mr. Osama Musa, Ambassador of the State of Palestine,

Excellencies,

Distinguished invitees,

Ladies & Gentlemen,

It is indeed a pleasure for me to be here today to mark the International Day of Solidarity with the Palestinian People. This is an important occasion and I commend the Indian Council for World Affairs for taking the initiative to organize this event.

2. India's solidarity with the Palestinian people was lended early voice by our national leaders led by Mahatma Gandhi, Maulana Abul Kalam Azad and others during our own freedom struggle. Mahatma Gandhi said and I quote "My sympathy for the Jews does not blind me to the requirements of Justice. Palestine belongs to the Arabs in the same sense that England belongs to the English or France to the French". In the early years of independent India, this policy was given fresh vigour by our first Prime Minister, Pandit Jawaharlal Nehru. India's empathy with the Palestinian cause and its friendship with the people of Palestine is an integral part of our time-tested foreign policy.
3. India was the first non-Arab State which recognized the PLO as the sole legitimate representative of the Palestinian people in 1975 and in 1988 became one of the first countries to recognize the State of Palestine. India opened its Representative Office in Palestine in 1996

after the establishment of the Palestinian National Authority and return of President Yasser Arafat to the territories.

4. Since the opening of this Representative Office, in line with India's principled support to the Palestinian cause and the Palestinian people, India has, till date, extended assistance in the form of grants to the tune of US\$ 27 million to the Palestinian National Authority towards humanitarian relief, development projects, establishment of educational and training facilities etc.
5. In 2004, India donated vehicles and medicines worth US\$ 1 million to the PNA. I had the honour to personally hand over this aid to late President Arafat. In 2005, a grant of US\$ 15.4 million was offered by India to the PNA for the development of infrastructure and human resources. Several projects have been conceived for implementation under this offer.
6. At the International Donors' Conference for Palestine in Paris last month, India pledged US\$ 5 million for projects aimed at strengthening Palestinian institutions. India also committed to provide training to 400 Palestinian officials under our ITEC programme over a period of two years. We have remained involved in encouraging Palestinian cadre building and, within this framework, have trained a large number of Palestinian Authority officials from economic, industrial and financial sectors including conducting of special courses for Palestinian diplomats in our own Foreign Service Institute. Our commitment at the Donors' Conference is to assist in the capacity building and the human and infrastructure development of the Palestinian people.
7. The entire world is a witness to the manner in which the border restrictions, economic sanctions and a restrictive regime have brought the Palestinian economy to the verge of a collapse. We have viewed with alarm the continuous vicious circle of attacks, reprisal and counter-attacks, the worsening humanitarian and security situation in Gaza, as well as the continued violence inflicted on innocent citizens. The continued expansion of Israeli settlements in the Occupied Territories and the relentless construction of the separation wall threaten to create new facts on the ground and fresh grievances in an old conflict.
8. India believes that there is no military solution to the problems facing the Middle East. We have repeatedly called for all parties in West

Asia to fully cooperate with the international community in its efforts aimed at achieving lasting peace. We support the revival of direct negotiations between the leaders of Israel and Palestine. We look forward to the continuation of a constructive dialogue and forthcoming meetings towards further resolution of issues on the agenda.

9. As a responsible member of the international community and as a country with long-established ties with West Asia, India also desires to see a peaceful resolution to tensions in the region through peaceful dialogue. At the Annapolis Conference last November, India reaffirmed its commitment to play its due role in the collective endeavour of the international community to strengthen the forces of peace and stability in the region.
10. On this occasion, I would like to re-affirm India's consistent and unwavering support to the friendly people of Palestine and reiterate India's belief that a just, comprehensive and lasting peace in the region can be achieved through negotiations and dialogue so that a sovereign, independent, viable State of Palestine living side by side within secured borders, with the State of Israel, becomes a reality.
11. I thank the Indian Council for World Affairs for inviting me to this occasion and wish the deliberations all success.

Thank you, Jai Hind.



458. Statement by Official Spokesperson on the situation in Palestine.**New Delhi, February 11, 2008.**

India has followed recent events in Gaza and the West Bank with deep concern and anguish. The misery and hardship faced by the people of Palestine, especially in the Gaza strip, is deplorable. India condemns the use of force on the civilian population of Palestine and calls upon all sides, including Israel, to exercise restraint¹.

Recent moves by the Egyptian Government to address humanitarian needs through dialogue including among the Palestinian groups, deserve support. However, peace cannot wait much longer, and threatens to become a casualty in the region and for its peoples, irrespective of boundaries, cultures and history. The time to act is now with trust and understanding for a new beginning of hope and fulfillment, and an end to violence. It is imperative that normalcy be restored expeditiously so that the aspirations of the peoples in the region are realized.

In addition to the assistance already delivered by India to the people of Palestine, we stand ready to extend additional assistance to help the people of Palestine to overcome the suffering they are facing now. A package of such assistance is being worked out and will be announced shortly. India also stands ready to help the peace process move forward.



¹ The violence in the Gaza was escalating considerably and the Israeli accused Hamas, which took control of the Gaza strip in June 2007. The Israeli claimed that 697 Qassam rockets and 822 mortar shells had been fired on cities in Israel without provocation. The media quoted the sources in the Israeli Embassy in New Delhi to say "the situation will improve dramatically and all violence will cease, if Hamas stops firing on Israel."

459. Extract relevant to Palestine from the Speech of External Affairs Minister Pranab Mukherjee while replying to a Short Duration Discussion on his Statement made earlier in the Lok/Rajya Sabha on March 3 on Recent Developments in India's Foreign Relations.

New Delhi, March 19, 2008.

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I think, a question has been raised that have we diluted our policies in respect of our stand on Palestine. Mahatma Gandhi has been quoted. Mr. Raashid Alvi has also pointed out that he was asked that you can speak in favour of Palestine, but, you cannot vote in favour of Palestine. But, if we look at our track record of voting, it is like this. In the United Nations fora, on the 3rd of this month, my colleague, Shri Anand Sharma, when he participated in the Ministerial Conference of the Human Rights' Organisation in Geneva, he voted with the Arab world, condemned the atrocities; disproportionate atrocities, and retaliations which have taken place in Gaza. We are supporting the Security Council's Resolution. What is the contention of the Security Council's Resolution? It is that Israel will have to vacate the occupied land. When we are supporting the Resolution that solution lies in implementing the Security Council's Resolution, am I diluting my policy by not repeating in every statement that Israel should vacate its occupied land because my total support is with the U.N. Security Council Resolutions, the Arab League initiatives and even the recent initiatives taken by Saudi Arabia to resolve these issues and to have peaceful solution to the problems of Palestine? People have suffered too long. During the last couple of weeks, thrice we have expressed our deep concern on it. But, surely, Mr. Deputy Chairman, Sir, you will agree with me that even the strongest sentiments can be expressed in most sober words, and in most sober language. We are exactly doing that. We are not diluting our stand. We believe that Palestinians have every right to have their homeland. They have their right to live in peace. As Israelis have their right to have their own homeland, similarly, Palestinians must have their right to have their own. Nobody can deny it. And India stands by that. Therefore, there is no question of dilution on that.



460. Statement by Official Spokesperson on resurgence of violence in Gaza.**New Delhi, April 18, 2008.**

India is saddened at the upsurge of violence in Gaza over the past week which has led to the loss of many Palestinian and Israeli lives. Willful damage caused to Gaza's already fragile infrastructure facilities would only add to the difficulties that the people of the Gaza Strip continue to face¹.

India remains firmly convinced that dialogue remains the only viable option that can effectively address the issues confronting the region and its people. We reiterate our call to all sides to abjure violence.



¹ The reference to damage to the fragile infrastructure of Gaza in the Spokesperson's statement was to indiscriminate destruction of houses in the Occupied West Bank, particularly in the village of Far'un where the Israeli security forces carried out a large scale demolition drive in recent times. The Israeli authorities claimed that the houses built in a part of the West Bank known as area C, a designation from the era of the Oslo Accords which meant Israel had full military and administrative control. In order to build any property, a Palestinian must apply for a permit from the Israeli authorities. If there is no permit, the building was liable for demolition. There were 138 demolitions between January and March, most in area C, compared to 29 in the last three months of 2007, according to the U.N. Office for the Co-ordination of Humanitarian Affairs. This year 400 Palestinians had so far been displaced as a result. According to media reports at a time of a renewed peace process to create an independent Palestinian state, the reality in the West Bank was that Jewish settlements were growing and demolitions of Palestinian homes were on the increase.

461. Statement by Official Spokesperson of the Ministry of External Affairs on developments in Gaza.

New Delhi, March 1, 2008.

The Government of India is dismayed at the continuing violence in Occupied Palestine, particularly in the Gaza Strip. Events this week, including the disproportionate use of retaliatory force, have led to avoidable civilian casualties, including the death of innocent children. This is unacceptable¹.

India strongly urges an immediate end to the cycle of violence by all parties concerned so that the focus is not lost on the process of dialogue-driven conflict resolution.



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The Spokesperson was referring to the escalating tension between Israel and Palestinian militant group, Hamas and the statement by the Deputy Defence Minister of Israel Matan Vilnai that "the more [rocket] fire intensifies and the rockets reach a longer range, they [the Palestinians] will bring upon themselves a bigger holocaust because we will use all our might to defend ourselves." While in the past, rockets fired from Gaza have landed harmlessly in Ashkelon, it was now for the first time that a rocket hit an apartment block, smashing through the roof. The Israeli security officials claimed that the rockets which targeted Ashkelon now were Iranian-supplied Grad-type, with a range of 22 km and more destructive than Qassam rockets, used earlier, which were less lethal. The new round of Palestinian attacks followed the Israeli blockade of Gaza. Israel had also intensified military strikes on the coastal strip killing 32 Palestinians in the last two days.. An Israeli air strike killed four Palestinian boys, who were playing in Northern Gaza on February 28.

462. Statement by Ambassador of India to Indonesia and Head of Indian Delegation Biren Nanda at New Asia-Africa Strategic Partnership Ministerial Conference on Capacity Building for Palestine.

Jakarta, July 14, 2008.

Mr. Chairman,

Please allow me, at the outset, to thank you and the Governments of Indonesia and South Africa for taking the initiative of hosting the NAASP Ministerial Conference on Capacity Building for Palestine. You have my delegation's full support in making this conference a successful one, the first one to be hosted by the countries of Asia and Africa.

NAASP, which was launched in April 2005 during the Asian-African Summit, has rekindled the 'Bandung Spirit'. India is committed to NAASP and believes that this partnership will lead to the development of continent-wide, intra-regional cooperation between Asia and Africa.

Palestine remains on the global agenda as it was for the leaders who met for the historic Bandung Conference in 1955. India's solidarity with the Palestinian people and its attitude to the Palestinian question was inspired by its own freedom struggle led by Mahatma Gandhi. This policy was consolidated under the leadership of Pandit Jawaharlal Nehru. In November 1947, India voted against the partition of Palestine at the UN General Assembly. In 1988, India recognized Palestinian Statehood and in 1996, we opened a Representative Office to the State of Palestine.

We have supported the resumption of direct negotiations between the leaders of Palestine and Israel and the establishment through peaceful negotiations of a sovereign, independent and viable State of Palestine, living side-by-side and in peaceful co-existence with the State of Israel. To that end, India has underlined its support for the Arab Peace Initiative and the Quartet road map and has repeatedly called for the implementation of relevant resolutions of the United Nations Security Council.

India has had a long history of assisting Palestine and its people in their task of capacity building and national reconstruction. India has over the years extended assistance in the form of grants to the tune of USD 27 million to Palestine National Authority towards development projects, establishment of educational and training facilities and humanitarian relief etc.

Indian assistance has taken various forms. These include project assistance such as the construction of the Jawaharlal Nehru Library at the Al-Azhar University and the Mahatma Gandhi Library and Student Activity Centre at the Palestine Technical College at Deir-al-Balah, both in Gaza.

The construction has begun of the Palestine Embassy Chancery and Residential buildings in New Delhi as a gift of the Government of India to the State of Palestine. India will shortly begin releasing assistance worth \$1.8 million for the construction of the Jawaharlal Nehru High School at Abu Diis. A Memorandum of Understanding to this effect was signed in Delhi a fortnight ago on 1 July 2008 between the Government of India and the State of Palestine.

India's assistance to Palestine has also taken the form of supply of vehicles for the use of the Palestine National Authority. In the recent past, India has sent relief supplies, particularly medicines. India also provides scholarships to Palestinians under the Indian Technical & Economic Cooperation Programme (ITEC). I have pleasure in announcing that in keeping with this, the Government of India has decided to increase the allocation of ITEC slots from the existing 40 training slots to 60 per annum. The Government of India will positively consider further increases depending on its utilization. This is by way of actual follow up to the pledges made by India at the Paris Donors' Conference held in December 2007. At Paris Conference, India also made a pledge of USD 5 million for further development of Palestinian institutions.

India has consistently assisted the work of the United Nations through its contributions to Funds and Programmes and to Specialized Agencies. In addition, India annually contributes US\$ 20,000 to the United Nations Relief & Works Agency, UNRWA. In this context, at the International Donors Conference in Vienna on 23 June 2008 (convened by the Governments of Austria and Lebanon as well as the League of Arab States and the European Commission), India renewed its pledged contribution of \$600,000 to assist in the rebuilding of the telecommunications component of the Nahr el-Bared Palestinian refugee camp and surrounding areas in Lebanon that had been destroyed in the fighting in that country.

India will remain by the side of the Palestinian people in their efforts aimed at reconstruction and nation-building. In keeping with its historic association with them, India renews its pledge to continue to render appropriate assistance in capacity building.

Mr. Chairman,

I would like to conclude by expressing my country's hope that this Conference would renew the pledge of solidarity made at Bandung by leaders of Asia and Africa to the cause of Palestine.

I thank you.



463. Statement by External Affairs Minister Pranab Mukherjee at the Ministerial meeting of the NAM Committee on Palestine.

Tehran, July 30, 2008.

Mr. Chairman,

I would like to express my gratitude to you for convening this meeting, and also my congratulations on your effective Chairmanship of this important Committee. I recall India's special connection with this body ever since its establishment at the VII NAM Summit in New Delhi twenty five years ago.

Mr. Chairman,

West Asia and the Gulf region are of obvious importance to India, given our long civilizational links. Over the course of this year, particularly over the recent days, we have been concerned with the situation in West Asia. We continue to urge an end to the cycle of violence, the ongoing blockade of Gaza, the expansion of settlements and the construction of the separation wall. Just now, H.E the Foreign Minister of Palestine has very clearly depicted a picture of the situation since the Annapolis Conference last year. He reminded us of the commitments made there, and also of the commitments of Israel and Palestine under the Road Map. From the briefing by the Foreign Minister, it seems that we are not getting anywhere on this issue, which we believe is political in nature and cannot be resolved by force.

India's commitment to the Palestinian cause, as well as its solidarity with the Palestinian people, are well-known and I need not reiterate it. In keeping with India's support to the Middle East Peace Process in

all its tracks, we have consistently supported the Palestinian people in realizing their legitimate aspirations for a sovereign, independent and viable State of Palestine, existing side-by-side in peace with the State of Israel. India remains convinced that a just and comprehensive solution can be achieved, based on the principle of 'land for peace' and in accordance with the series of UN Security Council resolutions, some of which you also referred to, such as 242, 338, 1397 and 1515. The Arab Peace Initiative and the Quartet Road Map offer ways forward.

Mr. Chairman,

India has always rendered assistance to the Palestinian people, including in capacity building and national reconstruction. India announced humanitarian assistance equivalent to US \$ 2.3 million, following economic sanctions imposed by Israel and the West in 2006. At the Paris Donors' Conference for Palestine in December 2007, India pledged US\$ 5 million for development projects and committed to provide training to 400 Palestinian officials under our ITEC Programme. Our project assistance proposals include construction of the Mahatma Gandhi Library and Student Activity Centre at the Palestine Technical College in Gaza. At the recent Ministerial conference on capacity-building for Palestine, held in Jakarta earlier this month, we announced an increase in the allocation of technical training opportunities for Palestine. But from what has been presented by H.E the Foreign Minister of Palestine just now, it appears that additional Budgetary Support will be required by Palestine, and we will all need to consider what we can do.

Mr. Chairman,

We thank you for your active promotion of the Palestinian cause. India pledges to continue to work with other members of this Committee in our noble endeavour to collectively support the Palestinian cause. We endorse the draft statement circulated by our Palestinian friends. We look forward to it being issued at our Ministerial Conference today.

With this brief intervention, once again I thank you, Mr. Chairman.



464. Remarks of Prime Minister Dr. Manmohan Singh at the foundation stone laying ceremony of the Chancery building of the State of Palestine.

New Delhi, October 7, 2008.

I am delighted to be here on this special occasion of the foundation stone laying ceremony of the Embassy building of the State of Palestine in India.

This ceremony coincides with the State visit of President Mahmoud Abbas to India with whom I have just held very fruitful talks. I reiterated to President Abbas India's consistent support to a negotiated solution to the Palestine issue. India believes that the solution should be based on the relevant UN Resolutions, the Arab Peace Plan and the Quartet Roadmap resulting in a sovereign, independent, viable and united State of Palestine living within secure and recognised borders, side by side at peace with Israel.

India's association with and commitment to Palestine is rooted in our modern history that goes back to our struggle for independence. As early as in 1936, a 'Palestine Day' was observed in India and fraternal greetings went out from Indian leaders to their Palestinian counterparts.

Soon after independence, India had the privilege of serving on the United Nations Special Committee on Palestine formed in 1947 by the UN General Assembly. This step marked the beginning of our consistent support to the Palestinian cause in the United Nations and all other international forums.

India recognized the Palestine Liberation Organisation as the sole representative of the Palestinian people in 1974. On March 26, 1980, India granted diplomatic recognition to the office of the PLO in New Delhi, two days before the historic first visit of Chairman Yassir Arafat to India. India accorded recognition to the State of Palestine soon after its proclamation in Algiers in 1988. India opened its Representative Office in Palestine in 1996.

In November 2007, India participated in the Annapolis Conference on peace in West Asia in the hope that a determined process would be launched to secure Palestinian rights and achieve a just, durable and comprehensive peace in the region. That, regrettably, remains an elusive goal.

Earlier this year, we were shocked and dismayed by the violence in the occupied territories, including in Gaza. We hope that wiser counsel will prevail and that the path of dialogue will remain the preferred path to realise peace in the region.

India and Palestine have been steadfast partners over decades. It is only fitting that India's commitment to Palestine and its future should find one of its embodiments in the building which stands before us. I have no doubt that it will serve as a symbol of our friendship and solidarity in the future.

India will continue to do all it can to assist Palestine in all its endeavours, including in capacity and institution building. We have signed today an MoU to finance construction of a school to be named the Jawaharlal Nehru High School in Abu Dees near Jerusalem. I also have great pleasure in announcing a grant of 10 million US dollars as budgetary support to the Palestinian National Authority to help meet its immediate requirements and an additional 10 million US dollars as assistance for development projects.

I thank you once again for inviting me.



465. Memorandum of Understanding between the Government of the Republic of India and The Palestine Liberation Organization for the benefit of the Palestinian Authority Regarding Construction and Equipping of Jawaharlal Nehru High School at Abu Dees.

New Delhi, October 7, 2008.

Whereas the Government of the **Republic of India** ("India") and the **Palestinian Authority** ("PA"), the parties, have agreed in principle to cooperate for the construction of a high school at Abu Dees ("The Project").

Whereas His Excellency the President of the State of Palestine has visited India,

Whereas India has announced a fresh commitment to support the PA,

Now therefore India and PA have reached the following understanding:

Article - 1
Scope and Objectives

1. This MOU sets forth the terms and procedures for India's Assistance to support the construction of Jawaharlal Nehru High School at Abu Dees as outlines in the project proposal.

The goals of the Project are:

- To guarantee a better and safe educational environment in Abu Dees and neighbouring villages.
- Enhancing economic development aspects, through job creation.

The objective of the project:

- Achieve better learning environment via the construction of a high school.
2. The details of the project are : A total constructed area of 4000 Square Metres, with 28 class rooms, 5 labs, multipurpose hall (gymnasium and auditorium), administrative building, a library and toilet units.

Article - 2
Co-operation-Representation-Administration

1. India and PA shall co-operate fully to ensure that the Goals and Objectives of the Project are successfully accomplished. To that effect, each party shall furnish the other party with all such information as may reasonably be required pertaining to the Project.
2. In matters pertaining to the implementation of this MOU, the Representative Office of India to the Palestinian Authority ("IRO") and the Ministry of Education and Higher Education ("MoEHE") shall be competent to represent India and PA respectively and shall hereunder be authorized to decide on components/activities to be included in the Project in accordance with Clause 5 below.
3. MoEHE shall be responsible for entering into contracts with suppliers and consultancy firms considered necessary for the implementation of the project.
4. Representatives of India and PA shall have periodic meeting as deemed necessary.
5. A project implementation committee/supervisory committee would be constituted consisting of one representative each of Ministries of Planning, Education and Higher Education of PNA and Representative each from Finance Division and WANA Division of Ministry of External Affairs.
6. The project implementation committee/supervisory committee would coordinate the project and Ministry of Education and Higher Education will send periodic reports on its implementation to the Government of India.
7. Whenever India and PA agree to extend existing activities or include new activities under the project, this shall be recorded in proper correspondence between the GOI and the MoEHE.

Article - 3
Contribution of India

1. India shall make available to PA a financial grant of US \$ 1.8 Million (US Dollars One Million Eight Hundred Thousands), to be used exclusively to finance the project, in the planned period of 24 months.

2. Any accrued interest on the grant or currency gains may be used for the benefit of the project, as agreed by the parties in writing.
3. Any funds not fully utilized for one activity within the project may be upon previous written agreement between the Parties to be utilized for the benefit of other activities within the project.
4. Any unspent disbursed funds and any unspent accrued interest shall be used as agreed upon between Parties in writing.

Article - 4

Contribution and Obligations of the Palestinian Authority

PA shall make all reasonable efforts to facilitate the successful implementation of the project and shall hereunder:

1. The PA will provide the land for the project with an area of 10,000 Square Meters.
2. Through MoEHE, has the responsibility for planning, administration and implementation of the project, including all categories of the works. Funds for maintenance of the school building would be made available regularly by the Abu Dees Municipality.
3. The project will be assigned a special account under the single treasure account, opened by the Ministry of Finance and made available to MoEHE.
4. Through the Directorate General of Buildings, in close cooperation with the Directorate General of Financial Affairs of MoEHE, has responsibility for accounting aspects of the project.
5. Ensure that the account for the project is kept in accordance with generally accepted practices.

Article - 5

Disbursements

The funds are expected to be released as hereunder:

- (a) 10% of the proposed assistance i.e. US \$ 0.18 Million will be released immediately to the executing agency through India's Representative in Ramallah.

- (b) Balance amount can be provided to executing agency after receipt of utilization reports and on reviewing the progress of work.
- (c) A corpus of US \$ 50,000/- will be maintained with Representative of India, Ramallah and the amount can be reimbursed to the executing agency on receipt of utilization reports. The amount of corpus can be recouped later on.
- (d) The Project Monitoring Committee will meet at regular intervals to review progress of the project and to ensure timely completion of the project.

The tranches of the fund shall be released upon completion of following stages of works:

Stage one - Excavation, preparation of site plan and concrete foundations.

Stage two - Completion of construction of two floors, including slabs but excluding exterior works.

Stage three - Concrete work, including slabs for the third floor and completion of electrical, mechanical and interior works for the first two floors.

Stage four - Completion of all works on the third floor, installation of furniture and other equipments.

The various stages of the Projects are expected to be completed in six months each.

Article - 6 **Settlement of Disputes**

Any differences arising out of the Memorandum of Understanding shall be settled, amicably through negotiations between the parties.

Article -7 **Final Clauses**

The MoU will come into force from the date of its signature by both parties and shall remain in force until the completion of the project.

In witness whereof, the undersigned duly authorized thereto by their respective Governments have signed this MoU.

Done at Delhi on this 07th day of October, the year 2008, in two originals each in Hindi, English and Arabic, all the texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

For the Government of
the Republic of India

For the Palestinian Authority

E. Ahamed
Minister of State for External Affairs

Dr. Riyad Al Malki
Minister of Foreign Affairs



466. Joint Statement issued on the State Visit of the President of the Palestinian National Authority Mahmoud Abbas.

New Delhi, October 9, 2008.

His Excellency Mr. Mahmoud Abbas, the President of the Palestinian National Authority, paid a State Visit to India from 6-9 October, 2008. He was accompanied by the Foreign Minister, H.E. Dr. Riyad Al-Malki, Advisor to the President and Official Spokesman, H.E. Mr. Nabil Abu Rdeineh, Advisor to the President, H.E. Mr. Ziad Abu 'Amr and other officials.

2. His Excellency Mr. Mahmoud Abbas called on the President, Smt. Pratibha Devisingh Patil, who hosted a banquet in his honour. The Vice President, Shri M. Hamid Ansari called on President Abbas. His Excellency President Mahmoud Abbas and Prime Minister, Dr. Mammohan Singh, held delegation level discussions. The Chairperson of the United Progressive Alliance, Smt. Sonia Gandhi, the Leader of the Opposition, Shri L.K. Advani and the Minister of State for External Affairs, Shri E. Ahamed, called on His Excellency, President Mahmoud Abbas.
3. Bilateral discussions reflected the traditionally close and cordial ties between India and Palestine and the solidarity that the Government and people of India have always shown for Palestine. Recalling its participation in the conference on Middle East Peace convened in November, 2007 at Annapolis MD, India expressed the hope that

discussions between the Palestinian National Authority and Israel aimed at resolving all outstanding issues would be taken forward in an expeditious and purposive manner.

4. India reiterated its well-known support for the Palestinian cause in line with its backing of the United Nations Security Council Resolutions 242 (1967) and 338 (1973) calling for a negotiated solution resulting in a sovereign, independent, viable and united State of Palestine living within secure and recognized borders, side by side at peace with Israel as endorsed in the Quartet Roadmap and United Nations Security Council Resolutions 1397 and 1515. India also reiterated its support for the Arab Peace Plan. India also called for an end to the expansion of Israeli settlements in occupied Palestine and for an early and significant easing of restrictions on the free movement of persons and goods within Palestine. The Palestinian side deeply appreciated India's traditional and steadfast commitment to the Palestinian cause.
5. In the course of discussions, India renewed its commitment to the economic development of Palestine, including through provision of assistance to the capacity building efforts of the Palestine National Authority. In this regard, India and Palestine decided to accelerate the implementation of projects already identified on the basis of a process of re-prioritisation based on mutual consultations. They also agreed to consider the formation of a Joint Committee to discuss bilateral economic cooperation activities. A Memorandum of Understanding regarding construction and equipping of the Jawaharlal Nehru High School at Abu Dees was signed during the visit. It was also announced that India has increased the number of training slots available for Palestinian nationals under the Indian Technical and Economic Cooperation Programme to sixty each year.
6. India and Palestine will also work together to develop an information technology park in Palestine. The two countries will also explore ways of cooperating in the water resources sector.
7. In the presence of the Prime Minister, Dr. Manmohan Singh, the President of the Palestine National Authority, His Excellency President Mahmoud Abbas laid the foundation stone of the Chancery-cum-Residences complex of the Embassy of Palestine being built in New Delhi as a gift of the Government and people of India.

8. The Prime Minister, Dr. Manmohan Singh affirmed that keeping with India's long-term and principled support for the Palestinian people, the Government of India remains fully committed to implementing all mutually agreed projects in Palestine. In this regard, reaffirming the Government of India's commitment made in 2005 for \$ 15 million in project assistance that includes the construction of several identified projects for the benefit of Palestine and also India's pledge of \$ 5 million dollars in assistance made in 2007, the Prime Minister, Dr. Manmohan Singh announced a grant of \$10 million as budgetary support to the Palestine National Authority as well as an additional \$10 million in project assistance for Palestinian development programmes. India also offered to assist Palestine in its efforts at achieving economic self-reliance. His Excellency President Mahmoud Abbas thanked the Prime Minister, Dr. Manmohan Singh for this important and timely assistance.
9. Both leaders expressed satisfaction over the outcome of the State Visit, which they felt had marked another important landmark in the long history of close and fraternal interactions between India and Palestine.
10. The President of the Palestinian National Authority, His Excellency Mr. Mahmoud Abbas invited the President and the Prime Minister to visit Palestine. The invitations were accepted with pleasure and dates would be settled through diplomatic channels in due course.
11. At the conclusion of his State Visit, His Excellency Mr. Mahmoud Abbas, President of the Palestinian National Authority, expressed deep gratitude to the President, Smt. Pratibha Devisingh Patil and to the Prime Minister, Dr. Manmohan Singh, for the warmth of the reception accorded to him and to his delegation during the course of their stay.



467. Speech by President Pratibha Devisingh Patil at the Banquet in honour of the President of the Palestinian National Authority Mahmoud Abbas.

New Delhi, October 7, 2008.

Your Excellency, President Mahmoud Abbas, President of the Palestinian National Authority,

Excellencies,

Distinguished Guests,

Ladies and Gentlemen,

It gives me great pleasure to extend a warm welcome to you, Excellency, and to the distinguished members of your delegation on your State Visit to India.

India's cherished friendship with the Palestinian people is based on ties spanning almost every aspect - political, cultural, social, religious and economic. This, your second visit, marks another important step in further strengthening the age-old ties of friendship, solidarity and cooperation that have always characterised relations between India and Palestine.

India's position on the Palestinian question and its solidarity with the Palestinian people has been unambiguously articulated since the days of our own freedom struggle and is a matter of historical record. At the United Nations, we were one of the eleven members of the United Nations Special Committee on Palestine. India did not favour the idea of the partition of Palestine and went on to vote against the Partition Resolution that was eventually passed by the UN General Assembly in November, 1947. When Partition was nevertheless decided upon by the United Nations, we recognised the State of Israel.

In 1975, India became the first country outside the Arab world to recognize the Palestine Liberation Organization as the sole and legitimate representative of the Palestinian people. On the 26th of March, 1980, our Parliamentarians - the representatives of the people of India - gathered in Parliament, cheered when it was announced that India had decided to accord full diplomatic recognition to the PLO Office in New Delhi. Two days later, Chairman Yasser Arafat began an official

visit to India, happily the first of many that he and you, Excellency, have honoured us with.

In 1988, India recognized the State of Palestine. In 1996, we opened a Representative Office to the State of Palestine.

For India, commitment to the Palestinian cause has been an important part of foreign policy and has been manifested in the continuous and consistent support to its issues in the Non Aligned Movement, in the United Nations and in other international fora. In keeping with India's support to the peace process in West Asia in all its tracks, India has always supported the Palestinian people in realizing their legitimate aspirations for a sovereign, independent and viable State, existing side by side in peace with Israel within secure and recognised borders. To that end, India has underlined its support for the Arab Peace Initiative and the Quartet Road Map and has repeatedly called for the implementation of relevant resolutions of the United Nations Security Council and General Assembly.

I commend the indomitable spirit of the Palestinian people and reaffirm India's principled and unwavering support to their just cause. We have always considered that the conflict in West Asia is essentially political in nature and, therefore, cannot be resolved by force. In recent times, India has supported the resumption of direct negotiations between Palestine and Israel. As you are aware, Excellency, India participated at the Annapolis Conference last November. Like you, we feel it is necessary to sustain the tempo of talks and negotiations on all important issues, including that of the return of Palestinian refugees.

There had been a deep sense of anguish among numerous Indian well-wishers of Palestine over the violence in Gaza and the West Bank earlier this year. There has been disquiet, too, over the many privations suffered, including in Gaza, as a result of check-points and road-blocks. The separation wall, dividing communities and even families, is a blot on the human conscience. On many of these issues, we have expressed our views to our friends in your neighbourhood. That there is no role for violence cannot be over-emphasised.

India has over the years extended support and assistance to Palestine and its people in their continuing endeavour of nation-building. This has been in the form of grants towards developmental projects, the establishment of educational and training facilities, support for capacity building and humanitarian relief.

Excellency,

I am happy to learn that during this visit, you would be laying the foundation stone at the Palestinian Embassy building at Chanakyapuri, here in New Delhi. This, gift from India, is symbolic of the progress in the enduring friendship between our two countries and peoples.

I have no doubt that your visit will afford us yet another opportunity to renew our solidarity with you and with your people in your march towards regaining your rights and also will further contribute to the development of our relations in all fields for our mutual benefit.

Excellencies, Ladies and Gentlemen,

May I request you to join me in a toast to the: -

- good health and happiness of His Excellency President Mahmoud Abbas, President of the Palestinian National Authority;
- prosperity and development of the State of Palestine and its friendly people; and
- abiding friendship and cooperation between India and Palestine.



468 Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Rajeev Shukla on Agenda Item 29: United Nations Relief and Works Agency for Palestine Refugees in the Near East at the UN General Assembly.

New York, October 30, 2008.

Please see Document No.741.



469 Statement by Official Spokesperson on the upsurge of violence in the Gaza Strip and the Humanitarian Situation there.

New Delhi, November 17, 2008.

The Government of India condemns the recent upsurge of violence in the Gaza Strip and remains concerned at the adverse effects of the closure of access points into the Strip on the prevailing humanitarian situation. There can be no justification for the denial of essential supplies including such as food and fuel to the civilian population of the Gaza Strip numbering over 700,000 persons¹.

The Government of India urges an immediate end to violence, hopes that peace will be restored urgently and that immediate steps will be taken to ensure that basic humanitarian principles are observed. It is also hoped that the situation will not be allowed to aggravate further.



¹ The Spokesperson was referring to the desperate situation created by the Israeli chokehold on Gaza -- ending all supplies into the Strip for more than a week, leading to desperate consequences for Gaza's 1.5 million inhabitants. The refusal to allow in fuel forced the shutting down of Gaza's only power station, creating a blackout that pushed Palestinians bearing candles on to the streets in protest the previous week. A water and sanitation crisis only followed this. On November 13, the United Nations had announced it had run out of the food essentials it supplied to 750,000 desperately needy Gazans. "This has become a blockade against the United Nations itself," a spokesman said. In a further blow, Israel's large Bank Hapoalim said it would refuse all transactions with Gaza by the end of the month, effectively imposing a financial blockade on an economy dependent on the Israeli shekel. Other banks were planning to follow suit, forced into a corner by Israeli declaration in September 2007 as an "enemy entity".

470 Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Devendra Dwivedi on Agenda Item 16 – Question of Palestine at the UNGA.

New York, November 24, 2008.

Please see Document No.764.



471 Statement by Official Spokesperson on recent disturbances in Hebron and other areas in occupied Palestinian territories.

New Delhi, December 5, 2008.

The Government of India is concerned at the violence against Palestinians in Hebron¹ on 4 December as well as attacks against Palestinian religious places and property. The Representative of India has been briefed on the situation today, by His Excellency Mr. Riad Al-Malki, the Foreign Minister of the Palestinian National Authority. India expects that the Israeli authorities will take necessary steps to prevent the recurrence of further violence against Palestinians in the affected area.



¹ The Spokesperson was referring to the incidents of violence of the past few weeks when Israeli settlers were attacking mosques in Nablus, shepherds in South Hebron, farmers in Burin, Assira Al-Qiblya, Beit Iba, Huwarra, Immatin, and, most notoriously, in the city of Hebron, one of the largest Palestinian city. Even before settlers were evacuated from one home in Hebron, weeks after an order from the Israeli High Court, on December 4, settlers across the West Bank had been increasing their attacks on isolated villages and communities, particularly in the Nablus and South Hebron Districts.

472 Statement by Official Spokesperson on the situation in the Gaza Strip.**New Delhi, December 27, 2008.**

The Government of India has been closely monitoring developments that have been unfolding in the Gaza Strip¹. While India is aware of the immediate cross-border provocations resulting from rocket attacks particularly against targets in southern Israel, it urges an immediate end to the use of force against Palestinian civilians in the Gaza Strip that has resulted in large numbers of casualties. India hopes that on-going efforts within the region to restore peace would be supported.

When in the next couple of days the situation did not improve and the Israeli attacks continued the Spokesperson made another statement on December 29 and said:

The Government of India had hoped that military action by Israel against targets in the Gaza strip would abate. It is disappointing to note that the use of disproportionate force is resulting in a large number of civilian casualties on the one hand and the escalating violence on the other. This continued use of indiscriminate force is unwarranted and condemnable. The Government of India urges utmost restraint so as to give peace a chance as the peace process may well get derailed irreversibly by Israel's attack in the Gaza strip and continued violence.



¹ The Spokesperson was referring to the massive Israeli air attacks on Gaza, targeting the Palestinian group Hamas, using scores of F-16 fighter jets and Apache helicopters. Over 190 persons were killed and 300 injured on the first day of the strikes. The air strikes continued for the next few days killing more people. While Israel was mulling ground attacks also there were appeals from the international community for a cease fire. The European Union appealed for a 48-hour ceasefire, but Israel was in no mood to relent. The air attacks were launched after the 6-month old ceasefire agreement between Israeli and Hamas expired and the Hamas attacked some civilian targets inside Israeli with rockets. The UN Security Council met on December 28, a Sunday without passing a resolution. Hamas however rejected any conditional ceasefire and insisted that Israel stop air attacks and accept other conditions of Hamas. Meanwhile, Hamas too continued to make rocket attacks on Israeli targets.

QATAR

- 473. Extract from the Briefing by Secretary (East) in the Ministry of External Affairs N. Ravi Relevant to PM's visit to Oman and Qatar.**

New York, November 7, 2008.

Please see Document No.452.



- 474. Statement by Prime Minister on the eve of his departure for Oman & Qatar.**

New Delhi, November 7, 2008.

Please see Document No.453.



475. Agreement Between The Government of The Republic of India and The Government of The State of Qatar Concerning Cooperation on Defence.

Doha, November 9, 2008.

PREAMBLE

The Government of the Republic of India and the Government of the State of Qatar, hereinafter referred to as "PARTIES" and singly as "PARTY",

Striving to strengthen the good and cordial relations;

Endeavoring to consolidate the scope of defence cooperation;

Recognizing the importance of Qatar's natural resources and striving to enhance the content of the bilateral relationship;

Acknowledging the desire of the two countries to protect assets including the energy assets available with Qatar important to both countries against threat to their security;

Identifying the need to plan for this and to cooperate actively in guarding against such threats;

Desiring to implement this Agreement in accordance with national and international policies of their respective countries in a manner that does not contradict their domestic laws nor impair the commitments undertaken by their countries at the international level;

Hereby agree to the following-

ARTICLE 1

PURPOSE

The purpose of this Agreement is to enhance cooperation in defence through the exchange of expertise and knowledge in this sphere in the interest of both Parties.

ARTICLE 2

SCOPE

This Agreement shall cover personnel conducting official visits or attending courses at defence training establishments of the Parties. It shall also cover

any future defence cooperation agreed to by the signatories to this Agreement.

ARTICLE 3

PRINCIPLES OF DEFENCE COOPERATION

- 3.1 This Agreement defines the fundamental provisions of cooperation and interaction between the Parties on the basis of principles of equality, partnership and mutual benefit.
- 3.2 Cooperation in the framework of this Agreement will be undertaken between the Parties within the framework of their competence, in compliance with national legislation, generally recognized principles and norms of international law, as well as international obligations of the Parties.

ARTICLE 4

FIELD OF COOPERATION

- 4.1 The Parties hereby agree to cooperate, within the framework of their laws, in the following areas:
 - (a) Promotion of military-to-military cooperation through training, visits, exchange of information, exchange of personnel, joint exercises and ship visits.
 - (b) Promotion of cooperation in specific areas to be agreed upon including areas of product support and services as well as bilateral projects relating to defence equipment and its components, technical assistance, training and co-production.
 - (c) Promotion of cooperation in defence science and technology through exchange of information, training, visits, exchange of personnel and joint projects.
 - (d) Exchange of information beneficial to both or either of the Parties.
 - (e) Collaboration in other mutually agreed spheres of defence cooperation for the purposes of mutual benefit.

- (f) Cooperation to protect assets important to both the countries.
- 4.2. Both Parties may, with mutual consent, enter into separate protocols to govern the activities under para 4.1 above.

ARTICLE 5

MANAGEMENT OF COOPERATION

In order to monitor, manage and implement this Agreement, the Parties agree to establish a Joint Committee on Defence Cooperation. The Joint Committee shall periodically meet alternately in Qatar and India. If considered necessary, the Joint Committee may set up sub-committee to cover major areas of mutual interest.

ARTICLE 6

SECURITY OF CLASSIFIED INFORMATION

- 6.1. Both Parties shall take necessary measures to ensure secrecy of information exchanged or obtained during the deliberations of the Joint Committee.
- 6.2. Each Party shall protect any classified information to which it may gain access under this Agreement and shall not divulge any classified information to any third party without the prior written consent of the other Party.
- 6.3. Each Party shall ensure that the classified information provided by the other is restricted to the levels mutually agreed upon between the two Parties.
- 6.4. The provisions regarding security will continue to apply even after termination of this Agreement.
- 6.5. No Party shall change the classification of information received from the other Party without the prior written consent of the other Party.

ARTICLE 7

LEGAL ISSUES

- 7.1. During their stay in the host country, the personnel of the sending

Party shall observe the laws, rules and regulations of the host country. They shall not act in a manner prejudicial to the security and integrity of the host country.

- 7.2. The personnel of the sending country shall be subject to the laws and regulations of the host country, during their period of stay on its territory.
- 7.3. In case of violations of military discipline by the personnel of either Party, the authorities of the country of the personnel concerned may take appropriate action in accordance with their own military laws, rules and codes of conduct.
- 7.4. Both Parties shall, subject to their laws, facilitate the activities arising under this agreement including issues related to visa, immigration and customs.

ARTICLE 8

FINAL PROVISIONS

- 8.1. This Agreement comes into effect from the date of its signing and shall remain in force for five (5) years thereafter it may be automatically renewed for a further period of five years by prior written consent of both Parties. During the currency of the Agreement, the same may be terminated by either Party by giving six month written notice of its intention to terminate the Agreement through diplomatic channels.
- 8.2. Either Party may make a request, at any time, to modify or otherwise amend this Agreement. Such variation, modification or amendment shall come into effect upon the agreement of the other Party.
- 8.3. Any difference on the interpretation or application of this Agreement shall be amicably resolved through mutual consultations.

ARTICLE 9

ATTESTATION

- 9.1. This Agreement done in six original copies, two each in Arabic, Hindi and English Languages, all texts being equally authentic. However,

in case of divergence, the English text shall be used in respect of legal interpretation and implementation.

- 9.2. **In witness hereof**, the undersigned being duly authorized by their respective Governments have signed the present Agreement.

Signed at Doha on this 9th day of November 2008

For and on Behalf of the Government
of the Republic of India

(Vijay Singh)
Defence Secretary

For and on Behalf of the
Government of the State of Qatar

(Major General Hamed Bin Ali)



476. Agreement between the Government of the Republic of India and the Government of the State of Qatar on Cooperation in Security and Law Enforcement Matters.

Doha, November 9, 2008.

The Government of the Republic of India and the Government of the State of Qatar, (hereinafter referred to as the "Parties");

Desirous to enhance and strengthen the effectiveness of mutual cooperation between the two countries in combating all criminal activities;

Convinced of the importance of international cooperation in combating all criminal activities of common concern;

Recognizing the necessity to establish a framework of mutual cooperation and coordination in the fields of security and law enforcement;

Have agreed as follows:

ARTICLE 1

The Parties shall take all measures to prevent giving:-

- (a) Shelter to those who committed criminal acts related to the security or interests of the other Party;
- (b) Access to arms or funds or training in acts of violence, sabotage or terrorism or access to any facilities thereof.

The Parties also engage themselves to combat the criminal acts and hostile activities of those who commit the criminal acts.

ARTICLE 2

- 1. Subject to their national laws and regulations, the Parties shall provide assistance to combat all forms and types of crimes and especially the following crimes:
 - a) Terrorism;
 - b) Serious crime including hijacking, taking of hostages and abduction;
 - c) Organized crime;

- d) Falsification of documents and forgery of currencies;
 - e) Illicit acts concerning arms, ammunition and explosives;
 - f) Illicit economic activities;
 - g) Smuggling of objects of historical or cultural value, jewels, precious metals or other valuable objects;
 - h) Illicit passage of frontiers and falsification of travel documents;
 - i) The properties and revenues derived from organized crime and terrorism and their tracking, restriction and confiscation.
2. The assistance shall include but not be limited to:
- a) Measure to locate, restrain, forfeit or confiscate the means and resources of financing terrorism, or the proceeds of the crime;
 - b) Taking of evidence and obtaining statements of persons;
 - c) Providing information, documents and other records including criminal and judicial records;
 - d) Communicating information available with each Party about criminal acts either committed or being planned to be committed within the territory of the other Party;
 - e) Executing request for search and seizure;
 - f) Delivery or lending of exhibits;
 - g) Serving of documents seeking attendance of persons;
 - h) Exchanging of the names of the persons criminally convicted in serious crimes;
 - i) Locating and identifying persons and objects;
 - j) Any other assistance consistent with the objective of this Agreement.
3. For the purposes of this Agreement:-
- a) 'Proceeds of crime' means any property that is derived or realized directly or indirectly by any persons from an offence or the value of any such property.

- b) 'Property' includes money of all kinds of moveable or immovable, tangible or intangible, and includes any interest in such property.
- c) 'Confiscation' means any measure resulting in the deprivation of property by conclusive decision.

ARTICLE 3

The Parties shall provide all necessary assistance and take all coordination measures, according to their national laws and regulations to establish effective procedures to prevent and combat criminal activities through the following:

(a) Exchange of information:

The Parties shall exchange all necessary information about the crimes stated in Articles 1 and 2 above that identify the suspected persons, the persons searched by the security authorities in each country and those convicted by the competent authorities. The Parties shall exchange information about the new techniques and means of committing those crimes.

(b) Exchange of experience and field visits :

The Parties shall cooperate and exchange studies and researches related to the combating of crimes stated in this Agreement, provide mutual assistance in the preparation of the training courses or exchange field's visits.

ARTICLE 4

For the suppression of illicit trafficking in narcotic drugs, psychotropic substances and precursors, the Parties shall:

- (a) Exchange and share information about persons involved in narcotic drug trafficking, their modus operandi as well as other relevant details of such crimes, in so far as these are necessary for the prevention or suppression of crimes;
- (b) Exchange the results of their criminal and criminological research on narcotic drug trafficking and abuse of narcotic drugs;
- (c) Share and exchange of samples of narcotic drugs and psychotropic substances of natural or synthetic origin usable for abuse; and

- (d) Subject to their national laws and regulations and their international obligations, facilitate the controlled delivery of illicit narcotic drugs and psychotropic substances in order to render possible the arrest of the persons to whom they will be delivered as well as any persons involved in the trafficking provided that the necessary information is submitted at least 48 hours prior to the request.

ARTICLE 5

The Parties shall take mutual measures and provide the necessary assistance as per the requirements of police investigation (i.e. all the measures taken by the police to establish evidence before presenting the accused in the competent court).

ARTICLE 6

Assistance may be refused if it would impair the sovereignty, security and state interests of the requested Party or if the subject of assistance is contrary to the national laws and regulations of the requested Party.

ARTICLE 7

The Parties shall maintain the secrecy of the mutually exchanged information and no third party shall be informed of it without the written approval of the Party that provided the information.

ARTICLE 8

Each Party shall bear the special expenses resulting from the implementation of the provisions of this Agreement or any other form of expenses as may be agreed upon.

ARTICLE 9

A Joint Committee shall be established to follow up and assure the implementation of this Agreement. The Joint Committee may hold its meeting on the request of either Party to take the appropriate decisions. The Joint Committee shall observe complete confidentiality in the conduct of its works.

ARTICLE 10

The Joint Committee shall lay down the detailed modalities of cooperation and specify the law enforcement agencies of each side that exchange

intelligence information in the fields of terrorism and drug trafficking and shall specify the office addresses of those agencies, their contact telephone numbers, faxes and other relevant details to facilitate contact on priority basis.

Similarly, it shall determine also the nodal authorities that cooperate with each other and exchange mutual assistance in various fields of crime.

ARTICLE 11

The authorities responsible for the follow up and implementation of this Agreement are-

In the Republic of India - the Ministry of Home Affairs.

In the State of Qatar - the Ministry of Interior

ARTICLE 12

This Agreement does not prejudice the rights and obligations of the Parties arising from any other Agreement entered into by either of the Parties. In case of there being any differences between the provisions of this Agreement and the provisions of any such other Agreement, the provisions that realize more security cooperation, shall be applied with the consent of the Parties.

ARTICLE 13

Any dispute arising out of the interpretation of this Agreement shall be settled negotiations between the Parties.

ARTICLE 14

This Agreement may be amended by the written consent of the Parties. Such amendment shall be applicable from the date of the last notice of one Party to the other Party of the completion of all the legal requirements applicable in its country.

ARTICLE 15

This Agreement shall be ratified! approved according to the legal procedures followed in the country of each Party. This Agreement shall enter into force after one month following the exchange of the documents of its approval by the Parties through diplomatic channels. This Agreement shall remain valid for a period of five years from the date of its entry into force; it shall be

renewed automatically unless either Party may give the other Party a written notification of its desire to terminate the Agreement. In such a case, the Agreement shall be terminated after three months from the date of the receipt of such notification.

In witness whereof, the undersigned, being duly authorized thereto by their respective Governments have signed this Agreement.

This Agreement is written in two originals each in the Hindi, Arabic and English languages; all the texts being authentic, in case of any divergent interpretation, the English text shall prevail.

Done in the city of Doha on 11 of 11 1429 AH, corresponding to 9th of November 2008 AD.

For the Government of the
Republic of India

(E.Ahamed)

Minister of State for External Affairs

For the Government of the State
of Qatar

(Sheikh Abdullah bin Nasser bin
Khalifa at Thani)

Minister of State for Internal Affairs



477. Speech by Prime Minister Dr. Manmohan Singh to the Indian Community during his visit to Qatar.

Doha, November 10, 2008.

I am delighted to be here with you today. This, in many ways, is a historic occasion as it marks the first visit by an Indian Prime Minister to Qatar.

During my visit I have been received with great warmth and affection. I have held detailed discussions with His Excellency the Prime Minister of Qatar on ways in which we can further strengthen our bilateral ties. I was greatly honoured by an audience with His Highness the Emir of the State of Qatar. I conveyed to the leadership of Qatar the great importance that India attaches to our relations with this friendly country of Qatar.

My visit has confirmed my belief that Qatar is one of India's closest friends in the Gulf region. There is great admiration in India for the wisdom and sagacity with which His Highness Sheikh Hamad has led Qatar since its Independence in 1971. The enlightenment, openness and respect for diversity shown by the leaders of Qatar has contributed greatly to Qatar's rapid socio-economic development, and made it a model for the region as a whole.

Our relations¹ with Qatar are part of our historical, cultural and civilisational links with the Gulf region. This is a region of vital importance to us. It is home to five million Indians, and an important source of our energy requirements.

Indians constitute the largest expatriate community in Qatar. Numbering over 400,000, the Indian community in Qatar has earned a reputation for hardwork, diligence and great enterprise. You have excelled in every area and in whatever position you work. Your contribution to Qatar's development is widely respected. Your achievements are a source of immense pride and happiness for all people of India.

¹ Prime Minister Manmohan Singh during his visit signed two agreements on (1) defence and security and (2) on securing more gas supplies from Qatar. While National Security Adviser M.K. Narayanan and Defence Secretary Vijay Singh held talks on defence and security, Petroleum Minister Murli Deora who joined the Prime Minister's delegation in Doha, engaged himself with the Qatar leaders on the supply of gas. Given the presence of large Indian community in Qatar, Minister for Overseas Indian Affairs Vayalar Ravi, who was member of the delegation discussed measures relating to their welfare and fair treatment by employers. Officials described the visit as "long overdue," especially in view of the fact that Qatar's Emir Sheikh Hamad Bin Khalifa Al-Thani had visited New Delhi twice. They pointed out that Qatar was the only Gulf country with which India had a defence cooperation agreement. Both countries would now step up security cooperation - from intelligence liaison to intelligence sharing.

India and Qatar have several complementarities. I would like to see each one of you serving as a bridge of friendship between our two countries.

Your hard work is contributing to our mutual prosperity. Your annual remittances of over 700 million US dollars to India are an invaluable contribution not only to your beloved ones at home, but also to society at large. The government will take all necessary measures to facilitate this process. Our financing requirements for the infrastructure sector alone are estimated at 500 billion US dollars in the next five years.

The Indian economy rests on strong fundamentals. Over the last 4 years we have averaged 9% GDP growth per year. Our development efforts have been positively impacting our large agriculture sector which has registered a growth of over 4% this year. The resurgence of our rural economy and a more inclusive and balanced model of growth will, I am sure, create wealth for our people and get rid of , ignorance and disease form the ancient land of India.

The present international economic and financial situation has clouded some of the prospects of growth in the near term. I am however confident that the long term outlook for our economy remains strong and robust. Our inherent strengths, the large size of our markets, the diversified industrial base we possess, and the strong and dynamic private sector will eventually allow us to return to a 9% growth trajectory.

The current global financial crisis presents, in many ways, a rare window of opportunity for India and Qatar. The investment requirements of a large emerging economy like India and the large financial surpluses of an energy rich economy like that of Qatar can be married together to create a win-win situation for both our countries. Indian companies are also increasingly looking to invest in Qatar in such sectors as energy, construction, finance and information technology.

Ladies and Gentlemen , I congratulate you on your achievements. In conclusion, I wish to reassure you of the Government's deep commitment to your welfare and safety. Our decision to create a separate Ministry of Overseas Indian Affairs was a reflection of this concern. This Ministry, under the dynamic leadership of my senior colleague Shri Vayalar Ravi has taken several initiatives in the last few years. I am sure these initiatives such as establishment of Overseas Indian Community Welfare Funds, Overseas Workers Resources Centre and the Overseas Indians Facilitation Centre will make in due course a positive impact. Last year we have also signed

an additional protocol with Qatar for new initiatives for cooperation in the field of human resource development. We would welcome any other suggestions and concerns that you may have. I wish to reassure you that your well being and your welfare will remain an abiding concern to the people of India.

I return today to India with a deep sense of satisfaction. My visit to the Gulf has reinforced my conviction that we are indeed close neighbours and partners in processes of our economic progress. I was overwhelmed by the generous hospitality that was shown to me. I am particularly struck by your sense of optimism and enthusiasm, your spirit of adventure and enterprise. I congratulate you for all your achievements. and the exceptional manner in which Indian citizens in Gulf are acquitting themselves.

I wish you and your families all the very best for a brighter and better future. I convey to you my best wishes in advance for the coming New Year.

Thank you.



478. Report on the visit of Prime Minister Dr. Manmohan Singh to Qatar.**Doha, November 11, 2008.**

Prime Minister visited Doha, Qatar on November 9 - 10, 2008. An important event of his stay in Doha was the signing of the Defence and Security Agreement, paving the way for joint maritime security, sharing of intelligence on threats posed by terrorism and cooperation in tackling trans-national crime. "The agreement is beneficial to both sides. It takes care of our interest and their security concerns," media quoted an official accompanying the Prime Minister suggested. Defence secretary Vijay Singh and his Qatari counterpart signed the agreement.

The Prime Minister met his Qatari counterpart Sheikh Hamad bin Jassim bin Jabr al-Thani and held discussions on a number of issues.

On November 10, the PM met Emir Sheikh Hamad bin Khalifa al-Thani. In an interview to a local newspaper, Dr. Singh said, "In this period of global turmoil, I feel that the complementarities between our two economies provide an opportunity for counter-cyclical strategies for growth in both the countries."

"We should exploit opportunities for investment in Qatari financial centres and special economic zones. There is also scope for Qatar to invest in the infrastructure (sector) in India," the PM said.

Petroleum Minister Murli Deora, who joined the Prime Minister in Doha on November 10, met Qatar's Deputy Prime Minister and Minister of Energy and Industry Abdullah bin Hamad al-Attiyah. The Indian side has asked Qatar for an additional 2.5 million tons of liquefied natural gas (LNG). Although an agreement on supplying additional liquefied natural gas could not be inked, both sides opened discussions in a new area of mutual investments in line with India's recently adopted strategy of lessening dependence on foreign financial institutions.

"We discussed the modality of Qatar investing about \$5 billion in India. In the next two to three months, we will work out the modalities to identify projects in the areas of energy, power, fertilizer and other related activities to enable the government of Qatar take firm decisions about the areas these investments could be directed," Prime Minister Manmohan Singh told the accompanying media on board his flight to New Delhi. "At a time

when the global economy is hit by crises, there are opportunities for the countries of the Gulf and India working together to promote economic trade and investment cooperation," he felt.

Remittances from Oman and Qatar alone averaged \$800 million. "So our effort has been to ensure that our workers get a fair treatment, that they are well looked after besides exploring the possibility of expanded economic, trade and investment cooperation with Oman and Qatar," he added.

India had earlier signed an agreement with Qatar for 7.5 million tonnes per annum of LNG of which five million tonnes are being currently made available and 2.5 million tonnes will be available by the last quarter of 2009. The Prime Minister said the two sides also discussed the possibility of expanding cooperation in regard to supply of fertilizers and investing in fertilizer plants in India or expanding production in existing plants in Qatar with an assured market in India.

India buys 7.5 million tons of LNG from Qatar every year as part of a 25-year contract. "The supply might be increased," said N. Ravi, Secretary (East) in the Ministry of External Affairs.



SAUDI ARABIA

479. Briefing points by Official Spokesperson on the meeting of His Royal Highness Prince Saud Al-Faisal Foreign Minister of the Kingdom of Saudi Arabia with External Affairs Minister Pranab Mukherjee.

New Delhi, February 28, 2008.

- EAM had talks with the Foreign Minister of Saudi Arabia this afternoon on a wide range of bilateral, regional and international affairs. The talks continued over a working lunch hosted by EAM.
- The two sides examined ways and means to further strengthen India and Saudi Arabia cooperation in several areas. They reiterated the need to have a faster implementation of the Delhi Declaration. In particular, they felt that consultations between the two Foreign Office should be conducted on a regular basis.
- They also reiterated the need to further invigorate trade and investment relations. Discussions focused on the need to increase mutual investment and it was felt that a facility to promote such investments should be set up. They also discussed possibilities of increased investment by Saudi Arabia in India in the fields of infrastructure, chemicals, petro-chemicals and energy.
- The Saudi Foreign Minister briefed EAM on the recent developments in West Asia. EAM also briefed the visiting Foreign Minister on recent developments in India's neighbourhood.
- The Saudi Foreign Minister personally invited EAM to visit Saudi Arabia. The invitation was accepted by the EAM.



480. Briefing points by Official Spokesperson on External Affairs Minister's visit to Saudi Arabia.

New Delhi, April 19, 2008.

- External Affairs Minister Shri Pranab Mukherjee called on His Majesty King Abdullah bin Abdul Aziz. They had a cordial and friendly meeting lasting for about 40 minutes.
- EAM recalled the close ties between the two countries, including the several high level visits.
- King Abdullah recalled his very successful visit to India with warmth and the momentous signing of the Delhi Declaration. EAM recalled that the landmark visit had opened up possibilities of cooperation in political, economic and cultural fields.
- EAM also recalled his participation in the Indo-Arab Investment Projects Conclave and possibilities of private sector participation, particularly in petroleum, gas, petrochemicals. Indian economy requires huge investments, particularly in infrastructure and can absorb \$500-600 billion. Deputy Chairman Planning Commission is visiting Saudi Arabia next month - opportunity for working together on infrastructure as well as in petroleum sector. Can change our buyer-seller relationship to a more participatory one for mutual benefit.

1 The External Affairs Minister in talks with his Saudi counterpart, Saud Al Faisal, reached an agreement on establishing a Saudi-India investment fund. Media reports quoting diplomatic sources said this corpus would help kick-start investments in major projects. Mr. Mukherjee reiterated that India required an investment of around \$500-600 billion to build its infrastructure. This included construction of roads, railways, ports, airports as well as petrochemical plants. To facilitate business contacts both the countries agreed to issue long-term visas to businessmen. The application of these visas would be routed through the apex chambers of commerce of the two countries. The Spokesperson of the External Affairs Ministry clarified the chambers would ensure that only "genuine businessmen" availed this facility. On April 20th the Bilateral Investment Promotion and Protection Agreement was ratified by both the countries to remove a major legal impediment to closer business ties. This placement of a legal regime set the stage for the economic relationship to take-off. Acknowledging India's efforts to acquire energy security, Prince Saud invited Indian companies to identify specific projects in Saudi Arabia, following an interaction with major Saudi oil majors including the State-run Aramco. Both the ministers agreed that private sector participation should be encouraged. The talks between the two foreign ministers covered in detail the security situation in the region. Discussions covered the volatile situation in Iraq, the developments in Iran, Afghanistan and the Palestinian territories. Mr. Mukherjee also apprised Prince

- EAM thanked His Majesty for excellent conditions in which 1.6 million Indians stay here and for excellent Haj arrangements for 157,000 Indian pilgrims.
- They also discussed cooperation to combat terrorism and exchanged views on regional and international issues, particularly on Middle East Peace Process.
- EAM noted that PM was looking forward to his visit to Saudi Arabia on mutually convenient dates.



Saud about India's perception about Pakistan following the recent parliamentary elections. Speaking at a press conference on April 20 the External Affairs Minister confirmed that during his meeting with the King he had apprised His Majesty of India's requirement of a massive investment of \$500-600 billion to develop its infrastructure. He said the visit to Saudi Arabia by Planning Commission Deputy Chairman Montek Singh Ahluwalia in May would identify joint ventures in infrastructure and petroleum sectors. Presently, India imported 26 % of its oil requirements from Saudi Arabia.. Mr. Mukherjee said the Indo-Arab Investment Projects Conclave (IAIPC) had already identified projects worth around \$200 billion in the energy and infrastructure sectors. The next IAIPC meeting in November would include the Trade and Investment Ministers, apart from leaders from industry and business. The Minister emphasized that eventually, greater political content would be added to an expanded economic relationship. "We are looking for establishing a strategic partnership step by step by focussing on specific projects," Mr. Mukherjee said. India and Saudi Arabia had started working together on human resource development. Top Indian companies in the Information Technology sector including Infosys, Wipro and Tata Consultancy Services already made their mark in the Kingdom, the Minister said. Saudi Arabia has established the Knowledge Economic City (KEC) for attracting foreign participation in the IT sector. The Kingdom's leading GSM provider Mobily has begun making an investment of around Rs. 90 crore in Bangalore. Mr. Mukherjee said he apprised the King also of India's position on the West Asia peace process. Its commitment to the Palestinian cause was "firm and undiluted." He expressed the hope that all sides to the conflict would show restraint so that an atmosphere for dialogue could emerge.

481. Interview of External Affairs Minister Pranab Mukherjee to the Arabic daily *Al-Sharqul Awsat* during his visit to Saudi Arabia.

Riyadh, April 20, 2008

- 1. Kindly give us some details about your program in Riyadh and the talks that you intend to have with Prince Saud Al-Faisal and other senior government officials.**

My visit provides an opportunity for an in-depth discussion on wide range of issues of mutual interest pertaining to political, economic, commercial and cultural domains and on matters relating to the welfare of Indian nationals working in Saudi Arabia. Our discussions shall cover the recent developments in the regional and international arena, and identify ways and means to further strengthen our close and friendly bilateral relationship. I look forward to discussing these themes in-depth, with the Saudi leadership. The historic and landmark visit of King Abdullah to India in January 2006 as Chief Guest for India's Republic Day, opened a new chapter in our bilateral ties. The visit laid down the road map for the future bilateral cooperation. It imparted an added thrust and dimension, simultaneously heralding a new era in bilateral relations. The visit enhanced the content and quality of our ties, especially in the economic and commercial spheres as well as in the education and the health sector. We need to accelerate the momentum generated by the January 2006 visit of His Majesty King Abdullah. His Royal Highness Prince Saud al Faisal visited India recently in February this year. This provided us with an excellent opportunity to discuss the recent developments in the region and also focus on bilateral ties. My visit to Riyadh is to carry forward the momentum of our interaction and consultations, as well as to firm up the dates for Hon'ble Prime Minister's visit to Saudi Arabia.

- 2. Will you be visiting other Gulf States as well during this current tour?**

This is an exclusive visit to the Kingdom of Saudi Arabia, keeping in view the importance that we attach to our bilateral relations with Saudi Arabia.

- 3. Your visit takes place at a time when this region is in the midst of tension in Iraq and Afghanistan, with the US continuing to exert pressure on Iran over the nuclear issue. What role do you**

foresee India playing in this context in partnership with the Kingdom and other GCC states, especially in the fight against terrorism?

India has shared interests with the Kingdom in peace and stability of the region. India has faced the scourge of terrorism aided and abetted from abroad for more than two decades. We see the Kingdom of Saudi Arabia as an important partner in combating global terrorism and would like to commend the efforts of His Majesty King Abdullah bin Abdul Aziz Al-Saud, Custodian of the Two Holy Mosques for successfully hosting the International Conference on Counter-terrorism in February 2005. Both India and Kingdom of Saudi Arabia are of the opinion that stability, territorial integrity and independence of Iraq is a must for the security and peace of the region. India wishes to see the Iraqi people freely determine their political future and exercise control over their natural resources.

We also hold the view that the solution to the Iranian nuclear issue should be reached diplomatically and not through force. This was clearly articulated by the Custodian of the Two Holy Mosques during his meetings with President Bush and Vice President Dick Cheney. Stability in Afghanistan similarly is closely linked to regional stability. We believe that the reconstruction efforts must be imparted added momentum, and the entire region, including Afghanistan's immediate neighbours, have to play their due role in this process.

4. How do you assess Saudi-Indian ties in terms of foreign relations? They seem to be not as strong as in the field of commercial and economic relations.

India and Kingdom of Saudi Arabia are bound together by a close and multifaceted relationship, which goes back in history and gets sustenance from our shared heritage and feeling of respect and affection between our peoples. We have common positions on many issues such as terrorism, situation in Iraq as well as our stance on Palestine. I would, therefore, view our bilateral relationship both in the political and economic spheres and particularly in view of the strong people to people dimension, as steadily diversifying with many complementarities. The visit of the Custodian of the Two Holy Mosques to India in January 2006 is self-evident and indicative of our robust ties. India and Saudi Arabia have trade relations dating back to several centuries. Our present bilateral trade is US\$15.97 billion (including India's imports of oil from Saudi Arabia) and US\$3.67 billion (excluding

oil). We strongly feel that both countries have a potential to increase our trade manifold in years to come.

India's programme of infrastructure building and renewal in the next five years requires an injection of capital of around US\$400 bn. This area promises to provide not only a new avenue with steady yet increasing returns, but also enable increase in levels of employment.

5. Your visit takes place two years after that of Custodian of the Two Holy Mosques King Abdullah to New Delhi on Jan. 26, 2006. Please give us an update on the consultations that took place at the foreign policy level.

The visit of the Custodian provided a further fillip to our bilateral ties. Close on the heels of the visit of the Custodian, Foreign Minister Prince Saud al Faisal visited New Delhi in February 2006 and again in February this year. Detailed consultations were held on all issues of importance. A number of Ministerial visits have taken place from both sides, including visits of our Oil Ministers that are crucial for India's energy security. The Speaker of Lok Sabha (Lower House of Indian Parliament) led a large delegation to Saudi Arabia and interacted with their counterparts in Shura Council. He also availed the opportunity to call on the Crown Prince and Foreign Minister Prince Saud. We have had our regular Joint Commission Meetings. India has appointed a Special Envoy for Middle East Peace Process who visited Saudi Arabia in September last year and held extensive discussion with Foreign Minister Prince Saud al Faisal. My current visit to Riyadh is also part of our consultation process with Saudi Arabia. We hope to identify new opportunities for strengthening our relations in the coming years.

6. India was to cooperate with the Riyadh-based Institute of Diplomatic Studies belonging to the Foreign Ministry for training its students in the field of mass communications. What progress has been made in this direction?

The Foreign Service Institute of the Ministry of External Affairs of New Delhi signed an MoU in June 2005 with the Riyadh-based Institute of Diplomatic Studies. This envisages cooperation in the fields of joint research, training, exchange of students, arranging symposium and seminars and exchange of books, periodicals and papers. While an Indian FSI delegation has visited the Saudi Institute of Diplomatic Studies, Saudi diplomats have been undergoing regular training at the Indian Foreign

Service Institute. Recently, the Diplomatic Institute in Riyadh had organized a seminar on India-Saudi Relations wherein well-known speakers from India and Saudi Arabia participated. I have been given to understand that an excellent publication is being brought out after the seminar. We look forward for further intensification of our relations in this area, as both countries seek to have new ideas for diversifying our ties.

7. India's nuclear deal with the US is facing stiff opposition in New Delhi. Are you confident that the deal will go through?

The Government is committed to the Indo-US civil nuclear cooperation Agreement. We are in the process of seeking broad political consensus on the issue with various political parties who are supporters of our coalition government in India. The discussion is still going on.

On 20 July 2007, after five rounds of negotiations, India and the US agreed on the text of a bilateral Civil Nuclear Energy Cooperation Agreement to implement the understandings of July 2005 and March 2006. The finalized text of the Agreement has received the approval of our Cabinet.

As required by the Agreement, presently, an India-specific Safeguards Agreement is under finalization with the IAEA. The conclusion of such an Agreement will enable the Nuclear Suppliers Group (NSG) to amend its guidelines for civil nuclear cooperation in favour of India. After this, the Agreement will go to the US Congress for approval before it can be operationalised.

8. As a major power in South Asia, what role, in your opinion, can India play in reducing tension in the Middle East, which has created a climate of political instability in the region?

West Asia is a part of India's extended neighbourhood, with which we have had a close interaction over millennia. Consequently, we have deep interest in peace and stability in the region and have been closely monitoring developments in the region.

We believe that there is no military solution to the Israel-Palestine and related issues. India has been calling for all parties in West Asia to fully cooperate with the efforts of the international community. We support the revival of direct negotiations between the leaders of Israel and Palestine, the momentum for which was generated at the Annapolis Conference. At the conference, India expressed its readiness to play its due role in the

collective endeavour to strengthen the forces of peace and stability in the region. The Arab Peace Initiative, re-launched in Saudi Arabia in March (Riyadh -2007), provides a constructive framework for achieving such a comprehensive peace.

9. With the forces of extremism and terror gaining ground in Afghanistan and Iraq, is India, as a neighboring country, worried about the situation in the region? Is your government taking any preventive steps in this regard?

The Taliban has gained ground over the past few years in some areas of Afghanistan. The Taliban follow an ideology based on extremism and terror. Such an ideology has simply no place in the modern world. We are following events in Afghanistan closely and have fully supported the government of President Karzai in its efforts to meet the challenge of terrorism.

10. With the US losing its hold as the lone super power, how do you see the role of China and India as the emerging powers? Do you see a situation in which India, China and Russia could forge strategic alliances in creating a new world order?

We attach priority to developing relations with China, our largest neighbour. India and China, as two major developing countries and the two fastest growing large economies, account for over 1/3rd of the humanity. Our two countries believe that our relations transcend the bilateral dimension and have come to acquire an increasing regional and global dimension. During the recent visit of our Prime Minister to China in January 2008, the two countries signed the shared Vision for the 21st Century that reflects the congruence of interest on regional and international issues. The Shared Vision document expresses our mutual desire to work together on multilateral issues for common benefit.

India -Russia- China trilateral cooperation is not targeted against any other country or organization and is intended to promote international harmony and mutual understanding and seeks to broaden common ground amidst divergent interest. The development of India, Russia and China is a major contribution to peace and development of the region and world and is beneficial to the process of multi polarity. With their continuous development and growing role in international affairs, India, Russia and China will further contribute to world peace, security, stability and prosperity.

India- Russia - China trilateral dialogue mechanism improves mutual understanding and trust with regard to serious challenges that the international community faces such as regional conflicts, terrorism, narco-trafficking, under-development, poverty and climate change and contributes to strengthening peace, security and stability in our region and the world.

11. How do you see the prospects of India becoming a permanent member of the Security Council?

There is unanimity among member states that the United Nations is in need of urgent and comprehensive reform so that it can deal with the challenges of today's world more effectively. The United Nations should function in a more transparent, efficient and effective manner and the composition of its central organs must reflect contemporary realities. In particular, the expansion of the UN Security Council, in both permanent and non-permanent categories of membership, is central to the process of UN reform. Developing countries from Africa, Asia and Latin American & the Caribbean should be represented, as permanent members in an expanded Security Council.

It is in this framework that India aspires to become a permanent member of the UN Security Council. There has been a widespread and growing appreciation of India's strong credentials, and steady accretion of support for its candidature. We continue our active and constructive engagement with other member states on UN reform issues.



482. Press Release of the Ministry of External Affairs on the visit of Foreign Minister of Saudi Arabia.**New Delhi, December 26, 2008.**

HRH Prince Saud Al-Faisal, Foreign Minister of the Kingdom of Saudi Arabia, visited India on 26 December 2008. He called on the Vice-President and met MOS Sh. E. Ahmed and NSA Sh. M.K. Narayanan, besides having an in-depth exchange of views with his counterpart External Affairs Minister (EAM), Sh. Pranab Mukherjee. It would be recalled that he had earlier visited India on 28-29 February 2008. EAM had paid a visit to Riyadh in April 2008 when he also had an audience with His Majesty King Abdullah. It may be mentioned here that His Majesty was the Chief Guest at the Republic Day Celebrations in India in January 2006.

Both sides reviewed and expressed satisfaction at the rapidly expanding bilateral ties. It was noted that two-way trade had crossed \$16 billion in 2006-2007. The sides reiterated their resolve to maintain the momentum in deepening engagement in various sectors including Trade, Commerce, Investments, IT, HRD, Energy and Petrochemicals.

The Saudi dignitary conveyed sympathies and deep condolences on behalf of the Custodian of the two holy mosques, on his own behalf and on behalf of the people of Saudi Arabia. He described terrorism as a cancer on society, which had to be cut out and destroyed completely, so that no repeat of tragedies like Mumbai happen ever again. Terrorists would like to sow dissension and create conflict, he stressed. Saudi Arabia had proposed to the U.N. to create a special body representing the international community to jointly fight the menace of terrorism.

EAM communicated the sense of outrage among the people of India at the audacious and meticulously planned attack mounted by elements based in Pakistan. He expected Pakistan to take immediate steps to dismantle the infrastructure of terrorism.

It was agreed that terrorism was a global challenge and had to be dealt with jointly by all nations. The leaders also agreed that whatever action had to be taken to control terrorism should be taken without delay and in a transparent manner. This was not an issue between India and Pakistan but a global issue.

The discussions were held in a most cordial and friendly atmosphere, reflective of the close relationship between the two countries.



SYRIA

483. Briefing points by Official Spokesperson on the State Visit of Syrian President Dr. Bashar al-Assad.

New Delhi, June 18, 2008.

- At the invitation of the Prime Minister of India, Dr. Manmohan Singh, the President of Syria H. E. Dr. Bashar Al-Assad, accompanied by Mrs. Asma al-Assad, paid a State Visit to India on June 17-21, 2008. The visit further consolidated the excellent relations that exist between India and Syria and identified new areas of bilateral cooperation¹.
- H.E. President Bashar Al-Assad and the Prime Minister, Dr. Manmohan Singh held delegation level talks on 18 June at Hyderabad House, New Delhi. H.E. President Dr. Bashar al-Assad was assisted by H.E. Mr. Walid al-Moualem, Minister of Foreign Affairs, HE Dr. Ms. Buthaina Shaaban, Minister for Expatriates, HE Mr. Amer Husni Lutfi, Minister of Economy and Trade, H.E. Mr. Emad Sabouni, Minister of Telecommunication & Technology and other senior officials. The Prime Minister was assisted by the Minister of External Affairs, Shri Pranab Mukherjee, the Minister for Petroleum & Natural Gas, Shri Murli Deora, the Minister for Power, Shri Sushil Kumar Shinde, the Minister of State for External Affairs, Shri E.

¹ Media reports said during the meeting between President Assad and Prime Minister, Syrian President described India as a "moderating influence" in world affairs, and said Prime Minister Manmohan Singh was in a position to advise the United States and the West on how to be more balanced and sensitive in its dealings with the Middle East. In an hour-long meeting between the two leaders, Dr. Assad briefed the Prime Minister on Syria's indirect talks with Israel and the state of the peace process in West Asia. He stressed the importance of finding a peaceful solution to the Iranian nuclear issue. Dr. Singh briefed the Syrian President about the situation in Afghanistan and South Asia. Noting that whenever Syria had talks with Western leaders, the latter were always telling Damascus what to do, Dr. Assad said he appreciated the fact that this was not the case with India. On the economic side, the two leaders agreed to expand bilateral cooperation across the board. Senior officials said the specific areas identified by the two sides include phosphates, power, oil and gas as well as IT. The priority of his government was to create a "fertile investment environment," Mr. Assad said at the session jointly organised by the apex industry bodies - FICCI, CII and ASSOCHAM. He assured Indian businessmen that there would be peace and stability in the region which had seen wars and conflicts. Mr. Assad said measures were afoot to set up the country's first stock market. Elimination of restrictions on imports, lower tariffs for local

Ahamed, National Security Adviser Shri M.K. Narayanan and other senior members of his delegation.

- The situation in West Asia figured prominently in discussions. The need for progress in the various tracks of the peace process, early implementation of relevant UN resolutions and the need for greater involvement of all significant regional and international participants were discussed. In this regard, noting recent developments, the two sides agreed to stay in close consultation on the next steps in the peace process.
- Efforts aimed at strengthening bilateral economic and commercial cooperation between India and Syria, the encouragement of joint ventures in a variety of areas, including in the Syrian phosphatic fertilizers, hydrocarbon and power sectors were highlighted in the talks. India offered to conduct a consultancy study on the integrated development of the Syrian phosphatic sector. BHEL has bid for the 500 MW Al-Zara power project in Syria. Indian participation in the Syrian banking sector and possibilities of cooperation in the information technology sector were also discussed.
- Addressing a business session jointly organized by the CII in association with FICCI and ASSOCHAM on 18 June, President Assad highlighted on-going economic reforms in Syria that have led to an improved investment climate and the geo-strategic advantages of Syria as a communications and transportation hub.
- In the presence of H.E. Dr. Bashar al-Assad and Prime Minister, Dr. Manmohan Singh, the following documents were signed:

manufacturing and increased access to foreign exchange had gradually begun to liberalise trade. According to him, Syria was promoting export-oriented growth through special economic zones, which were already servicing over 2000 companies.

In an interview with Siddharth Varadarajan for *the Hindu* and carried by the paper on June 12, President Assad when asked: "... you think if India were to involve itself in the peace process, this could bring about a balance? replied "Yes, because it has two aspects. You can play a direct role between the two sides, Syria and Israel, and the Palestinians and Israel. That will make the region more stable, and that will affect India itself in the long run and the world at large, especially Asia. Second, it's about the role you can play through your weight as India, a big country, in dialoguing with other powers - the U.S., Europe, your region - about how the Middle East can be made more stable."

- (i) Agreement on the Mutual Promotion & Protection of Investments between the Syrian Arab Republic and the Government of the Republic of India.
- (ii) Agreement Between the Government of the Republic of India and the Government of the Syrian Arab Republic for the Avoidance of the Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income.
- (iii) Work Plan under the Memorandum of Understanding between the Government of the Republic of India and the Government of the Syrian Arab Republic for Cooperation in the Field of Agriculture and Allied Sectors for 2008-2009.
- The Hon'ble Vice-President of India, Dr. Hamid Ansari, the External Affairs Minister, Shri Pranab Mukherjee, Chairperson, UPA and the Leader of the Opposition, Shri L.K. Advani called on the Syrian President.
- The Hon'ble President of India, Smt. Pratibha Devisingh Patil hosted a banquet in honour of H.E. Dr. Bashar al-Assad and Mrs. Asma al-Assad.



484. Press Release of the Ministry of Finance on the signing of a revised Double Taxation Avoidance Agreement with Syria.

New Delhi, June 18, 2008

The Government signed a revised Double Taxation Avoidance Agreement (DTAA) with the Government of the Syrian Arab Republic for the avoidance of double taxation and for the prevention of fiscal evasion with respect to taxes on income, here today during the visit of H.E. Bashar Al Assad, President of Syrian Arab Republic to India. The Agreement was signed by Shri Pranab Mukherjee, External Affairs Minister, on behalf of the Government of India and by Dr. Amer Husni Lutfi, Minister of Economy and Trade, Syrian Arab Republic, on behalf of the Government of Syrian Arab Republic.

This Agreement has revised an earlier Double Taxation Avoidance Agreement between India and Syria which was notified on 25th June 1985. The revised DTAA will cover all taxes imposed on total income or on elements of income, including taxes on gains from alienation of movable or immovable property, taxes on the total amounts of wages or salaries paid by enterprises. The DTAA provides that business profits may be taxed in the source state if the activities of an enterprise constitute a permanent establishment in the source state. Permanent establishment includes especially: a branch, factory, place of management, sales outlet etc. Profits of a building site, construction, assembly or installation projects may be taxed in the state of source if the site, project or activities continue in that state for 270 days or more. Profits from the furnishing of services including consultancy services may also be taxed in the state of source if activities of this nature continue within that state for more than a period of 183 days within any 12-month period. Profits derived by an enterprise from the operation of ships or aircraft in international traffic shall be taxable in the country of residence of the enterprise. The Agreement provides for a maximum rate of tax to be charged in the country of source on dividends at 5 % of the gross amount of dividends if the beneficial owner of the dividends is a company which holds at least 10% of the share capital of the company paying the dividends and 10% of the gross amount of dividends in all other cases. The Agreement further provides for maximum rate of taxation in the source state at 10% in the case of interest and royalties. Capital gains from the sale of shares may be taxed in the country of source. Besides,

the Agreement incorporates provisions for exchange of information between tax authorities of the two countries and incorporates anti-abuse provisions to ensure that the benefits of the Agreement are availed of by the genuine residents of the two countries.

The revised DTAA incorporates improvements over the existing DTAA by including anti-abuse provisions and providing for source based taxation of capital gains from alienation of shares. This Agreement will provide further impetus to the economic ties between India and Syria by facilitating mutual economic cooperation as well as stimulating the flow of investment, technology and services between the two countries.



485. Response by Official Spokesperson to a question regarding an incident near Abu Kamal in Syria.

New Delhi, November 3, 2008.

India is concerned at the incident near Abu Kamal, 8 kms. inside Syria on its border with Iraq. The scourge of terrorism affects many nations across the world. While this must elicit decisive responses, when such actions result in the death of innocent civilians, they defeat the very objective of the intervention¹.



¹ The Spokesperson was referring to a U.S. military helicopters attack on October 26 on Syrian territory close to the border with Iraq, killing eight people in a strike the government in Damascus condemned as "serious aggression." An unidentified U.S. military official told the Associated Press in Washington the raid by special forces targeted the network of al-Qaida-linked foreign fighters moving through Syria into Iraq. "We are taking matters into our own hands," he said. The attack came just days after the commander of U.S. forces in western Iraq said American troops were redoubling efforts to secure the Syrian border, which he called an "uncontrolled" gateway for fighters entering Iraq. A Syrian government statement said the helicopters attacked the Sukkariyeh Farm near the town of Abu Kamal, five miles inside the Syrian border. Four helicopters attacked a civilian building under construction shortly before sundown and fired on workers inside, the statement said. The government said civilians were among the dead, including four children.

TAJIKISTAN

486. Press Release of the Ministry of External Affairs announcing humanitarian assistance to Tajikistan.

New Delhi, March 4, 2008.

In response to Government of Tajikistan's appeal for urgent assistance after unprecedented continuous cold weather in the country, the Government of India has decided to provide emergency humanitarian aid amounting to US \$ 2 million to Tajikistan, out of which US \$ 1 million will be cash assistance. The Government of India has also expressed solidarity with the Government and people of Tajikistan in their rehabilitation and reconstruction efforts.



TURKMENISTAN

487. Press Release of the Ministry of External Affairs on the visit of a delegation led by the Deputy Prime Minister and Foreign Minister of Turkmenistan Rashid Meredov.

New Delhi, January 22, 2008.

Deputy Prime Minister and Foreign Minister of Turkmenistan, Mr Rashid Meredov led a high-level delegation comprising of five Ministers - of Oil & Gas, Education, Trade, Culture and Protection of Nature - to India on 20-22 January, 2008. Mr Meredov co-chaired the Second Session of the India-Turkmenistan Inter-Governmental Commission for Trade, Economic, Scientific and Technological Cooperation along with the Minister of State for External Affairs, Shri E. Ahamed. During the visit, Mr Meredov also met the External Affairs Minister, Prime Minister and the Vice President. The other delegation members held meetings with relevant Ministries and organisations to discuss bilateral cooperation in respective spheres.

2. The Inter-Governmental Commission reviewed bilateral cooperation in the fields of trade & investment, hydrocarbons,

education, science & technology and culture since the first meeting of the Commission in October 2006 in Ashgabat. The two sides agreed on further efforts for expanding and strengthening cooperation, particularly greater exchange of business delegations, participation in trade fairs/ exhibitions, increase in banking ties, encouraging investments, discussions on collaborative ventures between energy companies as a follow up of the transit visit of the Minister of Petroleum & Natural Gas to Ashgabat in November 2007, scientific exchanges in areas such as seismology and astronomy, realizing the business potential in the infrastructure sector, developing transport linkages and greater cultural exchanges in the context of close historical and civilization linkages between the two countries. Cooperation in higher-education and human resource development was also discussed in view of ongoing reforms by the Turkmenistan government in these areas. A Protocol on the conclusion of the Inter-Governmental Commission was signed at the end of the meeting.

3. The visiting delegation handed over an invitation from the President of Turkmenistan to the Vice President of India to visit Turkmenistan later this year.



488. Briefing by Official Spokesperson on the visit of Vice-President to Turkmenistan and Kazakhstan.

New Delhi, April 2, 2008.

Official Spokesperson: Good afternoon. We thought we should brief you on the forthcoming visit of the hon'ble Vice-President, Shri Hamid Ansari to Turkmenistan and Kazakhstan. I have with me also Mr. Divyabh Manchanda who is head of the Eurasia Division and Mr. Harish from the Vice-President's office.

I believe a lot of the traveling media is here and before I forget this the traveling media should stay back after the session for your nuts and bolts briefing about the visit.

Hon'ble Vice-President Shri Hamid Ansari will be visiting two countries, Turkmenistan and Kazakhstan. The visit takes place from 4th to 10th of April. This will be his first visit abroad as the Vice-President.

As far as Turkmenistan is concerned, the visit is at the invitation of His Excellency President Gurbanguly Berdimuhamedow. The visit to Kazakhstan is at the invitation of His Excellency Mr. Kassym J Tokayev who is Chairman of the Senate Upper House of the Parliament of Kazakhstan.

The Turkmenistan leg of the visit will be from 4th to 6th. During these days the hon'ble Vice-President will call on his host the President. The two dignitaries will chair delegation-level talks between the two sides. There will be an official banquet dinner held in his honour. He will also visit the city of Mary in Turkmenistan.

On the discussions, you will be briefed as the discussions take place during the visit. They will cover expectedly the entire stretch of bilateral relations, regional issues, issues of mutual interest on the world stage. It will be an opportunity to reaffirm the close political ties, the economic ties, the potential for further cooperation in various fields, to reaffirm all these aspects at the highest political level.

As far as Kazakhstan is concerned, the visit takes place from the 6th to the 10th. The Hon'ble Vice-President will call on President Nazarbayev. He will hold meetings with Prime Minister Mr. Karim Massimov as well as hold restricted delegation-level meetings with his host the Chairman of the Kazakhstan Senate.

There will be an official banquet. The Vice-President will have speaking engagements in Kazakhstan. He will be addressing Senate Members. He will be addressing the Academy of Public Administration in Astana and the Al Farebi University in Almaty. The Al Farebi University will also award an Honorary Doctorate to the Hon'ble Vice-President.

I may mention that the Address to the Senate is a unique honour, as also the extensive speaking engagements in both the other cities where the President will be taking up.

The visit to Central Asia, to these two countries, is reflective of the importance that India attaches to the region and is an opportunity to reaffirm

the bilateral ties with both countries. The ties are multifaceted. We will give you briefs on trade figures and all that at the next meeting.

As for details of the Delegation, the hon'ble Vice-President is accompanied by Smt. Salma Ansari and a high-level Delegation which includes Shri E. Ahamed, Minister of State for External Affairs; Members of Parliament, Shri Vijaykumar Rupani, Shrimati Biplove Thakur, and Shir N.N. Krishnadas; along with senior officials of the External Affairs Ministry and the Vice-President's Secretariat.

Question: What is the status of the TAPI pipeline?

Official Spokesperson: I think that remains where it is. I do not think the hon'ble Vice-President's visit is the visit in which you go into details of negotiations of these issues. There will be a broad review of bilateral relations. I am sure energy and potential of closer cooperation in the hydrocarbons sector are things which will come up and will be discussed. But let me not prejudge the discussions. We will let you know as things go.

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489. Opening Remarks by Vice President M. Hamid Ansari at the Delegation Level Talks with Turkmenistan.

Ashgabat, April 5, 2008.

Your Excellency, President Gurbanguly Berdimuhammeov

Mr. Rashid Meredov, Deputy Chairman of Cabinet of Ministers and Minister of Foreign Affairs of Turkmenistan

Esteemed Ministers

Members of the delegation of Turkmenistan.

I express gratitude and appreciation for the warm hospitality extended to me and my delegation and for the arrangements made with such care.

I bring to you the greetings and good wishes of Her Excellency the President of India and of the government and people of India.

Turkmenistan is the first country of my visit abroad as Vice President. This is no coincidence; it reflects the importance India attaches to the Central Asian region in general and Turkmenistan in particular.

We in India have been watching with interest and appreciation the reform and development process initiated by Your Excellency. My interaction with Your Excellency earlier today has reaffirmed our views on your dynamism and zeal in modernising your country. The constructive and proactive engagement of the Government of Turkmenistan in the international arena is a welcome development.

We look forward to India engaging more closely with Turkmenistan in various areas of cooperation for mutual benefit. The second meeting of the Inter Governmental Commission held in New Delhi in January 2008 has made wide ranging recommendations. I had an opportunity then to discuss these issues in New Delhi with Deputy Prime Minister and Foreign Minister Mr. Rashid Meredov. I am happy that we have made a good beginning and are serious about our bilateral engagement.

Excellency,

India and Turkmenistan are great ancient civilizations with ties dating back to several millennia. These ties were enriched and strengthened by continued interaction in centuries gone by. There are common strands of

history, language, heritage and culture. India's capital city, Delhi, is dotted with monuments that prove this legacy. One example of it is the all round contribution of Bairam Khan Turkman, and his philosopher son Abdul Rahim Khan-e-Khanan, in the reign of Akbar the Great in the 16th century; it is part of school history textbooks in India.

Excellency,

India considers Turkmenistan an extended neighbour, a natural ally and a key partner in Central Asia. There are opportunities in both countries, complementarities in resources and skills and willingness to develop a strategic friendship. We need persistence in the pursuit of mutually beneficial projects, allowing more exchanges of people, ideas and appropriate technologies and devising common strategies on issues of mutual interest.

We appreciate the bold initiatives taken in Turkmenistan towards economic reforms and to attract foreign investment. The ongoing economic reforms will pave the way for a rapid transformation and India would like to be a partner in progress with Turkmenistan.

India on its part is a vibrant and growing economy with significant capabilities in key service sectors and in specific areas of manufacturing industry and R&D. We must interact on the basis of our competitive advantage and locational advantage. Major multi-national companies of the world are based in India and many Indian companies have global operations. Our technically qualified workforce is contributing to their success worldwide.

Our bilateral trade has registered an impressive increase. Indian pharmaceutical companies are doing well in Turkmenistan and the Turkmen authorities have been supportive towards the efforts and initiatives of Indian businessmen. We are well linked through air routes. Setting up of an IT Centre in Ashgabat is in an advanced stage; the feasibility study has been completed. The Cultural Exchange Programme, Science & Technology Agreement, Agreement on Trade and Economic Cooperation and Comprehensive Education Agreement are under active consideration.

Despite the excellent progress, the potential of bilateral cooperation and economic engagement is far from realised. Several areas had been identified for mutual cooperation in trade and economic sphere; these need focus and hard work. You would Excellency, I am sure, will agree with me that the level of economic and commercial engagement between India

and Turkmenistan does not adequately reflect the potential and complementarities of the two economies.

India would be happy to share its experience of economic and education reforms with our friends in Turkmenistan. I understand that Turkmenistan, along with other countries of the region, is developing a network of rail and motor transport network. India has vast experience and technically qualified workforce in this area and would be happy to be associated with these projects. Improving connectivity is critical for enhancing bilateral trade between India and countries of Central Asia, and especially with Turkmenistan.

We commend the initiatives of Your Excellency in carrying out reforms in the education sector and your determination to bring Turkmen education levels at par with international standards. In view of our experience and capabilities, we stand ready to offer assistance in capacity building in all sectors including English language, computers and Information Technology, medicine and pharmaceuticals, business management, all streams of engineering, law, fashion and textiles, automobile, agriculture and sericulture.

Excellency,

We should urge our governments to pursue partnerships between our universities and institute joint studies of projects of common importance in areas such as culture, history, archaeology and linguistics. India stands ready to provide training under the ITEC (India Technical and Economic Cooperation) programme including tailor-made courses in all key sectors. India could be the ideal destination for Turkmen students and teachers for higher education and advanced training. India could help Turkmenistan in achieving its objective of universal access to telecommunication in the most cost effective manner.

Turkmenistan is a focus country for India and a priority destination. Indian tractors, water pumps and agro-chemicals are suitable to Turkmen requirements and are cost effective. We need to explore the possibilities for joint ventures in areas such as leather processing, cotton yarn making, wool processing and pharmaceutical projects. Indian infrastructure and construction companies should also look at participating in Turkmen projects focussed on modernising urban facilities and infrastructure areas like rail and road networks. Cooperation in value added segment of cotton and textile sector also holds great promise.

I understand that Turkmenistan is developing a national tourist zone at Avaza, at the Caspian coastal city of Turkmenbashy. Indian companies from construction and hospitality sectors could participate in this project. Tourism has the potential to emerge as another area of cooperation. India is an attractive destination as a place for cultural and medical tourism.

Turkmenistan is geo-strategically located and with its vast hydrocarbon resources it has an important role to play in the world's energy security. India, with its vast requirement of energy and dependence on imports to meet it, is Turkmenistan's natural partner. I thank you, Excellency, for the formal support we have received from Turkmenistan about our membership in the Turkmenistan-Afghanistan-Pakistan-India pipeline project. Indian companies like ONGC, OVL, GAIL and IOC have vast expertise, experience and required capital, and are willing to partner with Turkmenistan by constructively participating in Turkmen energy sector, in upstream and down stream activities. Indian companies have also developed expertise in shallow water, off shore and onshore activities. I am happy that a framework MOU on cooperation in the oil and gas sector is being signed between the Ministries of Oil and Gas of the two Governments and this should pave the way for constructive engagement of Indian companies in this important sector in Turkmenistan¹.

Your Excellency's forthcoming visit to India, I am confident, will enable us to give concrete shape to the vast potential that exists for a sustained and mutually rewarding partnership on a broad range of issues covering trade and investment, culture, education, agriculture, hydrocarbons and information technology.

¹ On April 5 India and Turkmenistan signed "a framework Memorandum of Understanding on cooperation in the oil and gas sector." It was signed by Minister of State for External Affairs E. Ahamed and Turkmenistan's Deputy Prime Minister for Oil and Gas Tachberdy Tagiev in the presence of the visiting Vice-President, Hamid Ansari, and the host country's President, Gurbanguly Malikgulyevich Berdimuhammedov, at the grand Presidential Palace. The MoU was under negotiation for two years. The refrain at the talks was that India was an energy-deficient country and Turkmenistan a gas-rich, making cooperation between the two, "natural, logical, obvious and mutually beneficial." Mr. Ansari told the Indian media accompanying him that the first idea should be to enhance the capacity of the two countries to cooperate before an engagement could take place on a sustained basis. He offered for partnership the "vast expertise, experience and required capital" of giant Indian companies such as ONGC, OVL, GAIL and IOC. According to media reports in the delegation-level talks, preceding the signing of the MoU, the Turkmen President noted that "participation of large Indian companies and enterprises in the realisation of oil-gas projects in Turkmenistan will serve for the two countries' benefits."

I strongly believe that we have to enhance interaction at governmental, business and people-to-people levels. We have to become true partners in each other's economic, cultural and social development. I am confident that under your guidance we can broaden and deepen our relationship; in this context, we should also encourage exchanges between our Parliaments.

I conclude by once again thanking Your Excellency for extending an invitation to me and providing me and my delegation this opportunity to visit the modern city of Ashgabat and the historical sites in Mary. We will cherish the memories and this experience.



490. Press Release of the Ministry of Petroleum and Natural Gas on the admission of India to the Turkmenistan-Afghanistan-Pakistan (TAP) Gas Pipeline Project.

New Delhi, April 24, 2008.

Shri Murli Deora, Minister of Petroleum and Natural Gas represented India at the 10th Steering Committee Meeting of the Turkmenistan-Afghanistan-Pakistan-India Gas Pipeline Project, which was held on 23 - 24 April, 2008 at Islamabad. In a major development, India was formally admitted as a member of the TAPI Project¹ at the meeting. It may be

1 While joining the TAPI project, India sought to dispel the impression that India was less interested in the Iran-Pakistan-India gas-line project. The Minister for Petroleum and Natural Gas Murli Deora on April 23 said: "For us, both are equally important. As far as India is concerned, we want to settle and activate both because the energy demand in India is so much and the oil prices are shooting up." He is scheduled to hold bilateral talks with his Pakistan counterpart, Khwaja Asif, on the IPI on April 25. The Minister told the representative of the Hindu in Islamabad and Press Trust of India: "We have done nothing by which it can be said that we are not interested in IPI. In fact, we have held many rounds of talks on the project, and if I was not able to come here for some meetings before, it was only because of the local circumstances. Now that things are better here, I came at once." The Minister dismissed the suggestion that he had come rushing to Pakistan out of fear that China was getting more interested in the T-P-I Project. During his China visit earlier this month, President Pervez Musharraf said Iran and Pakistan should consider China as a partner in the project if India was not interested in it. India has also sought third country certification of the central Asian country's gas reserves, as it has been insisting in the case of I-P-I. Earlier on April 14, while inaugurating the 5th Asia Gas Partnership Summit, organized jointly by Gas Authority of India Limited (GAIL) and Federation of Indian Chambers of Commerce and Industry, in New Delhi, Shri Deora while speaking of his impending visit to Islamabad to attend the TPAI project talks had stressed that Asia needed cross-border trade in gas. He said, "Geography, resources and economics favour regional integration, especially in gas." Asian gas markets were leading the growth in global gas sector with Asia today accounting for 70% of the total LNG trade. The Minister pointed out that Asian countries had natural areas of commonalities and synergy in social, economic and technological spheres. A multifaceted economic partnership underpinned more securely our traditionally close relationships. India on its part was ready to play sheet anchor role in this endeavour, he said. Meanwhile media reports quoting some experts have cast some doubts on the feasibility of the Turkmenistan-Afghanistan-Pakistan-India project, both from the security and adequacy of the gas available. It will travel through Afghanistan where conditions appear to be somewhat unstable in the medium run. The experts also doubt availability of sufficient gas reserves with Turkmenistan to meet all its assurances to China, Russia as well as Pakistan and India. The pipeline is estimated to cost \$8 billion and according to original projections, work should start in 2010 and end after five years. Experts suggest that the problem of guaranteeing an adequate quantity of gas for TAPI could be overcome if Turkmenistan agreed to connect the pipeline from its Daulatabad reserve to the IPI gas pipeline. On surface, the conditions in Afghanistan are the major cause for concern for the TAPI project. Taliban is active in south west part of the country which is near the proposed route for the pipeline. Experts do not expect the security threat to minimise in the near future. But more than unsettled conditions in Afghanistan, experts doubt whether there are enough gas reserves to fill all the pipelines being proposed by Turkmenistan without substantially increasing production. In 2007, Ashkhabad produced 70 billion cubic

mentioned that the Turkmenistan-Afghanistan-Pakistan (TAP) project was initially conceived in the year 2002. The Steering Committee Meeting met at the level of Oil and Gas Ministers of the four countries. ADB is playing the role of lead facilitator for the Project. The gas is expected to flow to India from Turkmenistan in the year 2014. The Project will help to promote energy security of the participating countries and strength regional cooperation.

During the meeting in Islamabad, an Intergovernmental Framework Agreement, to facilitate implementation of the Project, was initialed by the four participating Ministers. As per the text of the Agreement, the Pipeline will be executed by a Consortium. The gas will be supplied from Douletabad and other fields in Turkmenistan and the Principle of unobstructed transit of natural gas, in accordance with international norms, will be followed. The safety and security of the pipeline and related infrastructure will be provided by concerned Governments in their respective territories. Transportation tariff will be based on the cost of service method.

The 1,680 KM long, 56" in diameter TAPI pipeline will supply 90 MMSCMD of gas. The length of the pipeline in Turkmenistan, Afghanistan and Pakistan up to India border is 145 Km, 735 Km and 800 Km respectively. Gas utilization by Afghanistan will be about 5.0 MMSCMD during 1st/2nd year and 14 MMSCMD from the third year onward, with the remaining quantity of gas equally shared by India and Pakistan.

Mr. Murli Deora, Minister of Petroleum and Natural Gas also called on the Prime Minister of Pakistan, Syed Yousaf Raza Gilani along with other participating Ministers. Shri Deora conveyed the warm greetings and best wishes of the Prime Minister of India, Dr Manmohan Singh, to the Prime Minister of Pakistan. Shri Deora's visit marks the first high-level contact between the two sides after the new Government was sworn in after the elections in Pakistan.

The next meeting of the Steering Committee will be held in India.



metres of gas which was short of the previous year's target by 10 billion cubic metres. This makes it highly unlikely that Turkmenistan would be able to achieve its projected target of 250 billion cubic metres of gas and 110 million tonnes of oil by 2030. Turkmenistan has concluded side projects of the Caspian Sea gas pipeline, modernisation of the Central Asian pipeline and also the gas pipeline with China which is under construction. It is expected that these commitments alone will account for all of Turkmenistan's gas production targets of 2030, provided it is able to achieve them. Media report further said "Taking into account these considerations, the resource base of TAPI appears to be at a level that is too low to initiate this project. The volumes may be enough to cover other commitments.

INDIA'S FOREIGN RELATIONS - 2008

SECTION -VI

AFRICA

- (i) INDIA-AFRICA FORUM
SUMMIT**
- (ii) AFRICA**

(i) INDIA-AFRICA FORUM SUMMIT

491. Statement by Minister of State Anand Sharma at the Executive Council of Foreign Ministers of the African Union regarding Summit of the India-Africa Forum.

Addis Ababa, January 29, 2008.

India has announced that it would hold the Summit of the India-Africa Forum in New Delhi in April. This statement was delivered by Shri Anand Sharma, Hon'ble Minister of State for External Affairs at the Executive Council of Foreign Ministers of the African Union at their Summit in Addis Ababa on 29th January, 2008.

India looks for a true partnership with Africa and support its development and achievement of the Millennium Development Goals, Shri Anand Sharma said.

The speech was extremely well received by the Foreign Ministers of nearly 50 African countries along with representatives of Regional Economic Communities and the Commissioners of the African Union. Several Foreign Ministers including those of Liberia, Mali, Ivory Coast, Niger and Djibouti were seen congratulating the Minister on the positive intent in his statement. Eminent members of the African Union Audit panel were also present.

The Chairperson of the Executive Council, the Foreign Minister of Ghana, warmly thanked Shri Anand Sharma for his statement on behalf of India and said that the age old friendship between India and Africa was looking for modern enhancement.

Shri Anand Sharma, Hon'ble Minister of State for External Affairs is leading a delegation to the African Union Summit and has personally delivered letters of invitation from the Prime Minister to the Heads of State of African countries invited to the Summit and letters of invitation to the Foreign Ministers of the same countries. The countries invited to the Summit are: Algeria, Burkina Faso, Democratic Republic of Congo, Egypt, Ethiopia, Ghana, Libya, Nigeria, Senegal, South Africa, Uganda and Zambia.

In a hectic day of meetings, Shri Anand Sharma called on the Prime Minister of Ethiopia, H.E. Mr. Meles Zenawi, and the President of Ghana, H.E. Mr. John A Kufuor, who is also the current Chair of the African Union. Both dignitaries have accepted Prime Minister's invitation to the Summit and

have said that the timing of the Summit is appropriate as Africa diversifies its relationship and cooperation with India is now in the forefront of Africa's agenda. The Prime Minister of Ethiopia said that they were confident that the Summit with India would be unique in its own way just as India is a special partner for Africa.

Shri Anand Sharma also called on the Chairperson of the African Union Commission, H.E. Prof. Alpha Oumar Konare. Prof. Konare paid warm tribute to the path of development followed by India and said that India as a true friend of Africa was well liked and respected and he was confident that the Summit in New Delhi would be a great success to which he would make a full contribution.

Shri Anand Sharma also had detailed meetings pertaining to the India-Africa Forum Summit and bilateral issues with the Foreign Ministers of Ethiopia, H.E. Mr. Seyoum Mesfin; Libya, H.E. Mr. Mohammed Abderrahman Shalgham; South Africa, H.E. Dr. Nkosazana Clarice Dlamini Zuma; Nigeria, H.E. Mr. Ojo Maduekwe; Ghana, H.E. Mr. Akwasi Osei-Adjei; Senegal H.E. Dr. Cheikh Tidiane Gadio; Uganda, H.E. Mr. Sam Kutesa; and Zambia, H.E. Mr. Kabinga J. Pande.



492. Interview of Minister of State Anand Sharma on the Africa - India Forum Summit.**New Delhi, February 18, 2008.**

[The Republic of India is a nation that has displayed by stance and practice, its profound commitment to strengthen ties with Africa. India has stood by Africa throughout the anti-colonial and anti-apartheid struggles and is currently continuing that solidarity by expanding trade and development co-operation with Africa on an unprecedented scale.

India has refocused its African policy of late and driving this new India-Africa partnership is a man whose credentials and experience make him the ideal person for the job.]

H.E. Mr. Anand Sharma: It is important to first identify those issues that concern the young and agitate their minds, and those who take leadership positions in the political mainstream movements should be sincere in articulating those concerns and help in the formation of policies that benefit the youth and children.

This is because they are the true essence of any society and what has to be ensured is the access of proper means to sustainable education and economic opportunities.

At the same time, youth leaders have a duty to the larger community of humankind. Therefore, the youth also must work towards sensitizing global opinion and mobilize support for conflict resolution, sustainable development, for inclusive growth processes and for peace because that perhaps is the only way forward for the world today.

Capital: What is the overall direction of Indian foreign policy and also in regards to Africa, particularly Ethiopia?

H.E. Mr. Anand Sharma:

India has been for decades a positive friend and partner of Africa. We are committed to share our development experiences, such as the Green Revolution which ensured food security for our people, in technology and with our resources.

There is a deepening engagement with Ethiopia, a country with whom we have always had a very good political relationship but also a civilizational link which pre-dates India's independence in the present context.

There are also the institutional linkages of universities, of super-specialty hospitals and many other aspects... The priority areas of our engagements are in agriculture, food security, generic medicines - where India has contributed in a big way in terms of breaking the suffocating stranglehold of multinationals on life saving medicines and ensuring that they are accessible at affordable prices. I am referring to ARVs, anti-tuberculosis and anti-malaria drugs, among others. To provide an example, ARVs used to cost US\$12,000 per annum per patient before Indian generics entered the market and brought this down to below US\$500. This in itself is a very strong statement of commitment and cooperation. In Ethiopia, numerous Indian companies are producing medicines and ARVs as well as drugs for tuberculosis and malaria, through joint ventures - Cadilla Ethiopia is one such joint venture.

Another area is ICT, where India's commitment has been in capacity building and human resource development. We have a dedicated program called Itech which is a technical and economic program through which in the last few decades tens of thousands of African students have come for education in our institutions for professional courses through Indian scholarship schemes. India has trained about 40,000 African students so far. The government has spent more than \$1.5 billion to expand this program further.

Another example of Indian and African partnership cooperation is the pan African e-network project, a dedicated satellite feature that was announced by our former President when he was visiting Africa in 2004. It has since been operational here in Ethiopia. There will also be a regional hub in Senegal. In Ethiopia it has already linked five major universities with twelve universities in India. With regards to the super specialty hospitals - five here in Africa (in different countries) link with the twelve super specialty hospitals in India. In addition there will be one hospital plus one educational centre or institution in each of the 53 countries in Africa. This has been a revolutionary step to help Africa bridge the digital divide and also for tele-medicine and tele-education.

With regards to the private sector, like the public sector, India is a partner in terms of capacity building, utilization of local resources, generating capital and employment as well as value addition, as we are fully committed to the development and industrialization of Africa.

Capital: You are now organizing the India-Africa Partnership Summit in April this year. What are the main objectives of this historic summit?

H.E. Mr. Anand Sharma: The AU and India have been working on the format of the summit. I have extended official invitations from my PM to the Chairperson of AU Commission, Prof. A. O. Konare, Ethiopian PM Meles Zenawi, and the President of the AU - the President of Ghana, John A. Kufuor. And I'll be conferring with Heads of State and Ministers, regional economic communities, the five founding members of NEPAD...

The goal of India is partnership in multi-sectoral priority areas in which we will engage. These include agriculture, food security, health, infrastructure development, science and technology, generics, capacity building and industrialization. We are already covering these areas, but we will examine how we can give further impetus and crystallize this engagement so that we work together and help Africa to get a larger share in world trade, as the world economic architecture is changing, and to have more voice in determining international regimes - i.e in negotiations with WTO and multilateral organizations so that issue vital to developing countries are articulated effectively in organizations of more representative characters.

Capital: What are the geo-political spheres of co-operation that India and Ethiopia collaborate on currently and what are the prospects for this robust bilateral relationship?

H.E. Mr. Anand Sharma:

The prospects are excellent because of a common bond of mutual respect and rich people to people contacts. India and Ethiopia, as well as all of Africa have historical relationships with special ties that are deeply rooted in our shared history. For India to come forward today is not as if India is embarking on a journey of discovery in Africa as the relationship has lasted from antiquity.

Capital: What is your gut feeling about Ethiopia? Sir, with all due respect I must request you to be as undiplomatic as you can be when you answer this. I ask this due to your extensive international experience in literally dozens of developing and emerging economies.

H.E. Mr. Anand Sharma: I feel very positive because the priorities of your Prime Minister are very clear. He is very keen on creating institutions of excellence besides of course, tele-education, tele-medicine and distance learning. He would like to see a centre of excellence where young Ethiopians

can be trained to become leaders not only for the society where they are in but to aspire as world leaders in various spheres. In my experience, when the leadership is transparent and committed, it is always a very encouraging sign. Another area is the economic cooperation in the various partnership projects in which Ethiopia already has attracted a significant component of Indian investment amounting to over US 1.1 billion. All indications are it's bound to expand further. In general I believe the future for Ethiopia is bright with promise.

Capital: There has been much talk, mostly rhetorical, of the need for the U.N. to undergo structural reform including, to the all powerful Security Council, which is regarded by many countries, including India, of not being representative of global reality. How can India galvanize more and sustained international support for its quest to be given a deserved permanent seat on the U.N. Security Council? (We would also recall the statement of British P.M. Gordon Brown during his recent India visit)

H.E. Mr. Anand Sharma: It is India's considered view that the UN, which is the only multilateral organization in which all states are present, makes decisions, and resolutions that do impeach regions and states throughout the world.

Therefore, it is important that the UN undergoes a comprehensive reform and democratize all its structures including the Security Council. The Security Council in its present composition symbolizes a frozen world order that emerged after the Second World War, when the membership of the UN was not even one-third of that of today. The overwhelming majority of UN member states, including India, emerged from subjugation and colonialism in later decades.

The Security Council must reflect the contemporary realities of the 21st century, and India being the largest democracy on the planet, where 17% of the world population is found, to request to be included in the decision making processes, along with the representative countries of Africa and Latin America, is a rightful claim.

At present, Africa and Latin America are not represented so it is not the position of India alone. That is why we work closely with our friends in Africa, Latin America and the Caribbean.

Capital: Would you be kind enough to describe how you became involved in various activities in regard to disabilities, especially autism?

H.E. Mr. Anand Sharma: One has to have empathy for those who have special needs and require care and support. The inclination has been present throughout our political activism when we were taking up causes, whether it be the anti-apartheid struggle or other related issues as ultimately it was all about the underprivileged and underpowered.

As for activism in disability issues, I became sensitized and better informed on autism because my younger son is autistic and I feel that it is important for parents to not only accept but be assertive and speak out, so that the society as such gets sensitized and also works in ensuring their human rights and their dignity. I also feel that that is what has motivated me to work in creating an enduring institution that will help in advocacy, research, and training and also provide some measure of support both to the persons who are afflicted with disabilities but also to their families and parents.



493. Address by Minister of State Anand Sharma on the Occasion of Media Launch of India-Africa Forum Summit.

New Delhi, March 10, 2008.

Shri Nalin Surie, Secretary in the Ministry of External Affairs; Chief Coordinator for the forthcoming India-Africa Forum Summit, Shri Banbit Roy; the DG of the Indian Council for Cultural Relations, Shri Pavan Varma; the Chief Spokesperson and JS(XP), Shri Navtej Sarna; senior officials of the Ministry of External Affairs; Excellencies; members of the media; ladies and gentlemen:

I am equally privileged to be with all of you this evening and to share our own thoughts, our own tales, about a forthcoming event for which we have been working assiduously over the last two years. It was in 2006 in February that we had first suggested that to crystallize India's engagement with Africa, we must put in place an institutionalized forum or a structured format.

Later when we had made a proposal to the Africa Union and discussed it when Prof. Alpha Konare came here in December 2006, we had agreed to set up at that time a Joint Working Group where our team was led by Secretary Shri Nalin Surie. After a couple of rounds of discussions and deliberations, a format was agreed and a decision taken by our Prime Minister Dr. Manmohan Singh to convene the first India-Africa Forum Summit in New Delhi in April 2008. Of course, it will begin on the 4th with the senior officials meeting, and then continue with the Foreign Ministers meeting and the principals, the Heads of States, on the 8th and 9th.

This has its own significance. It is not a decision which was taken without a careful thought and consideration. India has a historic and time-tested engagement with our brothers and sisters in Africa. We have bilateral engagement with the countries in Africa. In the contemporary context, it is a kind of partnership which India has which covers a vast canvass. The sectors in which we are involved, working together, especially if I may say, in capacity-building, in human resource development, sharing our experience, our expertise in various fields of which most of Your Excellencies the High Commissioners and Ambassadors are aware and many friends of the media.

India's relationship and engagement with Africa is different. I have no hesitation to say what I have said in the past, especially when I was talking to all the Heads of Missions and Ambassadors before we left for the last

AU Summit in Addis, that India is there as a sincere partner. We do hope that this Summit will help in crystallizing this partnership and also open new pathways of cooperation. We feel that in this first decade of the 21st century, when there are significant developments taking place in different regions of the world, including in our own country India, we also see major developments taking place in Africa. The leaders of Africa defining a very clear vision for the continent and also to address the issues or challenges, if I may say, challenges which are common, challenges which have to be addressed, challenges which need a collective effort particularly when we look at the issue of empowerment of people, hunger and poverty alleviation, education and also health and food security. These are issues which are important to the world of today and these are the areas where we feel our working together would be mutually rewarding.

At the same time we have taken care to share the blueprint of what has been discussed with African Union with all the member countries. We have had a Draft Action Programme which was given at the AU. We will be benefiting from the inputs that we receive from all the member countries. Also, the Conference will be adopting a Declaration. I am not in a position to say what the Declaration is because we have to wait for that when the Heads release the Declaration. But at least, we will try to get it when they will be discussing that.

Our officials have been working hard and I must compliment them, at the same time reminding each one of us that it is important that the pace and spirit at which we are preparing gathers momentum. Our guests when they arrive - the Heads of States and Governments, the Foreign Ministers and the senior officials and all others - I can assure you through the Ambassadors and High Commissioners present here that India's traditional warm hospitality will be there and that too at its best, because we are going to receive those whom we consider as our friends and partners.

I will not say much. I will now wait for the instructions which I have on what to do after this. But I must add one thing. The Director General of ICCR is here. They are also working out on something which surely will be a cultural feast. With these words, I would like to welcome you and thank you.



494. Press Conference of Minister of State for External Affairs Anand Sharma on the eve of the India - Africa Forum Summit.

New Delhi, April 7, 2008.

Official Spokesperson (Mr Navtej Sarna): Good evening everybody and apologies for keeping you waiting. The hon. Ministers were in discussions till exactly one minute ago and we have pulled the hon. Minister of State, Shri Anand Sharma straight from the Council of Ministers here to brief you. Without further ado I will request the Minister to kindly address the press.

Minister of State (Shri Anand Sharma): Thank you, Navtej.

Friends, as JS(XP) has mentioned, the reasons for the delay were beyond our control. We had a marathon session today of the Ministerial Meeting. All the participating countries represented by their Foreign Ministers and the Members of the Delegations which do include senior officials, that is the Foreign Secretaries of the concerned countries; the Heads of Missions; and the Heads of Indian Missions of the countries which are participating in the first ever India-Africa Forum Summit.

This Summit has generated tremendous interest in Africa, in India and also attracted worldwide attention. Given the fact that India and Africa together constitute one-third of world's population, India and the African continent enjoy a special relationship which is based on equality and mutual respect, this Summit meeting which will be attended by many Heads of States and Heads of Governments of the countries which will be participating in this Forum Summit and also in a few cases by the Vice-Presidents or Senior Ministers who are leading the respective country delegations.

The arrival of the Heads of States or the Leaders of the Delegation has started yesterday itself. Since this morning we have had a few more arrivals starting with the President of Ghana to the former Chair of the Africa Union the Prime Minister of Burkina Faso, the President of Senegal, the President of Uganda, the President of South Africa, are arriving within the next few hours.

As we had mentioned earlier on the occasion of the launch of the website and subsequently in the XP Division's handouts, the idea of this Summit was first mooted in the year 2006. India had expressed a wish to deepen its engagement with African continent in a structured format. This was a

proposal that the AU had endorsed and it crystallized during the visit of Prof. Alpha Konare, the Chairman of the AU Commission, in December 2006. Since then the Joint Working Groups have met to work out the modalities and the format of participation was agreed between the AU Commission and India as proposed by the AU to ensure that all regions are represented in this first Forum Summit which is definitely different and one of its kind. Different because is the AU leadership has pre-selected the participation. It is the five founding countries of NEPAD; as South Africa, Nigeria, Senegal, Algeria, Egypt and Ethiopia as the Chair of the NEPAD Implementation Committee and we have the eight RECs, the Regional Economic Communities. Besides these eight, we also have the current Chair of the Africa Union that is the President of Tanzania, who again will be arriving later this evening; and the immediate past Chair that is President of Ghana to which I had made a reference earlier.

The Ministers' Meeting had discussed in detail the areas of priority engagement and also the two documents which will be considered and adopted at the Summit of the Heads of States and Governments and the Leaders of the Delegations. Tomorrow and day after at the concluding Plenary, these two will be unveiled. I am happy to share with you that there is complete agreement between India and the African leadership on the priority areas of our multisectoral partnership and the steps to be taken to consolidate the same. The two documents which have been finalized and sealed now, frozen until the Heads unveil them day after are - Cooperation Framework between India and Africa, and a Joint Declaration of the Heads.

Both the sides are of this considered view that the Summit is not only historic but will give a new dimension and momentum to the partnership that is there and evolving between Africa and India.

Thank you.

Question: You said that areas of priority engagement have been identified. Could you just throw a little light on what those areas are?

Minister of State for External Affairs: Sure. One of them is capacity building, skills development and human resources development. Another is agriculture and food security. This would include crop diversification, water management, capacity-building in agriculture and building institutions of agricultural research. The next is economic cooperation. The trade between India and Africa has exceeded 30 billion dollars now. It has increased six-fold in the last five years and has enormous potential to grow further. The

next is education and ICT, particularly the full roll out now of the Pan-African E-Network Project. All the Foreign Ministers without any exception have acknowledged with appreciation India's steadfast contribution in Africa's development, particularly the significance of this Pan-African E-Network Project for which there is a dedicated satellite. It is a Project fully funded by India to connect Sub-Saharan Africa, to enable Africa to bridge the digital divide. It is a revolutionary leap to link the institutions, particularly the major universities in Africa with the major Universities of India, the major hospitals identified in different regions of Africa with super-specialty hospitals in India. Let me add here that that has already taken place. Many Universities, hospitals and super-specialty hospitals stand linked. This was operationalised from Ethiopia last year. The satellite hub will very soon be operational out of Senegal.

The other areas are: infrastructure development; capacity-building in industry particularly small, micro and medium enterprises; climate change; and energy security. The details of how we propose to go about it will be there in the Framework of Cooperation between India and Africa and also in the Joint Declaration.

Question: In what way can India and Africa collaborate in global fora on global issues? On UN Reforms, is there a possibility of harmonizing India's position with that of African countries?

Minister of State for External Affairs: Both India and Africa are agreed in principle that the multilateral organizations are in need of reforms. By multilateral organization we refer to the United Nations. This did figure up in the Ministerial Meeting today. Both India and the African leadership strongly feel that the United Nations reforms must be all encompassing to make its organs truly representative of the contemporary realities and also democratic in composition. For that the expansion of the Security Council both in permanent and non-permanent category is agreed in principle. India has throughout made it clear that India will support the AU consensus on the African countries' candidate for the UN Security Council. India and Africa have also agreed, or are in agreement, that the other institutions particularly the Bretton Woods institutions, the IMF and the World Bank, also need to change and take into consideration the altered or changed political and economic architecture of the world. We are also in agreement over the position that we have taken on the issue of climate change particularly the principle of common but differentiated responsibilities so that the process

of development of the developing countries is not interrupted in any manner and there is a transfer of both of clean development mechanisms, transfer of technology and transfer of resources. We have common position and we also have a very firm and shared position in the WTO, in the Doha Development Round, where we are determined to protect the interests of Asia, Africa and Latin America, the developing countries, in the agriculture sector, particularly in respect of trade distorting subsidies, or price distorting subsidies, and the domestic support which agriculture produce has in the developed countries, considering the fact that four-fifths of the agricultural workforce of the world comes from the developing countries.

Question: You said that India would support the consensus candidate of the African Union. Are you also hopeful of getting similar consensus support for India's candidature for the United Nations Security Council?

Minister of State for External Affairs: First of all, let me tell you that was India's position. As far as Africa's position is concerned, there has been unanimity in the African position at the country level as well as the regional organizations which have come out in unequivocal support for India's rightful claim to be there in the expanded UN Security Council as the largest democracy on this planet. That is African formulation.

Question: Mr. Minister, India today is a billion dollar economy and we now have 300 billion dollars worth of foreign exchange reserves. Is there any plan by the Government of India to launch an India Fund for Africa's Development of a few billion dollars? Are you likely to announce such a thing?

Minister of State for External Affairs: We are already engaged with Africa. You would know that we have our own programme, which is Aid to Africa. We are also engaged with the Regional Organizations (RECs as we call them). We also have the dedicated lines of credit with NEPAD, with TEAM-9, with ECOVAS. The Pan-African E-Network, which I just referred to, is entirely a gift of India and its people to Sub-Saharan Africa. It is funded by the Government of India. In addition to that we have the ITEC programme which has made a huge impact in Africa on the training in skills, human resource development and capacity-building. Regarding our own economy and the size which you referred as a trillion dollar plus economy, yes, India and Africa are committed to an inclusive and sustainable pattern of growth to work together. That is important because much is required to be done in both India and Africa.

Regarding what can be announced, I said that we have agreed on the priorities, we have agreed on the timeframes and these two documents have been finalized and frozen. They will be unveiled by the Prime Minister of India. It is his prerogative to announce what he has in mind.

Question: Sir, India is likely to announce a very large grant and a line of credit which is ten times more than that in the near future.

Minister of State for External Affairs: I have no idea. As I said, that is entirely the prerogative of the Indian Prime Minister.

Question: I know. I just want to ask my question, Sir. What does India benefit from this grant and line of credit? That was my question. I would like to seek a clarification which is a little unrelated to this. This relates to the events in Jeddah recently. Is there any talk of ...

Minister of State for External Affairs: No, no. This is only about the Africa-Forum Summit. That you can ask me separately.

To respond to the first part of your question, India and Africa have a special bond. We are committed to a partnership or to be partners in each other's development. When we engage each other we are neither looking at gains nor are we seeking to compete with anyone.

Question: Mr. Minister, you have said that the Foreign Ministers have come to a complete agreement on the priority areas, and two documents have been completed and they are awaiting ratification of the Heads of States. Does the issue of balance of trade feature in these two documents?

Minister of State for External Affairs: You will appreciate that I should not be commenting on any aspect of these two documents. I just told you that we have a deepening economic engagement which has increased six-fold in the last five-six years, which has exceeded 30 billion dollars. I can also share with you that Indian investments in a big way are also adding to this robust economic exchange. The figure which I gave you does not include the investments in various sectors. That surely can be made available to you. There are various documents that have been published, magazines dedicated for this first Summit, which would give you the details and the projections. Though they may not contain the last year's figures which have been just collated.

Question: You mentioned food security. There might be an argument made that India's decision to ban rice exports and to substantially bulk up on buffer stocks of wheat may potentially hurtful for Africa in the sense that it

has the potential to increase the global commodity prices. If you could respond to that criticism in the spirit of this discussion and perhaps also to ... suggestion that what needs to be done is get the Doha deal through?

Minister of State for External Affairs: As far as India's decision that you have referred to, that is not in the context of any region. That is a policy decision which the Government of India has made, which is unrelated to our engagement with Africa. The reality, painful that it is, before us, before Africa and before the rest of the world, is that we are facing a galloping food crisis in the world. When I referred to food security and agricultural productivity that we have agreed as one of the topmost priorities for Africa and India to work together, to create institutions and to ensure that Africa too accesses and embraces the latest technology to go in for a green revolution, because it is a rich continent when it comes to its soil, so that the agricultural productivity can increase. In case of India, not dealing directly with this subject, we have been a self-sufficient country since the Green Revolution as far as our food grains are concerned. We as a nation for decades have been in a position to feed ourselves. Though the population has increased, it has increased three-fold since our Independence, but the food productivity has increased many fold. Of late, there is a challenge because of the changing weather patterns and crop patterns. Therefore, it is equally important for countries to take preemptive measures because India itself was compelled to import wheat. Not that we did not have enough wheat but we had to recently, as recent as last year, to keep the buffer.

As a matter of policy, India's keeps a buffer of at least six million tonnes of wheat alone plus a buffer of cereals and another seven to eight million tonnes of rice. It did get affected because of what I said earlier. These are the decisions which the Governments always review once you have enough. We have always shared when we have surplus. But for any country when you need to keep a buffer and you do not have that margin, the wisdom of the decision to act otherwise, that is to export, will be questioned and very harshly so. So, I do not think it should be related to that.

Question: Mr. Minister, some are of the view that ... this kind of engagement you are having with Africa at this time is because of your sudden realization that China has moved into Africa. They are saying that what you are doing is not for any altruistic move but because of the need to rival China.

Minister of State for External Affairs: Thank you for asking me this question. Let me quickly respond to you.

This skepticism emanates from those who have not been adequately informed of the history of India's engagement with Africa. I would advise skeptics to go back to Gandhi. He did not think of competing. Nor did Nehru when he said what he did in 1946. Nor was any competition or vested concerns that had guided India at the dawn of our Independence to take the issue of racial discrimination in South Africa to the United Nations. India has not suddenly discovered Africa. Our people have known each other over millennia. When India itself was confronted with monumental challenges of development, particularly in the 1950s and 1960s, India had started the ITEC programme; India had started the special scholarship schemes. Even today when we said that both Africa and India have shared challenges, we have agreed to work together. We believe in capacity-building and for Africa value addition of the resources which Africa has. I may also underscore that the spirit in which, the spirit of South-South cooperation, India has engaged Africa, the same ethical practices have been embraced by the Indian private sector too. Indian private sector investments in Africa, whether it is in the IT sector, whether it is in pharmaceuticals or agricultural projects, they have enabled people and empowered the young men and women of the countries in which they have set up the projects by training them, first bringing them to India to train or now training facilities there so that they can work in those projects.

So, wherever Indian public sector and private sector has gone, or is going, they are creating opportunities for people to be employable in those projects. Every project which has come up or which is coming up has four-fifths, if not more, of the work force and the executives from the African countries. So, it is both generating incoming, creating infrastructure and also creating employment. I can say without any doubt that India's engagement in Africa is time-tested, it is distinct, it is different and it cannot be compared to any other country.

Question: ...Inaudible...

Minister of State for External Affairs: Both of us have our own strengths. India has its strengths. We are also not devoid of resources. I feel that most important of all the resources in this world are the human resources. Without human resources any other resource would be meaningless. That is what India is seeking to create and share. Our first priority has been and even now is, and day after tomorrow when it is declared, the first priority remains capacity-building and skills development. I think that is the greatest resources. If you have everything but you do not have the capability, the

human resources, the skills! Second is infrastructure. India will help Africa develop its own infrastructure. Thirdly, we would like to have value addition. For what Africa has we would like to have value addition. Even if we go in for development of the natural resources, we will go in for joint development as partners in progress. Those will be partnership ventures. That is what India supports and encourages. That is what our philosophy is.

Question: You said there are human resources which you would like to develop.

Minister of State for External Affairs: Not only human resources, I am talking of natural resources also. I am making it very clear that India believes in the philosophy of jointly developing to the mutual benefit of both Africa and India.

Question: Any example of natural resources?

Minister of State for External Affairs: Well they are in abundance in both the countries. Even when you talk of agriculture, let me give you one example, there is need of value addition both in India and in Africa, agro-processing, food-processing, containing post-harvest losses. In my country post-harvest losses are to the tune of 30 per cent. We are talking of food security. So, they are issues where we need to work together and ensure value addition.

Question: Genetically modified also?

Minister of State for External Affairs: I am not an agricultural expert but I say that all steps have to be taken to enhance productivity and also to ensure that Africa also benefits from latest technology to become self-sufficient in food output.

Director (XP) (Ms Nagma M. Mallick): Thank you very much. I would like to thank the Minister of State for External Affairs for sparing his time. I thank all of you for your presence here. I look forward to your active participation, to your coverage over the next few days of the India-Africa Forum Summit.

Thank you very much.



495. Opening Address by External Affairs Minister Pranab Mukherjee at the Foreign Ministers' meeting of the India-Africa Forum Summit.

New Delhi, April 7, 2008.

Your Excellency, Hon'ble Mr. Alpha Oumar Konare, Chairperson of the African Union Commission,

My dear colleagues, Hon'ble Foreign Ministers from Africa,

Ministers, Secretaries, Excellencies, Ladies and Gentlemen,

It is a privilege to welcome you to the Foreign Ministers' meeting of the India Africa Forum Summit. I thank you for accepting my invitation. I hope you will all have an enjoyable and productive stay in our country.

Excellencies, we are gathered here to give a renewed thrust to our age-old partnership with the continent of Africa. We are grateful to all the governments of the continent for their overwhelming support in this direction. The India Africa Forum Summit is the beginning of a process to help brainstorm on how India can evolve its partnership with the countries of Africa to meet the common challenges that confront us in the 21st century. I, therefore, look forward with great eagerness to hear your views on how we can take our partnership forward.

A team of senior officers from India and Africa has been working assiduously over the past few months to assist us in finalizing the documents which we will consider and thereafter place before our leaders tomorrow for adoption at the historic meeting of the India-Africa Forum Summit.

It is agreed that this India-Africa Forum Summit will have two outcome documents: a Delhi Declaration and an Africa-India Framework for Cooperation.

The Delhi Declaration will be a political document and would cover issues of bilateral, regional and international interest to India and Africa, including our common positions on UN Reforms, climate change, WTO, international terrorism, etc.

The Framework for Cooperation will spell out agreed areas of cooperation. The areas on which we have agreed to focus include human resources and institutional capacity building, education, science & technology,

agricultural productivity and food security, industrial growth, including small & medium enterprises and minerals, development of the health sector, development of infrastructure, ICT and the establishment of judicial systems with police and defence establishments under civilian control.

Africa has always enjoyed an important position in our foreign policy engagement. India and the countries of Africa share a history of colonial exploitation. Our cooperation in your post colonial reconstruction was found to be useful and also helped cement our close political relationship with the people and leaders of Africa. We have for some time now been in the process of providing a contemporary character to this relationship in the light of the changed international environment and our own evolving capabilities and resources.

India has over the years shared with Africa its developmental experiences and is committed to continue such cooperation in areas of its strength. India's model of development through democracy, use of cost effective technologies and practical application of the knowledge sector have, we believe, been found to be of use to Africa. Africa is today the largest recipient of India's technical assistance programme. We are extending and diversifying the programme to cater to the special needs of individual countries and group of nations. Projects such as the Pan African e-Network are an illustration of our genuine effort at sharing our progress in the knowledge sector and helping bridge the digital divide in Africa. Its pilot project is already functioning in Addis Ababa and the hub in Dakar awaits installation of equipment. Twenty-nine countries of Africa have so far joined this programme.

India has also extended concessional lines of credit of about 2.1 billion dollars to the countries of Africa, both bilaterally and through regional bodies. These have been used for developmental projects chosen by and in the interest of the recipient countries.

On its part, Africa has found merit in regional integration and seeks to first consolidate its regional economic communities. This process will have a significant impact not only in Africa but also internationally.

India's engagement with African countries has, in the past, focused on bilateral engagement. In recent years, however, we have taken initiatives for establishing relationships with Africa's regional economic communities. We have made good progress with COMESA, SADC, ECOWAS and EAC and expect to make similar progress with the others. Our regional

cooperative programmes include feasibility studies, consultancies, joint projects in expansion of railway networks, development of regional capital and stock markets, food and health security, pilot projects on establishment of Micro, Small and Medium Enterprises and S&T parks, hydro-electric projects, ICT for development, etc.

We have also made serious efforts to expand our trade partnership with Africa. The ten India-Africa project partnership conclaves organized by India's CII & EXIM Bank have been successful in boosting the trade and investment partnership. I had the pleasure of addressing the 10th conclave in New Delhi last month. We had the privilege to host over 600 delegates from more than 35 countries of the African continent. We also had the honour of having in our midst on that occasion the Vice Presidents of Tanzania and Ghana and 33 Ministers.

Indian companies have made robust investments in Africa running into several billion dollars in sectors ranging from horticulture and agriculture to power generation and mining. India's trade with Africa has been increasing rapidly in recent years. We have signed Trade Agreements with 29 countries in Africa. Two-way trade has risen from around \$5.5 billion dollars in 2001-02 to over 30 billion dollars in 2007-08, which represents an almost six-fold increase in as many years. Even so, the true potential is much greater and the spread and composition of the trade has to be substantially diversified.

At the Pan African level, we have stepped up our relations with the African Union which has acted as a facilitator for this India Africa Forum Summit.

I take this opportunity to renew India's commitment to work in partnership with Africa.

Excellencies, let me also turn to some international issues that present us with common challenges. Climate Change is high on the agenda of the international community at this stage and will remain so for the coming months. It is imperative that strategies to address climate change do not add greater burden or impose further conditionalities on the development of developing countries. The principle of common but differentiated responsibilities and respective capabilities is important. I am glad that the Bali Conference has reaffirmed the principles and provisions of the UN Framework Convention on Climate Change. Long term convergence of per capita emissions of developed and developing countries is an important

principle that deserves serious consideration in the context of the international climate change negotiations.

It is imperative that India and Africa work closely together, including in the NAM/G-77 framework, in the climate change negotiations. We must not allow ourselves to be divided.

Negotiations on the Doha Development Round of the WTO are also of great concern to countries like ours. It is essential that the developmental dimension of the Round be sustained. It is important to maintain and strengthen the engagement, solidarity and cooperation among our countries in this process. Agriculture remains the key. Any acceptable agreement must adequately protect the livelihood, food security and rural development concerns of developing countries. The developed world must bring about significant and effective reduction in trade distorting domestic support and subsidies. There can be no artificial deadlines. The promise of this being a Development Round must be fully realized.

The problem of terrorism is well known to Your Excellencies. We, in India have been fighting this menace for over two and a half decades virtually single-handedly. After the 9/11 terrorist attacks, there is now greater realization that this is an international problem that needs comprehensive cooperation among all countries. We firmly believe in zero tolerance against terrorism. We are concerned that the tentacles of this menace are reaching into Africa. We must strengthen our institutional cooperation against this menace.

Excellencies, reform of the United Nations, especially of the UN Security Council, has been on the agenda of the international community for long. It is important to ensure that the United Nations reflects contemporary reality. Our positions on this critical issue are virtually identical though we have a difference of opinion on how to approach this critical question. The support of Africa for reform and expansion of the UN Security Council, in both permanent and non-permanent categories, is critical. India has always been supportive of Africa's representation in the permanent membership of an expanded UN Security Council. It is important that we work together to ensure that we move from the stage of discussions to negotiations on this vital issue. We must not allow ourselves to be led astray and be compelled to accept interim solution that would be to our detriment. I must also take this opportunity to thank the countries of Africa for their steadfast and

consistent support for India's membership on an expanded UN Security Council.

Excellencies, Ladies and Gentlemen, let me once again reiterate how delighted I am that you could accept our invitation for the India-Africa Forum Summit and this meeting of Foreign Ministers associated with that Summit. I look forward to hearing Your Excellencies on how best we can take forward the India-Africa partnership in all its dimensions: bilateral, regional and international.

I thank you.



**496. Opening Address by Prime Minister Dr. Manmohan Singh
at the Plenary Session-I of India-Africa Forum Summit.**

New Delhi, April 8, 2008.

Distinguished Heads of State and Government

Distinguished Vice Presidents

Distinguished Ministers

Distinguished Chairperson of the African Union Commission

Excellencies,

Ladies and Gentlemen,

I am truly delighted and deeply honoured to have this opportunity to welcome this distinguished galaxy of leaders from Africa for the first India-Africa Forum Summit. Excellencies, your presence here today marks the start of a new chapter in the long history of civilisational contact, friendship and cooperation between India and Africa.

Africa is our Mother Continent. The dynamics of geology may have led our lands to drift apart, but history, culture and the processes of post-colonial development have brought us together once again.

For the people of India, Africa is also the land of awakening of the Father of our Nation, Mahatma Gandhi. The birth of an independent India in 1947 in

turn provided powerful support to the forces of nationalism and decolonisation in Africa. The emergence of Ghana as the first independent country in sub-Saharan Africa in 1957 was followed by the tumultuous decades of the sixties, seventies, and eighties culminating in the end of apartheid in 1994 in the very same land that had created the Mahatma.

Ever since independence, our national leaders led by such towering personalities as Jawaharlal Nehru, Mrs. Indira Gandhi and Rajiv Gandhi have been ardent champions of the cause of Indo-African cooperation.

We pay tribute to the political leaders and intellectuals of Africa who fought for Africa's emancipation, empowerment and laid the vision of pan-Africanism in the 20th century.

As I look into the 21st Century, I am convinced that the free people of a new Africa and a new India will come even closer, through mutually beneficial relationships based on equality and fraternity.

We share a common societal commitment to pluralism, to inclusiveness and to the creation of a world that is fair to all its inhabitants. Our shared vision of the world should enable us to work together on the vital challenges facing humanity. We have coordinated our position in the United Nations and other international forums. No one understands better than India and Africa the imperative need for global institutions to reflect current realities and to build a more equitable global economy and polity.

Excellencies, Ladies and Gentlemen,

The time has come to create a new architecture for our engagement in the 21st century. We visualize a partnership that is anchored in the fundamental principles of equality, mutual respect and mutual benefit. Working together, the two billion people of India and Africa can set an example of fruitful cooperation in the developing world.

The objective of our partnership is to cooperate with all the countries of Africa, within the limits of our capacities and capabilities, in their efforts towards achieving economic vibrancy, peace, stability and self-reliance. Towards this end, it is our intention to become a close partner in Africa's resurgence.

There is much to be gained in sharing our development experiences. In India we have sought to empower our people by investing in their capabilities and widening their development options. Transfer of knowledge and human skills

will strengthen our mutual capabilities. Such exchanges must go beyond government-to-government interactions and embrace our civil society, academics, artists and writers. We face emergent common challenges of food security, energy security, pandemics, terrorism and climate change. We should have cooperative mechanisms for exchange of views, consultation and for working out common strategies for addressing such pressing issues.

The Delhi Declaration and the Africa-India Framework for Cooperation that we plan to issue at the end of the Summit will provide the blueprint for India-Africa dialogue and engagement in the 21st century.

Excellencies, Ladies and Gentlemen,

We recognize the crucial importance of market access in ensuring the development dimension of international trade. Accordingly, I am happy to announce a Duty Free Tariff Preference Scheme for Least Developed Countries on the occasion of this Summit. Under this Scheme, India shall unilaterally provide preferential market access for exports from all 50 least developed countries, 34 of which are in Africa. The Scheme will cover 94% of India's total tariff lines. Specifically, it will provide preferential market access on tariff lines that comprise 92.5% of global exports of all LDCs. Products of immediate interest to Africa which are covered include cotton, cocoa, aluminum ores, copper ores, cashew nuts, cane sugar, ready-made garments, fish fillets and non-industrial diamonds.

Our cooperation must actively co-opt trade and industry in the processes of growth and development in Africa. Over the last few years, India has acquired considerable experience in undertaking projects in different countries in Africa through extension of concessional lines of credit by the EXIM Bank of India.

So far, between 2003-04 and 2008-09, we have extended lines of credit amounting to 2.15 billion dollars. Over the next five years, we will more than double this amount and offer additional lines of credit amounting to 5.4 billion dollars, both bilaterally and to the regional economic communities of Africa.

Developing infrastructure in the areas of railways, IT, telecom and power generation and physical connectivity in Africa would be a priority. We will promote activities of small, medium and micro enterprises. In this task, we will reach out to the private sector and make full use of public-private partnerships.

It is also our intention to enhance the Aid to Africa budget of the Ministry of External Affairs for implementing projects in critical areas focusing on human

resource development and capacity building. Over the next 5 to 6 years, we propose to undertake projects against grants in excess of 500 million dollars.

We will strengthen local capabilities by creating regional and pan-African institutions of higher education, especially in sciences, IT and vocational education, and investment in research and development in renewable forms of energy, and agricultural development.

We will enhance opportunities for African students to pursue higher studies in India. As an immediate measure we propose to double our long-term scholarships for undergraduates, postgraduates and higher courses and increase the number of training slots under our technical assistance programmes from 1100 to 1600 every year.

Both India and Africa are blessed with young populations. It is only by investing in the creative energies of our youth that the potential of our partnership will be fulfilled. To harness this vast potential, I propose that we work towards the establishment of an India-Africa Volunteer Corps that is devoted to development work. The Volunteer Corps can on a pilot basis identify projects in the areas of public health, informal education and women's empowerment. As we gather more experience, the scope of activities can be progressively widened.

Excellencies, Ladies and Gentlemen,

India's commitment to peace, stability and socio-economic development in Africa and for it to play an ever-growing role in international relations is steadfast. The 21st century is often described as the Asian century. India wishes to see the 21st century as the Century of Asia and Africa with the people of the two continents working together to promote inclusive globalisation.

Events in India and Africa in the middle of the 20th century changed the world. Today we have a second chance to take charge of our own destiny, and give new meaning to the concept of sustainable, equitable and environment-friendly development. We look forward to hearing your thoughts and benefiting from your wisdom on how we can together shape a better life for our future generations.

I would like to once again thank you, Excellencies, for having accepted my invitation to join us in New Delhi for this First India-Africa Forum Summit. I wish you a very pleasant stay in India.

Thank you.



**497. Speech by Ugandan President Yoweri Kaguta Museveni
at the India-Africa Forum Summit.**

New Delhi, April 8, 2008.

Rt. Hon. Prime Minister, Dr. Manmohan Singh;

Your Excellencies Heads of State and Governments;

Members of the Diplomatic Corps;

Distinguished ladies and gentlemen.

I wish to thank the organizers of the India - Africa Summit and the Indian Government for their vision to promote and strengthen the partnership between India and Africa through equitable opportunities.

The relationship between India and Africa spans centuries back, with very early trade links. The Portuguese, in the 16th Century, imported Goan workers to build Fort Jesus, where their trade was based. The Asians in Uganda came as labourers for the building of the East African Railway in the year 1890. There is, indeed, no supplant in this relationship - we all come together to chart out a way forward on mutual cooperation.

We, in Africa, appreciate, with keen anticipation, the gesture of the India-Africa Partnership Summit, which clearly demonstrates economic interests at the heart of it. This summit is a God-given opportunity for Africa and India to revive and redefine this relationship for the further transformation of our societies. It is my sincere hope that the India - Africa Summit shall, indeed, concretize the existing ties between India and Africa; as well as promote future areas for cooperation and development strategies. I am pleased to note that this relationship has Metamorphosed from casual labour to trade and investment.

Africa was not cursed, as some opportunists would want us to believe. She is, in fact, one of the richest regions in the world, in terms of both human and natural resources. What is lacking, however, is the development of these resources; as well as the strategic framework in terms of sufficient integration to create a critical mass in terms of market size and a more attractive investment destination.

Policy mistakes made by African leaders in the 1950s, 60s and 70s have cost the continent in terms of development. While countries that were not very different from ours in those years have managed to take

great leaps towards development, Africa is still marking time. India, too, was colonized by the British and only got independence in 1947; but they are far ahead of many countries that attained independence around the same time.

Africa has been bedeviled by the following bottlenecks:

1. Anti-private sector bias, which has been somewhat ameliorated, but not been completely eliminated. This led to the nationalization of private companies in the 1960s. Idi Amin, for instance, made the unfortunate move of expelling the Indian community who had made Uganda their home, because he did not see the usefulness of the private sector in the economy. A common factor is an uninformed, distorted, form of nationalism, which is manifested in the form of unnecessary bureaucracies in the investment process;
2. Lack of access to international markets has been a major bottleneck to Africa's growth and transformation. The India-Africa Partnership shall enhance our opportunities at accessing market.
3. Massive value loss from Africa to the outside world on account of exporting semi-processed goods; which makes Africans the unacknowledged donors of wealth to Europe, USA and other parts of the world.
4. A Small fragmented African market, characterized by low purchasing power.

The current population of Africa is estimated to be 900 million and it is expected to grow to 2 billion by 2025. Africa is, therefore, a formidable market. Africa's exports to India were, in 2001-2005, valued at US\$10.2 billion; and her imports from India were 14.3 billion.

Today, the East African Community (EAC) embraces a growing market of a combined population of 120 million people, with a combined GDP of about \$ 50 billion. Exports from East Africa (excluding Rwanda and Burundi) to India in the period 2001-2005 were US\$ 171 million. In order to compete and survive in the modern world, we must politically organize at a supra-tribal, supra-national level. We must work at further integration and strengthening of existing economic bodies.

While we explore areas of mutual cooperation between India and Africa, I call upon India to partner with us in building industries, modernizing services, modernizing agriculture, expanding infrastructure, capacity building and ICTs. Agriculture, agro and food processing, construction, consultancy, mining and, minerals, transport infrastructure, power and energy, pharmaceuticals, healthcare, tourism, Information and Communication Technology (ICT), iron and steel, human resource development, water management, sanitation, oil and gas projects in the private sector; among others, are crucial sectors in the transformation of Africa.

In particular, I would like to request the Indian Government to encourage Indian companies to invest in Africa so as to take advantage of the zero-tariff, quota free market access to the USA, ED and Chinese market that we have already secured for a large range of products. This will increase employment opportunities for our people and improve our people's purchasing power. The partnership between India and Africa should give us a hand-up and enable Africa to surmount these challenges.

India is among the top five sources of Foreign Direct Investment (FDI) in Uganda. The volume of trade between India and Uganda rose from US\$ 5.6 million in 1989 to US\$ 105.5 million in 2003. In 2005 Uganda's imports from India (salt, pharmaceuticals, agricultural machinery, chemical products, spare parts for automobiles and steel) were US\$ 93 million. Uganda's exports to India, however, are still negligible, at 0.002% of total Indian imports to Uganda. Exports from Uganda to India (agricultural products e.g. coffee, tea, hides and skins, wood, scrap metal) were, in 2005 valued at US\$ 2,848,000. This is on account of our low level of industrialization. We must work towards the reversal of the tilt in the trade relations between India and Africa.

The transformation of our predominantly agrarian society is paramount in all developmental efforts. Challenges to smoothen trade still exist in the form of trade barriers. It is my sincere hope that this summit shall pave way for the opening of market access for African goods in India. Investments are welcome to Africa to promote value addition, as well as in infrastructural development; for instance, in railways and the ICTs. I call upon you to take advantage of the many investment opportunities that abound in Uganda.

I thank you.



498. Statement by Senegal President Abdoulaye Wade at the India-Africa Forum Summit.

New Delhi, April 8, 2008

Honorable Prime Minister Manmohan SINGH,

Honorable Heads of State and Government,

Honorable Chairman of the African Union,

Gentlemen Representatives of Regional Economic Communities,

Ladies and Gentlemen

First of all let me start by thanking personally and on behalf of the delegation that accompanies me, the people and the Government of India for the warm welcome and generous hospitality extended to us in this beautiful city of New Delhi. India and Africa share a number of affinities and a long-lasting friendship. Late Professor Cheikh Anta DIOP and my illustrious predecessor, President Leopold Sedar Senghor, both eminent intellectuals and men of culture have always defended in their writings the thesis that Dravidian and negro - African civilizations are related. Mahatma GHANDI, Jawaharlal NEHRU, major emblematic personalities of the fight against colonialism, are famous and respected in Africa for their precious contribution in the fight against colonial rule.

India and Africa have always fought in solidarity for the liberation of their peoples. Our companionship carried on and got further consolidated within the Non Aligned movement, in the United Nations and in our common claim for a readjustment of North South relations through the establishment of a New World Economic order.

This first India-Africa Summit fits therefore in the scope of the sense of solidarity and commonly shared history.

Today we are carrying on together with the fight on the economic and Social Solidarity front, both being indispensable for the liberation of our peoples, because, political independence, just like an incomplete symphony, will still remain as an incomplete undertaking if economic sovereignty is not achieved.

Considering the strong base of our excellent political relations, we are bound to develop a strategic economic partnership by putting together our demographic

potential, our financial and technological and natural resources. The bilateral cooperation between India and Senegal is certainly among others an example of what we can achieve based on our complementarities. The Senegalese - Indian partnership covers in fact areas as various as agriculture with our national program of self sufficiency in rice, chemical industries from Senegal's phosphates, vehicle assembly and the exploitation of iron ore.

Let me emphasize also that at the continental level Senegal hosts the Pan - African e-network earth station project financed by India and designed to provide telemedicine, distant learning services and video conferences between African Heads of State.

In fact this project is about to be inaugurated. Furthermore the Export Import Bank of India just opened a 2nd office in Dakar after the one in Johannesburg.

An institutional frame work like TEAM 9 and its credit line also shows through its concrete achievements the innovating South-South cooperation model India and Africa can develop durably by creating a "value added" compared to classical forms of cooperation.

But we should and we can still do better by opening up our exchanges to our respective Private sectors, all categories included, big companies our small and medium sized enterprises.

The Indian-African business conclave which 4th edition was held here last March with a strong attendance of African countries in going in the right direction.

It is only through our Governments' concrete encouraging measures and direct contacts between our private sectors that we will be able to give a new impulse to our cooperation. Thus it is much significant to note that trade between India and West Africa have tripled in the 2002-2007 period. That makes India the first partner of Senegal in our exports. That must encourage us to explore even more than before investment opportunities, create conditions to get our market to be better known, multiply the possibilities for joint ventures and promote the diffusion of low cost easily adaptable technologies to Africa. It is truly at this level that we can make the difference, by leaving behind the narrow frame work of public cooperation, necessary indeed but insufficient.

Before concluding, I would like to propose that the action plan that will result from our work is as concise as possible with precise and measurable

commitments. It would certainly be wishful that we establish an evaluation and monitoring mechanism of our Summit to ensure the implementation of these commitments, identify the achievements, assess the insufficiencies and propose the necessary redressing.

I think that we also have to reflect on a permanent Summit and its periodicity. For example it could be held alternatively in India and in Africa. It seems to me that this is the best way to make it more visible, to better involve our respective people and finally to translate into actions our common philosophy of solidarity, equalitarian, and mutually beneficial cooperation.

Thank you for your kind attention.



499. Speech by the Ghanaian President J. A. Kufuor at the India-Africa Forum Summit.

New Delhi, April 8, 2008

Your Excellency the Prime Minister,

Colleagues Heads of State and Government,

It is a great pleasure for me to be here today for the India-Africa Forum which is aimed at enhancing and further strengthening the long-standing ties of friendship and cooperation between India and Africa.

Let me begin by conveying warm felicitations from the Government and people of Ghana to Your Excellency the President, the Prime Minister and the Government and people of India, and to express our appreciation for the close co-operation and friendship we share with you.

Your Excellencies, socio-economic links between Africa and India go back many years. Indeed, there are many persons of Indian descent who have made Africa their permanent home. This identification with one another manifested in our common struggle to free ourselves from colonialism and apartheid.

India and Ghana were founding members of the Non-Aligned Movement which was subsequently joined by many African countries on attainment of Independence. Indeed the nations of Africa and India more often than not take common positions in the UN and other important global forums.

We are confident that this, bond of friendship will stand us in good stead for the challenges of our globalized world.

Heavily endowed by nature Africa cries for scientific and technological development for its drive into modernity and accelerated growth, to improve the quality of life of its various peoples. Under the auspices of the African Union, political, constitutional and administrative arrangements are being fashioned and nurtured to unify our huge continent.

Indeed the vision of a dignified place in the global village for the continent and its peoples drives the deliberations of the African Union. In pursuit of this, NEPAD has been set up to explore and build capacities for accelerated development. It is in this regard that NEPAD encourages partnerships both inside and outside the continent, to benefit from the advantages of transfer of know-how, capital and market access which the rapid changes in the current world abound in. It is important here to stress that the partnerships are not limited among governments only but also include Private Sector, Businesses, Civil Societies, Education and Cultural Institutions.

Your Excellencies, Africa sees India as a strategic partner. The continent is immensely impressed by the sub-continent's Green Revolution which enables it to feed its teeming population. India's mastery of ICT and general engineering and also her success in the promotion of Small and Medium Enterprises are all useful lessons for Africa.

The India government's initiatives of support and economic cooperation, toward Africa, notably the Focus Africa Programme and the TEAM-9 initiative aimed at enhancing wide-ranging cooperation and developing partnerships in the areas of human resource development and health delivery are appreciated.

Similarly, its Pan-African e-Network Project which will connect all the 53 member countries of the African Union (AU), via satellite and fiber optic network for the promotion of tele-medicine, tele-education as well as VVIP connectivity, should make a historic, far reaching and comprehensive impact on the general development of the continent.

Excellencies,

Considering these initiatives and the many other engagements already ongoing between the sub-continent and Africa on various levels, including national, regional and continental, it is proper and fitting that we use this historic Forum to establish a comprehensive frame-work to govern the partnership into the future. The emphasis of the outcome of this Forum should

be on human resource development, institutional capacity building and deepening of economic cooperation to the mutual benefit of the partners.

Your Excellencies, Ladies and Gentlemen, let me conclude on a prophetic note. The success of the India-Africa Forum and its Action Plan should galvanize and accelerate growth and stability on the continent of Africa and India. The achievement, will in turn contribute greatly to sustaining global peace, prosperity and security.

May the Forum therefore flourish to the benefit of the peoples of Africa and India and indeed, the entire global community.

I thank you.



500. Remarks by Vice President of Nigeria Dr. Goodluck Ebele Jonathan, GCON at the Africa-India Partnership Forum Summit.

New Delhi, April 8, 2008.

Your Excellencies, distinguished delegates, I bring you very warm felicitations from President Umaru Yar' Adua and the people of Nigeria on the occasion of the First Africa-India Partnership Forum Summit taking place in Delhi.

We thank the Prime Minister, the government and people of India for hosting this very important meeting. This Summit as we all know is the product of the collaboration between the African Union and India and it does signal the immense possibilities for further cooperation between the two parties.

Your Excellencies, we are delighted to be part of this inaugural summit and we are looking forward to frank and productive deliberations that will be mutually beneficial to Africa and India.

On behalf of the Nigerian delegation, I wish to express our appreciation to the Government and people of India for making this Summit a reality and for the warm welcome that we have received since our arrival. It is a reflection of Indian friendship, which affirms the desire to give this initiative that organic strength to enable it be the bridge between the peoples of Africa and India.

Your Excellencies, Nigeria's participation in this historic summit is

encouraged by the urgent need to build bridges across continents and countries with the goal of eliminating poverty and achieving peace and prosperity within our nations.

It is true that most countries in the Southern hemisphere are disadvantaged economically and the move to reverse the unpleasant situation needs to be pursued vigorously and cooperatively. We must identify our problems, exploit our comparative advantages and design a fair and just strategies that will enable us reap positive fruits from these endeavours. We believe that Africa more than ever before, is determined to be the driving force for its own development. The continent must take responsibility for its own destiny.

We are fully aware that India and Africa are linked by shared experiences of history, language, and political and economic systems. In facing the challenges of nation building and economic and social development, we have worked together in many international fora such as the United Nations and the Group of 77. The present initiative is coming at a time of profound global changes. These changes have enormous impact on the regions and States that we represent.

Your Excellencies, there is a rich history of South-South cooperation. We have, in the past, exhibited solidarity and unity of purpose in the establishment of unique organizations that have served as vehicles for accelerated and enlightened cooperation among us. I recall the Movement of Non-Aligned countries, the Group of 77 (G77) and the G15. They all have served us well, helping to reinforce our place in the global scheme and setting.

India is a partner and friend of Africa. We have always traveled together and the present initiative presents another confirmation of our journey together. Our history offers us unique experiences for reflection but it is to the advancement of human happiness and global peace that a joint travel in this new century offers the most attractive possibilities.

Your Excellencies, we believe that through this initiative we can learn from each other and support one another. We must do so by bringing together our experiences and strengths in viable and mutually beneficial programmes. It is in this regard we welcome the Delhi Declaration that we are about to adopt. The Declaration provides the compelling rationale for our partnership. And it points the direction that Africa and India should travel in the years ahead. Wedded to the Delhi Declaration is the Framework for Cooperation that spells out in broad outlines the sectors and areas for partnership between Africa and India. We believe that all these are the

critical areas on which mutually beneficial relationship between Africa and India can be built. We should avoid a plan that is strong on generalizations and intentions but weak in vision and specifics. Action plans, by their nature, must be action oriented with clear and concrete derivables.

We appreciate the constructive and cooperative bilateral relations between individual African countries including the Regional Economic Communities (RECs) and India. However, we must underline that this Partnership Forum Summit is about building and propelling Africa-India cooperation. To achieve this, there is a compelling need to have a robust Plan of Action that will lead to the achievement of the objectives in the sector identified in the Framework for Cooperation. We also believe that the appropriate mechanism that will drive and monitor the process should be embedded in the plan.

We are confident that this Forum will make a difference in Africa-India relations. We feel that its outcome should be action oriented. We feel that its result should leave no one in doubt that India view Africa as a strategic partner. We hope that this and future Summits will aim at delivering concrete outcomes in the key sectors and areas already identified in the Framework for cooperation. This, we believe can be achieved by the establishment of unambiguous implementation plan and appropriate mechanism to ensure necessary follow-up on our commitments and decisions.

India is unchallengeably the world's largest democracy. We call for closer exchanges between our parliaments, political parties and local governments that have important contributions to make in our development. In building enduring democratic systems in pluralistic societies we believe that Africa can learn a lot from India.

Your Excellencies, we have set in motion today a process aimed at reshaping and expanding our existing relations. This enterprise is an affirmation of our age long and historical ties as well as our determination to face the future together. We can achieve this common objective if we are united in purpose and action.

Your Excellencies, distinguished delegates, I thank you for your kind attention. May this day in this City of Delhi make history in the relationship between Africa and India.



**501. Speech of Algerian President Abdelaziz Bouteflika at the
India - Africa Forum Summit.**

New Delhi, 8-9 April 2008

Your Excellency, The Prime Minister of the Republic of India,

Your Excellency, The President of The United Republic of Tanzania,
Chairman of the African Union,

Your Excellencies, The Heads of State of Government,

Your Excellency, The President of the African Commission,

Ladies and Gentlemen,

Your brother and friend, President Abdelaziz Bouteflika has given me the honor of being responsible for informing you of his deep regret at not being amongst you due to a particularly busy national calendar. He also expresses his best wishes for the success of the Indo-Africa Summit and guarantees you that Algeria will invest itself completely and with conviction in the follow-up of the conclusions that this important meeting will bring out.

I would like to personally express on behalf of the Algerian delegation, our sincere thanks to the Indian Government for the quality of the welcome and the hospitality that has been extended to us.

I have, at present, the honor of informing you of the message of Mr. Abdelaziz Bouteflika, President of the Republic of the Democratic and Popular Republic of Algeria to this honorable Assembly.

Your Excellencies, Ladies and Gentlemen,

These past decades have provided countless opportunities for measuring the depth of solidarity between India and Africa. From the anti-colonialist movement to that of Non-Alignment, through the call of a new international economic order that began in forums like the Group of 77 or the G15, India and Africa shall have been, out of all the fights and out of all the struggles, in favour of a more just and balanced global order.

Our Summit is taking place at a time when economic progress of Africa and India has never been as substantial. The remarkable economic performance of India confer on it, moreover, an eminent role in the framework of the partnership with Africa. This, in turn, does not cease to record the positive

indicators in the various segments of the mainland economy. With a growth rate exceeding 5% without interruption over the past decade, Africa presents itself today as a continent where all hopes are reasonable.

Algeria, involved in the Africa renewal and which is recovering from a painful national tragedy having not, however, slowed its process of reforms, including in the economic field, is buckled down to its national reconstruction. As a result, its important domestic market today attracts foreign investments in a more and more intense flow and with all the necessary guarantees. For our Indian friends, the case of the Company Mittal Steel is an example of a perfect success of a partnership between capabilities of developing countries, and which Algeria welcomes.

Furthermore, Algeria has initiated an ambitious program to develop its infrastructure in all areas and which covers a public expenditure of 150 billion dollars entirely self-financed. This program offers opportunities to Indian companies for success. I hope that all large Indian companies will make their contributions to the reconstruction of Algeria and will also earn their share of profit, besides the dozen other foreign companies who have already invested in my country.

Your excellencies, Ladies and Gentlemen,

The experience of India's development is of great interest to our countries and it will be very useful for partnership with our economies and upgrading our tools of production.

It devolves upon us to commit to a process of efficient development of our economic complementarities and to lay the foundations for a genuine partnership associating Indian economic businessmen with their African counterparts.

I note with satisfaction the remarkable progress made, during the past years, through the cooperation between India and African countries in various sectors as well as the substantial growth of their commercial exchanges of which the volume for 2006-2007 exceeds 25 billion dollars, where as it was only one billion dollars in 1991.

The advances thus recorded should prompt us to proceed to a comprehensive and lucid assessment of our economic, trade and cultural relations and to make a projection on the future for areas of partnership in a perspective of joint-development.

We must not limit our relationship purely on commercial considerations. We are certainly still far from having explored the full potential of cooperation

between us, particularly in the area where the Indian expertise has become a global benchmark like the pharmaceutical industry or information technology or communication.

It is up to us therefore to orient this dynamics of cooperation towards building a genuine partnership which will be at the level of aspirations of our populations. Africa, which has rededicated itself to growth, looks forward to the future, for a reliable and credible partnership.

The New Partnership for Africa's Development offers us, on this account, in various dimensions, perspectives and in an adequate framework for putting into place axes of Indo-African partnership that we aim to establish. I am happy to underscore here that one of the most important projects of infrastructure in this framework, the trans Lagos-Algiers pipeline has already attracted the attention of a number of Indian companies of repute.

Your Excellencies, Ladies and Gentlemen,

This Summit represents a historic opportunity to establish a permanent dialogue between India and Africa and to lay the foundations of a political and economic partnership so as to open new prospects for overall cooperation between our two regions.

Our common commitment to values of dialogue and peace as well as to respect for international law, calls upon us to commit to intensify our dialogue for cooperation and peace and for progress and democratization of international relations.

The objective of collective effort that we had made one of the priorities of the axes of South-South cooperation appears more than ever within our grasp.

The solidarity that was until now one of the characteristics of the relations of India with the African continent, calls for a partnership of a new kind, organized around our experiences and our successes.

I am convinced that those seated here will know how to breathe new life into this work of Afro-Indian re-building that awaits us and all of us wish it a success.

Thank you.

(The original speech was delivered in French and the above is the unofficial translation of the French Text)



502. Speech of the Prime Minister of Burkina Faso Tertius Zongo at the India - Africa Forum Summit.

New Delhi, April 8, 2008.

Your Excellency, The Prime Minister of the Republic of India;

Your Excellency, Mrs. Sonia Gandhi;

Your Excellency The Heads of State and Government;

The President of the Commission of the African Union;

The Ministers;

Distinguished Personalities;

Ladies and Gentlemen;

First and foremost I would like to, on behalf of the Burkinese delegation, express to his Excellency the Prime Minister, to the Government and to all the people of the Federal Republic of India, our deep satisfaction and our deep gratitude for such a warm welcome worthy of Asian hospitality that has been extended to us since our arrival in New Delhi.

The real start of this first Indo- African Summit is the expression of a common will to reinforce South-South cooperation for the benefit of the well-being of the Indian and African people in a competitive world.

This is the place for me to express to you the total support of his Excellency Mr. Blaise COMPAORE, President of Faso and President of The Economic Community of West African States (ECOWAS) to this movement of mutual solidarity between India and African continent determined more than ever to fight and vanquish, with the active support of the international community, obstacles of all kinds hampering its progress towards sustainable development.

A decision that finds its roots in our demonstrated-will of going towards a reinforced integration, a continental union. It is in this direction that we have defined for our continent, new perspectives of development for 2015 through the New Partnership for Africa's Development (NEPAD). This initiative, included as a framework of interaction between the African continent and the rest of the world should permit translating in reality, the African vision of development focused on the struggle against poverty and the strengthening of good governance.

The implementation of this new partnership demands of us Africans, the reinforcement of institutional and political stability, the improvement of the macro-economic framework and of the business environment and the mobilization of domestic resources.

While Africa awaits an even greater and more active cooperation from the international community; this has become more so now that the recent survey of the mid-implementation of the millennium development goals (MDG) indicates without doubt that Africa, notably Africa to the south of the Sahara, has not benefited to the desired extent. Consequently, our Summit which is taking place for the first time in New-Delhi brings together political conditions to record Africa's preoccupations in the right place in international agenda.

It is true that, during these past years, the continent has had brighter spells in terms of economic growth setting itself approximately at 6% average per year. The actual economic context characterized by the ever increasing prices of petrol, prices of food products, and by persistent fluctuations of the dollar all threaten to put at risk the rising trend of development. However, the continent struggles to find new means to measure up to the situation and face it. I am encouraged by the following trends to hold such a position:

- African companies record increasingly better programs of investment and of increased productivity ;
- Better practices of political governance, of management and of transparency, and of the fight against corruption which would progressively get stabilized;
- Strengthening and modernizing of Judicial systems;
- Greater availability of trained and well qualified human resource.

It is important to appreciate the efforts made and to convince oneself that they should continue to render the business environment even more encouragement and augment its competitiveness for African economies.

To this end, I salute the initiative of noting the agenda of our labour, support and democracy, to the sectors of health, education, agriculture, small and medium enterprises, development of human resources, infrastructures, promotion of peace, etc...

Prime Minister,

Distinguished personalities,

Free trade between India and the African continent goes back to time immemorial. This free trade is further reinforced thanks to the common struggle against colonization and apartheid as well as through the Non-Aligned Movement.

Let us not forget that it was at the African soil that the great Mahatma Gandhi tried the first struggle of non-violence. Today, the cooperation between India and Africa is the example, nay, the complete expression of this solidarity and of this international fraternity that we hope from our hearts.

To this end, I am happy, Mr. Prime Minister, to tell you how much we appreciate your constant support to African development which is demonstrated through your support to the new partnership for the millennium development goals (OMD).

The active African population is severely hit by the pandemonium of AIDS. The fight against this curse necessitates multi sectoral approaches and large resources. To put into place the funds intended to fight against this pandemonium, the availability of the Indian Government to contribute reassures us.

Regarding the project "The Pan-African Network online service or project to create a pan-African network of satellite and fibre optics", it shall contribute to the promotion between India and Africa through tele-education and of tele-medicine.

Moreover, the regular holding of conclaves on the Indo-African partnership of which the last edition was held, at New-Delhi, from 19 to 21 March 2008, constitutes opportunities of exchange and partnership between Indian and African economic entrepreneurs.

At the sub-regional level, the putting into place of a new means of cooperation such as the Techno-Economic approach for Africa-India Movement (TEAM-9) has permitted the realization of numerous projects for development in Western Africa.

As regards the cooperation between India and the Economic Community of West Africa (ECOWAS), a concessional line of credit of 250 million dollars was opened for financing sub-regional projects.

Finally, it is appropriate to note the existence of other frameworks of cooperation between India and other African sub-regions like the Common Market for East and Southern Africa (COMESA), the Community of East Africa (EAC) and Development Community (SADC).

Prime Minister,

Distinguished personalities,

This is to say that the proximity between India and Africa continues to grow because we have been able to work together, to find ways of true cooperation through common projects.

It is a matter of great satisfaction for Burkina Faso to enjoy a dynamic cooperation from India. I cite as proof the vast project of development of mechanization of agriculture and of the support to the irrigation sector thereby ensuring the modernization of agricultural and of the expansion of the small and medium irrigation program whose impact is the most evident by the growth of agricultural production.

In this precise domain of agriculture, and with respect to the recent shooting up of prices of agricultural products during this period, experience and expertise of India in the field of mechanization, rational use of water, of irrigation and soil fertilization, where again micro-credit responds to the priority needs of Burkina Faso particularly and of Africa in general, which have placed agriculture in the center of their development strategies. Cooperation in this sector will doubtlessly permit guaranteeing food security and eradicating poverty, especially in the rural sector.

The present meeting at the Summit offers us, therefore, the ultimate opportunity of adopting a framework for a strengthened partnership to promote a development solidarity at the scale of our countries.

For its part, Burkina Faso fully supports the new initiative launched by the Indian Government and the African Union as well as all the initiatives which will be taken at the instance of our labour to accompany efforts undertaken by Africans themselves. It goes without saying that first steps towards sustainable development must first be taken by our countries themselves.

I remain convinced that it is possible for African countries to go further in the reduction of poverty if, on the one hand, these country continue to improve their economic policies and promote employment and on the other hand, developed countries broaden their official development aid and accept consequent adjustments of external debt.

India which has known, through its enthusiasm and its work ethic, to haul itself up amongst respectable emerging nations, has an important role to play within the international community.

I hope that India and Africa will continue to cooperate in efforts to meet the

aspirations of the Africans for a just, free and harmonious development for speedy progress.

Long live active solidarity between India and Africa.

I thank you.

(The original speech was delivered in French and the above is the unofficial translation of the French Text)



503. Statement by Kenyan President Mwai Kibaki at the India-Africa Forum Summit.

New Delhi, April 9, 2008.

Your Excellency the Prime Minister of India Dr. Manmohan Singh;

Your Excellency the President of the United Republic of Tanzania, and

Chairperson of the African Union H.E Jakaya Mrisho Kikwete;

Excellencies Heads of State and Government;

**Your Excellency the Chairperson of the African Union Commission,
Prof. Alpha Oumar Konare;**

Honourable Ministers;

Chief Executives of African Regional Economic Communities;

Distinguished Guests;

Ladies and Gentlemen.

It is a great pleasure for me and my delegation to visit this friendly country of great civilization. We are extremely grateful for the kind reception extended to us, and are greatly touched by the warm hospitality of the Indian people. I would therefore like to take this opportunity on behalf of COMESA and IGAD member countries, to thank the Government and the people of India, and you personally Mr. Prime Minister for hosting this Summit. Let me also thank the African Union and all those who have devoted their time and energy to make this path-breaking event possible.

Excellencies;

India and Africa have a long history of commercial and cultural interactions, which have led to the shared prosperity and common aspirations that characterize our relationship. We also share similar histories of colonialism and the struggle for independence. Indeed the Great Mahatma Gandhi whetted his appetite for freedom on African soil. Having suffered the indignity of colonial oppression and racism in South Africa, he evolved the liberation philosophy of Ahimsa and Satyagraha that eventually became the bedrock of the freedom movement by the oppressed in both India and Africa. In so doing, the Mahatma brought the dream of freedom to so many millions of the colonized and the oppressed.

In recent times, we have stood together in the crusade to gain a genuine and equitable share of the world's trade as well as a credible voice at the world trade negotiations. To secure for developing countries sufficient gains from globalization, India has consistently underlined the urgent need to bring down the high tariffs and non-tariff barriers on products of export interest to less developed countries.

In this regard, I welcome the announcement yesterday by H. E. the Prime Minister of India providing for a Duty Free Tariff Preference Scheme for all Least Developed Countries (LDC's) as this will undoubtedly improve market access for Africa's exports. However, my delegation would wish to request the Government of India to explore the possibility of extending the Scheme to all African countries. My delegation also welcomes the announcement by the Prime Minister to more than double the existing lines of credit to Africa over the next five years. This is a true indication of India's strong commitment to Africa.

Excellencies;

This Summit is a path-breaking one not only because it allows us to reaffirm our centuries old relationship but it also allows us to upgrade this old relationship taking the recent achievements of both India-Africa into consideration. We in Africa are eager to start a new and even more vigorous chapter in our relationship. This new relationship should take note of the fact that India has now reached a stage where it can play a vital role in assisting all of us in breaking out of the poverty cycle. Over the past decade and a half, India has embarked on a process of accelerated and almost miraculous growth, while we in Africa have made far-reaching reforms that

recognize the benefits of regional integration and greatly embrace private sector - led growth.

Excellencies,

Africa inherited fragmented and unsuitable markets from colonialism and it is this realization that has compelled us to adopt a strategy for regional integration. In this regard, I am happy to note that the Government of India has been an observer to COMESA since 2000. It is in this context that COMESA and India signed a Memorandum of Understanding (MOU) in 2005 that outlines key areas of cooperation. I am confident that the adoption of a continent-wide framework of cooperation by this Summit will give a new thrust to COMESA - India collaboration.

Excellencies,

I also have the honour to speak on behalf of the Inter Governmental Authority on Development (IGAD) as its current chair. IGAD is a grouping of seven Eastern African member states, which has been very active in promoting peace and working for post-conflict reconstruction in the Horn of Africa. The IGAD sub-region has significant importance for maritime security in the Indian Ocean. India's involvement and contribution, particularly in peace consolidation and post-conflict reconstruction in both Somalia and South Sudan would ensure peace and security not only for the IGAD region but the Indian sub-continent as well.

Excellencies,

Trade relations between India and Africa are vital for economic changes on the continent. India's extra-ordinary economic achievements serve as a valuable lesson for Africa. There is much we could learn from India on improving the African business environment for private sector investment, public-private partnership as well as strengthening the capital markets. India has been especially successful at developing its small and medium scale enterprises, an area where we lag behind in Africa, condemning would-be entrepreneurs to the fringes of the so-called informal sector. We are convinced that Africa can get much of what it needs to speed its development efforts by learning from India's experience in the area of Small and Medium Enterprises.

Excellencies;

Another area of cooperation that Africa and India can take advantage of is

in the field of tourism which has immense potential for both sides. I recognize the enormous economic benefits that arise from tourism and the fact that it promotes friendship and socio-cultural understanding among nations. The two regions provide great geographical diversity that could be promoted including eco-tourism. I am happy to note that some African carriers such as Kenya Airways, Ethiopian Airlines, South African Airways and Egypt Air ply the Indian sub-continent on a daily basis. These connections provide the much-needed facilitation for enhanced commercial interaction in the field of tourism.

Excellencies;

Perhaps nowhere has the renewal of India been more profound than in the area of ICT. It is not lost to all of us assembled here today that Sabeer Bhatia, a native of India invented Hotmail, the most popular firm of Internet based email and sold it for US\$400 Million to Microsoft. About 750 ICT firms in the Silicon Valley are owned by Indians, mostly graduates of the Indian Institutes of Technology.

Software production is a potential entry for Africa into ICT production. Compared to hardware, it is less capital intensive, more labour intensive and has a longer shelf life. We believe that there are opportunities for African IT companies to work with their Indian counterparts in gaining skills, resources and new software development culture and quality.

Excellencies;

It is only through technological advancement that our economies can be competitive and diversify through value addition. What we in Africa are looking for are technologies better equipped to tackle Africa's needs like food and agro-processing, health, water and sanitation, and rural development. Technologies in India are robust and better suited to the African environment. Strong linkages are needed between Industry, and Science and Technology to prioritize innovation as part of the broader strategy to improve competitiveness. We believe that India can live up to our expectations in this regard.

Excellencies;

There is no doubt that political cooperation should also form a critical component of our partnership. The serious democracy deficit that afflicts the United Nations is obvious to both India and Africa. It is my belief that our convergence of interests will enable us to align our positions on the

structure and functioning of the UN Security Council, and revitalization and enhancement of the work of the United Nations General Assembly.

Excellencies;

We agreed to convene here in New Delhi inspired by a common resolve to establish a true partnership between Africa and India. This derives from our common understanding that we are united by a shared interest in the all-round success and development of our regions.

As India and Africa deepen the bonds, we all look forward to moving together towards a win-win situation. A winning partnership is one in which we encourage sustainable trade and investment while promoting a better life for all within sustainable human settlements. Peace and friendship will best flourish when we empower and uplift the poor from hunger and unemployment, disease, homelessness, illiteracy and environmental degradation. Let us use this forum as a platform for transforming our continental relationship with India on the basis of a shared vision and understanding of our development challenges, and the advancement of the NEPAD objectives.

I am pleased that the Ministers have reached a consensus about the specific areas of distinct complementarity, comparative advantage, and potential cooperation in our partnership. We want to stand side by side with India and grow together. It is in this spirit that I wish to support the adoption of the Delhi Declaration together with the Framework for Cooperation, which have been recommended to the Summit by the Foreign Ministers.

I thank you all.



**504. Speech of Ethiopian Prime Minister Ato Meles Zenawi
at the Africa - India Forum Summit.**

New Delhi, April 9, 2008.

Your Excellency, Dr. Manmohan Singh, Prime Minister of India,

Your Excellency, Mrs. Sonia Gandhi,

Your Excellencies colleagues from Africa,

Allow me Mr. Prime Minister, to join my colleagues in commending you for the initiative you took to establish the India-Africa forum and thank you most sincerely for the specific initiatives you announced yesterday. These initiatives exemplify the nature of the Africa-India partnership that we all espouse. We look forward towards its speedy implementation, at all levels, multilateral, continental, regional and bilateral depending on the nature of the cooperation in question, and the exigencies of effectiveness in implementation.

Your Excellency,

My colleagues, the leaders from Africa, have eloquently elaborated on the partnership between India and Africa established in the fight against colonialism, and the firm roots of our current partnership in our common glorious fight against colonialism. There is thus no need to repeat all of that today.

I would however like to highlight two characteristics of our past partnership that I think are vital for the new partnership we seek to establish.

Our past partnership was not based on accepting the status quo as immutable, it was not based on accepting received wisdom as the ultimate truth. On the contrary it was based on transforming the status quo, and creating new paradigms. Our past partnership was successful in transforming reality, a reality that was patently unjust, not only because of the justice of our cause but also because each one of us took it upon ourselves to transform our condition through our own efforts, in partnership with like minded friends.

The partnership we now seek to re-establish too must be based on transforming the current reality which is patently unjust and untenable. Fortunately the ancient civilization of India is now re-emerging to transform

its own reality but also the rest of the world. The renaissance of Africa appeared to be a dead letter up to recent years. No longer we are taking matters into our hands and are changing the political and economic features of our continent. Re-emerging India is better placed than most to join us in partnership to transform Africa and thereby transform the world.

The partnership we seek to renew cannot succeed unless as in the past fight against colonialism, we all take it upon ourselves, to change our own reality. India is better placed than most to join us in partnership in our quest to change our own reality. The initiatives you announced yesterday and the framework that we have adopted to guide our partnership assures us that this is indeed a partnership for the transformation of the current unjust reality through our own efforts, the added value of our partnership. That is why I am convinced that our partnership which has a glorious past, is likely to have an even more glorious future.

I thank you.



505. Speech by the President of Democratic Republic of The Congo and President of the Economic Community of the Central African States (ECCAS) at the India - Africa Forum Summit.

New Delhi, April 9, 2008.

I would like, on behalf of all the Heads of State of the Economic Community of the Central African States that I represent here, and on my own behalf, to thank you, and through you, to thank the Government and the people of India for the welcome that you have extended to us and for all the attention that we have received since our arrival in your beautiful country, that has as rich a history as old.

I would also like to toast the initiative that you have taken to gather those assembled here. That so many Heads of State are at your side in this hall, today, proves that this meeting represents the real and pressing needs and that the consciousness of a shared destiny between Africa and India is as alive today as it was forty years ago when it led to the establishment of the movement of non-aligned countries.

At that time, Afro-Asian solidarity had widely contributed to the decolonization of Africa and to consolidating international sovereignty newly gained by African States.

The Prime Minister of the Republic of India;

Heads of State and Government;

Ladies and Gentlemen;

We have been invited to this Summit, and we have come here, in the name of the same solidarity, convinced that, for our respective States, it is, once again, a way to measure the success of our aspirations of well-being of our people on the one hand and, on the other, the constant changes in the international environment, on an economic and ecological scale.

We have also come because in view of the inexorable approach of the agreed upon deadline of 2015 and the little progress in achieving the objectives of the millennium for development set in New York in 2000, we believe the Indian experience to be relevant and useful, as it has, successfully, reduced poverty by education, training, scientific research,

micro-credit, mechanizing agriculture, developing the national private sector and by the growth of the middle class, notably by promoting small and medium enterprises.

This is to say that we place a lot of hope on the conclusions of the present Summit. We await a renewed cooperation between Africa and India, better focused, and more than ever, mutually advantageous. We await synergies that will permit advancing the struggle against ignorance, sickness, hunger and poverty; even better; to make of Africa and Asia unavoidable actors of a more just and humane 21st Century, not carriers of seeds of conflict and without serious threats to the future of humanity such as global warming, international crime, terrorism and nuclear proliferation.

Liberated from the weight of years of war and bad governance and strengthened by their immense human and natural resources, in which is situated one of the largest reserves of global fresh water, the Grand Inga, the world's largest hydropower scheme, and the world's second largest tropical forest, The Congo and its neighboring States of the ECCAS intend to actively contribute to make this prospect a reality.

In light of the aforesaid and in the desire to contribute to our discussions, permit me to underscore that, shorn of speeches and promises that have put them to sleep for decades, our people are hungry for concrete actions, for projects with visible and immediate impact. Whether they come down to road works, like in my country, or in the Nouvelle Espérance like in the sister Republic of The Congo or in any other mobilizing theme as is the case in one or another country of our region, the basic needs of the Central African people are the same worldwide: infrastructure, water, electricity, schools, hospitals, housing, employment, but also, if not foremost, peace, security and stability. Peace and stability in each of our States; peace and stability in the world.

It is thus, in these terms that we must contemplate the use of our findings. It is at the end of the reply that, together, we will or we will not know how to fulfill these needs against which, tomorrow, will be measured the quality of our cooperation.

In this respect, I am delighted to note that in addition to the framework of cooperation between Africa and India, the draft of the Statement of Delhi submitted for our study are fully in conformity with that vision. This augurs success for our work.

The Prime Minister of India;

Heads of State and Government;

Distinguished Guests,

The first Indo-African Summit gives us the chance to agree upon better ways enabling our economies and our people to benefit from opportunities offered by globalization. If we wish, this could be the stepping stone of a vital strategic partnership. The Democratic Republic of The Congo and all the member States of the Economic Community of the Central African States wish so.

Long live the friendship between Africa and India!

(Unofficial translation from the French text)



506. Speech by President Smt. Partibha Devisingh Patil at the Banquet hosted on the occasion of the India-Africa Forum Summit - 2008.

New Delhi, April 8, 2008.

Excellencies,

Distinguished Colleagues,

Ladies and Gentlemen,

I am delighted to welcome you all to India and thank you for accepting my Government's invitation to participate in the India-Africa Forum Summit. This is a gathering of friends and partners of longstanding who share civilizational bonds, common historical experiences and an abiding desire to open new vistas for inclusive socio-economic growth and overall development for the peoples of their countries.

The cultural performance that we witnessed a short while ago was a remarkable synthesis of our cultural traditions. The vibrancy, joie de vivre and enthusiasm of the performers are also the hallmark of the India-Africa relationship. We are united by our determination to jointly face common challenges, learn from each other's experiences and benefit from our respective strengths.

Your Excellencies have already begun to deliberate on how best we can weave a new carpet of India-Africa collaboration; a carpet that fully reflects the entire kaleidoscope of opportunities that beckon us to work together.

India has in the past, within the limits of its resources and capabilities, participated to useful effect in the socio-economic development of Africa. Today, the continent of Africa and the Indian sub-continent are both growing rapidly and our ability to help each other is increasing. Bearing this in mind, the Prime Minister of India has earlier today suggested ways and means by which India will substantially step up its participation in Africa's social, economic, political and other developmental processes. We are confident that our experiences and capabilities can add value to your own dynamic and valiant efforts to enhance the quality of life of your peoples.

Excellencies, Ladies and Gentlemen,

I am confident that this India-Africa Forum Summit will open new vistas for cooperation between India and Africa. It is also our intention to meet with all the leaders of Africa at the highest political level on a regular basis.

Excellencies,

India and Africa also have common approaches on the vital issues that today challenge the international community. We stand together in the fight against terrorism for which we have zero tolerance. We are working together to ensure that international trade is carried out according to multilaterally agreed rules and regulations that guarantee the development of developing countries. We are determined to ensure that a resolution of the problem of climate change does not lead to the perpetuation of poverty in developing countries and is carried out on the basis of agreed principles such as common but differentiated responsibility and respective capabilities. We are agreed on the need for reform of the United Nations, including expansion of its Security Council in both categories of membership to ensure better representation of developing countries.

India-Africa cooperation has always been a partnership of equals; a partnership of peoples and a partnership that seeks to build a better, more humane, just and equitable international order.

Excellencies, Ladies and Gentlemen, may I request you to join me in a toast:

- to peace, stability and rapid development in Africa;
- to an invigorated India-Africa partnership; and
- to the health and prosperity of the people of Africa and India.



507. Address by the External Affairs Minister at the India-Africa Business Luncheon.

New Delhi, April 9, 2008.

Your Excellencies,

Hon'ble Ministers,

Presidents of FICCI & CII

Distinguished Guests

Ladies & Gentlemen

It is a great honour and privilege for me to be present here today at this Business Luncheon. I take this opportunity to commend FICCI & CII, who have jointly organized this as the concluding event of the India-Africa Forum Summit. This has provided Indian business and industry a platform to meet and interact with our African guests and impart content to the economic dimension of the Summit. This event is indeed a fitting finale to the Summit.

The India-Africa Summit concluded just about an hour ago. It constitutes a defining moment in the India-Africa relationship. The Delhi Declaration, together with the Framework for India-Africa cooperation, is a clear reaffirmation of India's deep commitment to the development of Africa. We hope that it will serve as a blue-print for creating sustainable and mutually beneficial partnerships between India and the countries of Africa. I am confident that its implementation will begin at the earliest.

In the last few years, there has been rapid progress in India-Africa relations. We have seen many high level visits and increased economic and technical

cooperation. Africa has traditionally had the largest share of our allocation of concessional loans. As the Prime Minister announced yesterday, we intend to double present levels of credit to Africa and allocate \$5.4 billion in lines of credit over the next 5 years. This will be for projects prioritised by Africa and thus reflective of their needs. The credits will be utilised, among others, for enhancing agricultural production, development of the infrastructure and energy sectors, small and medium enterprises, irrigation, food processing, IT and pharmaceuticals.

It is India's intention to enter into a long-term sustainable partnership with Africa. Almost all African leaders at the Summit have spoken of the need to enhance capacity building and human resource development. Prime Minister has yesterday announced augmentation of the Ministry of External Affairs' Aid to Africa budget for capacity building and technical assistance. Accordingly, we will double educational scholarships for Africa and increase ITEC slots every year. We intend to set up apex institutions for training and value addition in Africa in areas as diverse as trade, IT, entrepreneurial development, education, coal, diamonds, etc.

Our trade and investment partnership with Africa has increased by leaps and bounds in recent years. This is due to the forces of economic liberalization unleashed in both India and Africa. We are also mindful of the need to provide greater market access to imports from Africa. Accordingly, in consonance with our commitment at WTO, we have now decided to extend duty free tariff preference scheme to imports from the 34 Least Developed Countries of Africa.

The Government of India has also worked with Indian industry in forging project partnerships. Last month, I and my colleagues interacted with over 600 delegates from 33 African countries at the 10th India-Africa Project Partnership Conclave in New Delhi. I had the privilege of the wise counsel of more than 30 Ministers from Africa who led their delegations. We were also honoured by the presence of their Excellencies, the Vice-Presidents of Tanzania & Ghana. We intend to carry this forward by organizing 3 regional conclaves in Africa in 2008-2009.

It is a matter of satisfaction to us that Africa has found value in teaming up with Indian companies for diverse projects in Africa. I am confident that deliberations at this Forum will provide further impetus to this process. Building partnerships between the financial institutions of India and Africa would be important in this context.

I would urge Indian companies, however, to do more to step up their engagement with Africa for mutual benefit. Africa is the second fastest growing region after Asia. Africa's development can and must be accelerated by investments and technology transfer by Indian companies. The continent needs large amounts of investment to build roads, railways and other infrastructure. There is therefore need to mobilize greater Indian private sector participation in the infrastructure development of Africa. The region also has millions of young people who can be employed in the manufacturing and services sectors. The large communities of Indian origin that can be found in many parts of Africa can be an added advantage; they can help Indian businesses understand the social and cultural ethos of the African people. Such initiatives would respond directly to the requirements referred to by a number of African leaders at our Summit.

While direct investments in Africa should be the desirable goal of Indian companies in expanding their presence overseas, one area where further improvement needs to be made is broadening the ambit of trade. At present, only 7.7% of India's exports are destined for Africa. Similarly, imports from Africa contribute only 6.7% of our total imports. Businessmen from India and the African countries need to take up this challenge to augment our trade levels with Africa. The sectors identified for today's presentations hold a lot promise for our cooperation. I am confident that business and industry on both sides would take advantage of opportunities in these areas for forging joint ventures and technical tie-ups.

Before I conclude, I wish to flag an important issue to which attention has been drawn by nearly all the leaders at the Summit - and that is food security. Food security is perhaps one of the most critical issues that we are faced with today, particularly the developing countries. Prices of agricultural commodities are on the rise all over the world for a variety of reasons. This has impacted negatively on food security, especially in countries that are dependent on agricultural imports. At the same time, trade distorting agricultural subsidies given by developed countries also act against the interests of the developing countries, particularly their farming communities. The problem is compounded by the fact that, in many countries, arable land is increasingly being diverted for other purposes.

Our decision at the Summit to strengthen cooperation in agriculture can help address the problem of food security. We have agreed to co-operate in this sector and have identified a number of areas for such co-operation. These include capacity building and sharing of experiences, transfer of

applied agricultural technology and skills and enhancing market opportunities for African value-added agricultural products. India also remains ready to share its experience in agriculture extension, livestock development, fisheries, water management and measures to confront the growing threat of climate change. In addition, the Indian private sector should look for opportunities for joint ventures in Africa for production of cereals, oilseeds and pulses. This can be for local consumption, as well as for export to India and third countries. I am sure that Indian companies will explore this avenue of co-operation with their counterparts in the private sector in various African countries as well as the Governments of those countries.

With these remarks, I would like to thank the distinguished guests who have honoured us with their presence here today. Once again, I thank FICCI and CII for inviting me to address this important gathering.

Thank you.



508. Joint Press Conference following the conclusion of first India-Africa Forum Summit.

New Delhi, April 9, 2008.

Prime Minister of India (Dr. Manmohan Singh): We have just concluded the First India-Africa Forum Summit. This is a historic Summit between India and countries representing the AU and the Regional Economic Communities of Africa. Over the last two days we have held extremely substantive and productive discussions on all issues which confront India and Africa. The Summit was held in an atmosphere of great friendship, warmth and sense of partnership.

The Summit has adopted the Delhi Declaration and the Africa-India Framework for Cooperation. These documents constitute the blueprint for our cooperation in the 21st Century.

Our decision to expand unilateral duty free and preferential market access for exports from all 50 Least Developed Countries, 34 of which are in Africa, and our offer of lines of credit amounting to \$5.4 billion are steps in this direction. The enhancement of our budget for technical assistance and training programmes and, greater opportunities for African students to

pursue studies in India reflect the priority we attach to human resource development and capacity building.

In the Retreat yesterday, we had a very constructive discussion on issues such as food and energy security, UN reforms, climate change and trade. We found several commonalities in the challenges that face us and in our aspirations. I offered Indian assistance in ushering in a Green Revolution in Africa through holistic capacity building in agricultural production, storage and transportation.

While we have met over these two days at the government level we have also undertaken several outreach events before or concurrent with the Summit. These are: (i) the first ever India-Africa Editors Conference; (ii) joint performances by Indian and African cultural troupes; (iii) a seminar of intellectuals from Africa and India on India-Africa Partnership in the 21st century; (iv) a programme for youth and women from Africa and (v) a business conclave.

India has also begun to develop cooperation with the Regional Economic Communities of Africa and with the African Union (AU). India's pan-African e-network project is an example of our cooperation at the continent wide level.

We have laid firm foundations on which to build the new framework of cooperation. It is now time to plan ahead to implement the joint programmes of cooperation and to build a meaningful and productive Indo-African partnership. India looks forward to doing so with all the resources at our disposal.

We greatly cherish the friendship and empathy that Africa has always shown to India. This is an asset to our foreign policy. We in turn hope that this Summit has enabled us to convey to the people of Africa India's readiness to be a partner in their quest for stability, peace and prosperity.

I would like to conclude by thanking my colleagues from Africa for their active participation in the Summit and for their whole-hearted endorsement for a stronger and deeper India-Africa partnership.

Thank you.

President of the United Republic of Tanzania and President of the African Union (Mr. Jakaya Mrisho Kikwete): Mr. Prime Minister, Excellencies Heads of State and Government:

I do not think I have much more to say. The Prime Minister has said it all.

We had two days of very intense discussions. We have concluded well. We have come up with very useful conclusions which all of us are a party to. All of us are satisfied that if what we have agreed upon is followed through and implemented, definitely we are going to have a stronger and meaningful cooperation between India and Africa.

I thank you.

Chairperson of the African Union Commission (Prof. Alpha Oumar Konare): *I am, as you may perhaps have guessed, we too are filled with a feeling of great satisfaction following the very important decisions that have been announced, and I am sure that they will be implemented. I also feel extremely grateful towards all the authorities of India and the Heads of State and Government of Africa who have participated in this very important meeting.*

I am sure that concrete actions will be implemented and as the African Union Commission we will work in partnership with the Indian Government for the implementation of these conclusions. What I have observed in particular and what has been particularly satisfactory for me is the feeling, a very clear feeling, that we have had of having been truly understood by our friends and partners of India, that our friends and partners in India have really understood the aspirations of the African people and of their leaders.

Today, Africa does not need a guiding hand. Between India and us we do not need any intermediaries. But governments need to continue their dialogue. Our civil societies, our businessmen, our youth, your women, our workers, our labour, our intellectuals, have to continue to dialogue amongst them to broaden the cooperation, the partnership that we have launched today.

Let me draw you a picture in conclusion to my intervention. There is very little time now for Africa. We do not want to waste any time. We have to make very major decisions now. I think that the policy of the rider and the horse is finished for us. We do not want to be horses any longer on which people will continue to ride. Everyone has to get off our backs. We will run the race like everyone else. We have to be ready to run whether it is for a hundred metres, or a thousand metres or a marathon. Now the time for the rider and the horse has come to an end and we are equal partners in the race.

Therefore, Mr. President, Mr. Prime Minister, I would like to conclude by thanking you sincerely for the leadership that you have shown us along

with our colleagues in this extremely important meeting which is indispensable for us.

Thank you.

Question (Mr. Manish Chand, IANS): This question is addressed to the President of Tanzania and President of African Union. Does Africa as a whole support India's candidature for a permanent seat in an expanded UN Security Council, and would the two sides work out a strategy to revive the flagging campaign for reform of the United Nations Security Council?

President of the United Republic of Tanzania and President of the African Union (Mr. Jakaya Mrisho Kikwete): I made reference to that in my closing remarks that in the discussions we both agreed that Africa and India deserve permanent representation in the Security Council. We also agreed that we support each other in this quest. Of course, broadly though we have been working together to promote or to preach for reform of the United Nations, a number of administrative reforms have already been undertaken in the United Nations, we are now ready to take on the citadel of power, reform of the Security Council, to make it more and more representative, to make it more democratic and to make it more responsive. I think we are in agreement; we have been working together. What we have actually done at this conference is to reaffirm our commitment to continue to act together so that India gets a place and Africa also gets a place.

Question (Mr. Martin Hachon, Prensa Latina News Agency): My question is addressed to His Excellency the Prime Minister of India. India has engaged in multi-sectoral initiatives, programmes of assistance, with Africa; and this Summit proves this commitment and engagement. Will India move along the same lines towards Latin America and in the near future conceive or engage in a summit like this in which Africa could in turn take part to the benefit of developing nations in the spirit of South-South cooperation which is very needed?

Prime Minister of India (Dr. Manmohan Singh): Ladies and gentlemen, India stands committed to work with Africa to strengthen our cooperation in every possible way. We wish to be partners in Africa's resurgence and that includes whatever we can do to help build capacities in Africa, whatever can be done to strengthen the human development base, what can be done to strengthen the production base both in agriculture and

manufacturing paying particular attention to small manufacturing enterprises. So, in all these areas we will explore all possible ways in which India and Africa can work together to realize the immense potential that development of Africa offers to the world as a whole.

As for establishing systems that prevail in Latin America, I think this is an aspiration and it should evolve as we develop habits of working together the processes, evolutionary process. I for one do not rule out any effective mechanisms for promoting cooperation, be they trade, technology transfers, investment promotion. I think sky is the limit of cooperation between India and Africa.

Question: *My question is addressed to His Excellency the Prime Minister of India. The President of the Commission of the African Union has said that Africa needs cooperation and investment. You had said that you had increased the investment in Africa. Mr. Konare has said that he was satisfied by the results obtained in Delhi. Mr. Prime Minister and Mr. President, in what way do you feel you have better understood the needs in Africa as compared to the Westerners who for such a long time seem to compare you to China? The Western media says that you are racing against China in order to seduce or attract the African continent. What would be your response?*

Prime Minister of India (Dr. Manmohan Singh): We are not in any race for competition with China or with any other country. The desire for India and Africa to work together is not a new phenomenon. We have common colonial experiences. In the post-colonial era we have worked together bilaterally, regionally and in multilateral fora. What we have done today is to respond to Africa's felt need as determined by the African people themselves. We do not know what is good for Africa. We do not seek to impose any pattern on Africa. It is for the African Governments and the African people to determine the path that they wish to pursue. To the extent it lies within our capabilities and abilities, we would be privileged to be partners in offering whatever help we can in this process.

Question (Ms. Huma Siddiqui, The Financial Express): I have a question for the President of Uganda and for the Prime Minister. I just wanted to understand what would be the impact of the duty free scheme that we have announced yesterday on the African market.

Prime Minister of India (Dr. Manmohan Singh): As far as the immediate

impact is concerned, in my statements yesterday I mentioned the commodities which will be immediately beneficiaries of this arrangement. But we all agreed that in the long run if adequate benefit is to be derived, we must build the supply capacities. Therefore, this is where the private sector in India can work together with public-private partnership or through other mechanisms to ensure that these tariff preferences do not remain an empty gesture but they become instruments of building African capacities both in agriculture as well as in manufacturing and related activities.

President of Uganda (Mr. Yoweri Kaguta Museveni): This trade access to the markets of the United States, European Union, China and now India is the most important contribution in the Afro cooperation with these continents. I have some experience with Uganda. The Americans opened their markets for us, for all of the other LDCs. Of course, we are going to graduate from that status because we cannot be sustainably LDCs. That is not part of our programme. Now the biggest problem I found was the confusion among the civil servants of Uganda. The civil servants are used to a beggar mentality. They used to go to Washington to beg for money. Now when they get a chance to make their own money, they do not respond very quickly. But we the political class, we the freedom fighters, made them start moving, and we are worried about the results. For instance, you take processing of fresh water fish from Uganda, and I believe even from other countries like Tanzania and Kenya, from Lake Victoria. There is a lake which they call Lake Victoria. We call it with another name but internationally it is known as Lake Victoria. Nalubaale is the real name of the lake. Now, fish from here is all over the place now, in Japan, in the United States. So, with this removal of taxes, such an activity becomes more encouraged. Take the example of textiles. The United States has got a market of 95 billion dollars of textiles. Now they opened their markets to us.

Our people are slow in responding, but eventually they have responded. So, that one definitely is helping us. Flowers from here are going all over the place, to the European Union. Apparently Europeans like flowers. For us in Africa we take flowers for granted because they are everywhere. But we discovered that Europeans like flowers and we are making money out of that. I do not want to talk about other countries but I know for instance a country like South Africa has made a lot of use of this market access. I think even some car manufacturers from Europe are now based in South Africa, exporting vehicles from there.

Uganda very soon will be a milk exporter. We have been keeping the cattle for last seven thousand years but we do not export milk. We have got so much milk we just throw it away. People in other parts of the world are starving. They have no food. And here we are pouring out milk in Uganda. Once we remove these obstacles of trade, Uganda can feed the world with milk because we have got a lot of it. I can give you very many examples. But what we need to do is to have a thorough discussion among us.

The problem with Africa is that we are talking of 53 countries. It is not like India which is one political unit. This is the advantage. For us, we are cut up in 53 countries. My experience may not be somebody's experience. There even the Commission, our Secretariat, I do not think has had enough time to go round to get enough data. But I am telling you that this is a very very important step. Whatever the obstacles, they will be overcome.

Even if you forget about Africa for the time being, you look at Singapore. What helped Singapore's transition in a very short time? Singapore is only five million people on a small island. By the export to these big markets abroad. If it were Singapore alone, they would not be so prosperous. How about South Korea? How does South Korea, a small country and small economy, become prosperous? It is all export-driven. That is what we would like for Africa.

I do not know why you decided to interfere with our arrangement. I am not supposed to speak. The Chairman is speaking for us.

Thank you very much.

Question (Mr. Bernard Mpalala, The Guardian, Tanzania): My question is addressed to the Indian Prime Minister. Mr. Prime Minister, it is clear that you are very much keen to forge close trade links with Africa. But when a foreigner looks at the Indian media, it does not seem that enthusiasm is much by your efforts. So, I want to ask you, Prime Minister, is the Indian public with you in this major undertaking?

Prime Minister of India (Dr. Manmohan Singh): What appears in the media often is a reflection of what engages the attention of the public at that particular moment. But as far as the thinking population of India is concerned I think there is today an enormous recognition among all sections of Indian population that applies to Governments, that applies to private industry in our country that India and Africa must become active partners in processes of social and economic development. This conference was

born out of a feeling that we need to do lot more than we have attempted in the past to bring India and Africa together. I am quite sure that in months and years to come the Indian media will also draw appropriate conclusions that this is an idea whose time has truly come.

Question (Mr. Vijay Naik, Sakal Papers): Most of you, the Excellencies and the Presidents, in the last two days have talked about the food security which is becoming a problem. Just now the President of Uganda has said that this land seems to be a land of plenty. But in most of the African nations as well as India also, food security is a very important problem now. You have just referred to the Green Revolution which you would like to usher in Africa. How do you propose to actually address this important issue? I would like to address this question to the Prime Minister and the President of Tanzania.

Prime Minister of India (Dr. Manmohan Singh): There is no single answer to the quest for food security. But recent events have reinforced us in our conviction that the economies of India and the economies of Africa must acquire the momentum to meet all the food needs of India and Africa through domestic production. That requires efforts to increase investment in agriculture. That requires efforts to give new technologies to agricultural modernization and also we have to find new ways and means in which the small holder agriculture can become a viable proposition. In all these areas there is enormous scope for India and Africa working together. This Declaration pledges us to work together to realize the enormous latent potential of increasing food production in Africa. Yesterday one of the distinguished participants referred to the tremendous potential that a country like Sudan offers. Sudan could not only feed the whole of Africa, but I think the rest of the world also. These are the unexploited opportunities which provide unique opportunities for us to work together as well.

President of the United Republic of Tanzania and President of the African Union (Mr. Jakaya Mrisho Kikwete): As the Prime Minister said, we discussed the matter yesterday. There are two aspects of the crisis. For Africa there is the crisis of shortage of food in some countries. The other is the current problem of high prices because we have to import the food. In the developed world because there is huge production of surplus food, those farms have been put to biofuel. Biofuel production is creating a shortage of food and, therefore, creating the problem of high prices. So, to Africa it is a challenge in the sense that there is this problem of shortage of food in a number of countries and also the problem of high prices. But we

also saw that there is an opportunity on the side of Africa. That is because currently Africa's agriculture is peasant agriculture, traditional, plagued with lower levels of production and productivity. So, we think what Africa needs is really to unlock the production problem. If we would be able to increase productivity in African agriculture, Africa will not only be able to feed itself, but will also have huge surpluses to sell to the world. That is why we underscored helping Africa or assisting Africa in undertaking the Green Revolution. We felt that India, the experience that it has can certainly benefit Africa by working with India, share the experience that India has. Also India has the technology, has the skills, which if made available to Africa, certainly it would be able to help implement the African Green Revolution and, therefore, solve the food shortage problem; and Africa would again turn to be the bread basket of the world.

Question (Democratic Republic of Congo): My question is addressed to the Prime Minister of India. Why did you wait until 2008 to hold this India-Africa Summit?

Prime Minister of India (Dr. Manmohan Singh): Ladies and gentlemen, we have been working on this idea ever since we came to office some four years ago. We have been in the process of discussion with our colleagues from Africa the African Union, Regional Communities - and also our distinguished colleagues from various parts of Africa. It has taken us time but we have been working at this idea for the last at least two and a half years.

(Text in italics is the simultaneous interpretation of French original)



509. Delhi Declaration issued at the end of the India-Africa Forum Summit - 2008.

New Delhi, April 9, 2008.

We, the Heads of State and Government and Heads of Delegation of Africa, representing the Continent, the African Union and its Institutions along with the Prime Minister of the Republic of India, have met today in New Delhi, India, to consolidate the process of deliberations and discussions with a view to redefining and re-invigorating

the decades-old partnership and historical and civilizational links between the African continent and India.

2. **We recognize** that Africa and India have undergone enormous positive changes, in particular over the last two and half decades, and that Africa and India have historically been close allies in the struggle for independence, equality, human rights, freedom and democracy. We are neighbours across the Indian Ocean. We note that there has been significant positive transformation of the political, economic and social environment in Africa and the strengthening of democracy, particularly with the adoption of the Constitutive Act and the establishment of the African Union with its institutions, such as the Pan-African Parliament, the Economic, Social and Cultural Council, the African Court on Human and People's Rights as well as its programme the New Partnership for Africa's Development (NEPAD) and the African Peer Review Mechanism (APRM) and the Peace and Security Council. During this period, the Indian economy has evolved into a more mature and fast growing economic mode and Indian democracy has further strengthened. We have, therefore, decided to build upon these positive achievements with a view to helping each other to become more self-reliant, economically vibrant, at peace with ourselves and the world and to work together to strengthen our close partnership.
3. **Bearing in mind** that African countries and India have enjoyed close, cooperative and multi-sectoral partnership encompassing political, security related, economic, science and technology, human resource development, social, cultural and other areas of mutual interest, we have adopted today a Framework for Cooperation which will further strengthen our partnership in all these and other areas for our mutual benefit.
4. **This partnership** will be based on the fundamental principles of equality, mutual respect, and understanding between our peoples for our mutual benefit.

It will also be guided by the following principles: respect for the independence, sovereignty, territorial integrity of state and commitment to deepen the process of African integration; collective action and cooperation for the common good of our states and peoples; dialogue among our civilizations to promote a culture of

peace, tolerance and respect for religious, cultural, linguistic and racial diversities as well as gender equality with the view to strengthening the trust and understanding between our peoples; the positive development of intra-regional/sub-regional integration by complementing and building upon existing/sub-regional initiatives in Africa; recognition of diversity between and within regions, including different social and economic systems and levels of development; and further consolidation and development of plural democracy.

5. **The international community** is today addressing a series of critical issues such as environmental degradation, including climate change and desertification, multilateral trade negotiations, reform and democratization of international institutions, particularly the United Nations and the Bretton Woods Institutions, respect for human rights and fundamental freedoms, the fight against terrorism, combating illicit trafficking in small arms and light weapons, non-proliferation of nuclear and other weapons of mass destruction, the fight against drugs and most importantly, promotion of pluralism and democracy, the pursuit of sustainable development underpinned by social justice, eradication of hunger, poverty as well as combating diseases. Africa and India reiterate their intention to ensure that in all these matters, the interests of developing countries are kept uppermost and the socio-economic developmental requirements of our countries are guaranteed.
6. **We recognize** that climate change is a global challenge but one that will be particularly severe for developing countries given their vulnerabilities, inadequate means and limited capacities to adapt to its effects. We reaffirm that development is the best form of adaptation and that the foremost priority for developing countries is to ensure accelerated social and economic development. We note that sustainable development is essential to enable effective adaptation. We stress the importance for adaptation to be adequately financed through additional resources and not from funds meant for development.
7. **We note** with regret the lack of demonstrable progress by developed countries on Green House Gas (GHG) reduction commitments in the first commitment period under the Kyoto Protocol. We emphasize the need for equitable and fair burden

sharing in mitigation which must take into account historical emissions. In this regard, we take note of the proposal of the Prime Minister of India on convergence of per - capita emissions of developing and developed countries.

8. **We urge the international community** to give real and immediate effect to commitments on climate change, especially in the areas of technology transfer, financing and capacity building. There is also need for a closer look at the Intellectual Property Rights (IPR) regime to ensure cost-effective transfer of appropriate and advanced clean technologies to developing countries.
9. **We are** determined to participate effectively in the negotiations under the Bali Action Plan towards comprehensively addressing climate change in accordance with the provisions and principles of the United Nations Framework Convention on Climate Change (UNFCCC), in particular the key principle of common but differentiated responsibilities and respective capabilities.
10. **We take** note of the state of play in the World Trade Organization (WTO) -Doha round of trade negotiations. We reiterate the importance of the development dimension of the Round and welcome the strengthened engagement, solidarity and cooperation among developing countries in that process. Agriculture remains the key to the conclusion of this round. We are convinced that any acceptable agreement must adequately protect the livelihood, food security and rural development concerns of developing countries. Any outcome must also bring about significant and effective reductions in trade-distorting domestic support and subsidies provided by the developed countries. There are equally important issues also to be addressed on Non-Agricultural Market Access (NAMA) services and rules. We are convinced that the process to be adopted to reach convergence in the WTO negotiations requires focus on content and not artificial timelines. The promise of a development round must be fully realized.
11. **We also reaffirm** our commitment to providing meaningful market access to the Least Developed Countries (LDCs). We call upon the members of WTO to implement duty-free and quota-free market access for all products originating from the LDCs and to take additional measures to provide effective market access to them through simplified and transparent Rules of Origin.

12. **We attach** priority to providing trade related technical assistance and capacity building to LDCs to help mitigate the effect of their marginalization in the present globalised trade structure and enable them to maximize the benefits resulting from the multilateral trade liberalization process. We are committed to helping LDCs achieve the goal of securing effective market access through transparent and predictable rules of the multilateral trading system.
13. **We agree** on the urgent need to reform the international financial architecture, especially the International Financial Institutions (IFIs), to reflect the changing global situation. In this context, we emphasize the need for the effective voice and participation of developing countries, including in the quotas and voting rights in the IFIs. This would enhance the IFIs' accountability, legitimacy, credibility and effectiveness.
14. **We are** committed to multilateralism and to strengthening the democratic structure of the United Nations.
15. **We reaffirm** our commitment to further strengthen Africa-India cooperation at the United Nations, the G77 and in other multilateral fora with a view to addressing issues of common concern. There is need for urgent and comprehensive reform of the United Nations to enable it to more effectively deal with the challenges of today's world. We share the view that the United Nations should function in a more transparent, efficient and effective manner, and that the composition of its central organs must reflect contemporary realities. In particular, the expansion of the UN Security Council, in both permanent and non-permanent categories of membership, is central to the process of UN reform.
16. **India notes** the common African position and the aspirations of the African countries to get their rightful place in an expanded UN Security Council as new permanent members with full rights as contained in the Ezulwini Consensus. Africa takes note of India's position and its aspirations to become a permanent member with full rights in an expanded UN Security Council. We note the active and constructive engagement of both sides in the process of the reform of the United Nations. We agree to further strengthen cooperation between our two sides towards early realization of a genuine reform of the United Nations and its working methods, particularly revitalizing and

enhancing the role of the General Assembly and reform and expansion of the Security Council.

17. **We believe** that the security of all nations would be enhanced by the global, non-discriminatory and verifiable elimination of nuclear weapons and other weapons of mass destruction. We renew our commitment to the consensus attained in the Final Document of the Tenth Special Session of the General Assembly of the United Nations devoted to Disarmament whereby it was agreed that the first priority in disarmament negotiations is to be accorded to nuclear disarmament. We call for the negotiation of specific steps that would reduce and finally eliminate nuclear weapons, thereby leading to a world free from all weapons of mass destruction as envisaged in the Rajiv Gandhi Action Plan of 1988 and the Africa Nuclear Weapon-Free Zone Treaty (the Pelindaba Treaty) of 1995, as well as other relevant African and Indian regional initiatives.
18. **We unequivocally** condemn terrorism in all its forms and manifestations. An act of terrorism anywhere is a threat to the entire international community. We recognize the need to further strengthen international cooperation to combat global terrorism and for compliance of member states with all international terrorism conventions and related protocols, and the Security Council resolutions on counter-terrorism. We also agree to make concerted efforts towards expeditious finalization of a Comprehensive Convention on International Terrorism at the UN.
19. **We affirm** that cooperation between Africa and India has been, from its inception, a useful example of South-South cooperation. It has been our endeavour at this Summit to devise ways and means of enhancing this South-South partnership, taking into account the new capabilities that have emerged in Africa and India. Bearing this in mind, we have drawn up and adopted a Framework for Cooperation that would provide the avenue for further and dynamic development of the Africa-India partnership. African Leaders deeply appreciate the initiatives that have been announced at this Summit by the Prime Minister of the Republic of India, H.E. Dr. Manmohan Singh that would provide an input for the implementation of this Framework for Cooperation. We have agreed that Africa and India will strengthen not only their bilateral linkages, but that India will also progressively

strengthen its partnership with the African Union and the Regional Economic Communities of Africa.

20. **We have** also agreed that in addition to high level political exchanges between us in the bilateral, regional and multilateral contexts, Africa and India should meet every three years. We have accordingly, agreed that the next Africa-India Summit will be held in 2011 in Africa.
21. **Without prejudice** to India's on-going and future programmes at the bilateral, REC and other levels, we agree to develop jointly, within a period of one year, a joint plan of action at a continental level and an appropriate follow-up mechanism to implement our Framework for Cooperation.
22. **We, the Heads of State and Government and Heads of Delegation that are representing Africa** at this Summit would like to take this opportunity to thank the Government and people of India and, in particular, their Excellencies the President and Prime Minister of India for hosting this Forum Summit and for the warm reception and hospitality extended to us. This Forum Summit has further cemented the age old relationship between Africa and India, a relationship that has been of mutual benefit and is based on mutual trust, equality and solidarity.
23. **The Prime Minister of India**, on behalf of the Government and people of India, takes this opportunity to thank the participating Heads of State and Government and other Heads of Delegation from Africa for accepting the invitation to attend this Africa-India Forum Summit and for their most productive and useful suggestions to strengthen and re-invigorate the Africa-India partnership.

Issued at New Delhi on 9th April, 2008



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INDIA'S FOREIGN RELATIONS - 2008

510. Briefing points by Official Spokesperson on Government of India's assistance to the flood victims of Zambia, Mozambique and Malawi.

New Delhi, February 20, 2008.

- External Affairs Minister Shri Pranab Mukherjee has addressed his counterparts in Zambia, Mozambique and Malawi to express India's concern and sympathy on the death and destruction caused by the recent floods in the region.
- EAM has also announced emergency assistance of Rupees Ten million to each of these three countries. This gesture is intended to augment the relief and rehabilitation efforts of the governments in these countries.



511. Press Release of the Ministry of Commerce on the Conclave of the Confederation of Indian Industry and Export-Import Bank for closer engagement with Africa Project Partnership - 2008.

New Delhi, March 19, 2008.

Addressing the 4th CII-EXIM Conclave on India-Africa Project Partnership 2008, here today, Shri Kamal Nath, Union Minister of Commerce and Industry, has stressed that India keenly anticipates a deeper and closer engagement with Africa and is eager to work together for greater mutual prosperity. Agriculture and food processing are key sectors for cooperation, as both sides are prone to food shortages, lack of diversification in crops, and low agricultural productivity, he added. Dr. Ali Mohamed Shein, Vice President of the Republic of Tanzania, delivered the Special Address. The Conclave was also attended by senior officials from the Ministry of Commerce and Industry, representatives from Exim Bank of India, Confederation of Indian Industry (CII) and Federation of Indian Chamber of Commerce & Industry (FICCI).

Shri Kamal Nath said that India's strategic global engagements depend much on its strong relations with Africa and with a view to further strengthen

the relationship the first India-Africa Summit meeting will be held in New Delhi on 8th April, 2008. He further stated that the government also desires to forge a robust, effective and mutually beneficial economic relationship with Africa. He hoped that this Conclave will set the stage for a bilateral and multilateral trade agreements between India and countries as well as regional blocks like SACU, COMESA, SADC, EAC in Africa.

India's exports to Africa during 2006-07 stood at US \$ 8.4 billion, while imports aggregated US \$ 11.4 billion, having almost doubled since previous year. Exports to Africa are regionally diversified with East, Southern and West Africa accounting for US \$ 2.5-3 billion each. The Commerce Minister said that India needs to expand and diversify the import basket from the continent.

"Project partnership is a key in this effort. It will help strengthen local skill resources, expand infrastructure availability and lay the foundation for strong and sustainable economic cooperation between India and Africa. Our mutual goals of poverty alleviation, human development and economic growth can be addressed in part through project partnerships", Shri Kamal Nath said.

The 3-day (19-21 March, 2008) Conclave will be attended by the Ministers from Angola, Botswana, Burkina Faso, Chad, Comoros, Cote D'Ivoire, D.R. Congo, Republic of Congo, Djibouti, Ethiopia, Ghana, Madagascar, Malawi, Mali, Morocco, Niger, Nigeria, Senegal, South Africa, Swaziland, Sudan, Tanzania, Uganda, Zambia and Zimbabwe.

Earlier, Shri Kamal Nath had a bilateral meeting with Mr. Alhaji Aliu Mahama, Vice President of the Republic Ghana and discussed various matters pertaining to the bilateral trade and economic cooperation between the two countries. Mr. Joe Baidoe Ansah, Minister of Trade and Industry of Ghana was also present at the discussions.

In addition, Shri Kamal Nath had bilateral meetings with Botswana Minister of Trade and Industry, Mr. Daniel Neo Moroka; Mr. Ivohasina Razafimahefa, Minister of Economy, Commerce and Industry of Madagascar; and Mr. Felix C. Mutati, Minister of Commerce, Trade and Industry of Zambia. The Botswana Minister said that the quantity of trade between India and Botswana was not very significant, there has been steady growth in services sector. Exports from Botswana during 2005-06 and 2006-07 were US \$ 10.78 million and 10.87 million respectively and engineering goods and textiles are the main products.



512. Valedictory Address by External Affairs Minister Pranab Mukherjee at the 4th India-Africa Project Partnership Conclave.

New Delhi, March 21, 2008.

**Your Excellency, Honourable Vice President of the Republic of Ghana,
Mr. Alhaji Aliu Mahama;**

**Your Excellencies, Honourable Ministers from Africa, Ambassadors
and High Commissioners;**

Captains of trade and industry of India and Africa;

Distinguished guests, Ladies and Gentlemen;

It gives me immense pleasure to be present here today at the valedictory session of the 4th India-Africa Project Partnership Conclave organized by the Confederation of Indian Industry. Since the last such conclave held in Delhi in October 2006, there have been 6 equally successful regional conclaves, held in Lusaka, Addis Ababa and Accra in 2006, and in Kampala, Maputo and Abidjan in 2007. All of them have played an important role in bringing together our policy and business communities to greater mutual benefit. This is therefore an initiative to which we attach great importance and which enjoys the fullest support of my Ministry, the Ministry of Commerce & Industry and the EXIM Bank of India. I would like to place on record my deep appreciation for CII whose officials have been untiring in their efforts in organizing this event and the earlier nine conclaves.

I am also particularly delighted to have the opportunity of speaking at this conclave with Africa in the run up to next month's India Africa Forum Summit, which India will have the honour of hosting. I am confident that the Summit will give a renewed thrust to the centuries-old partnership between India and Africa. We are grateful to the Governments of Africa for their response to this initiative and I take this opportunity to thank them once again for their support.

Today, however, I would like to express my gratitude to Their Excellencies the Vice Presidents of Tanzania and Ghana for having taken the time to grace these proceedings with their presence and to share their wise counsel with us. My special thanks also go out to Their Excellencies the Ministers from more than thirty African nations, who have provided leadership to over 600 delegates from their countries. Thank you for traveling all the way to be with us. I understand that these conclaves have helped our

governments as well as public and private sectors to better understand and meet each others' aspirations and developmental needs and priorities. I trust all of you have found value in this ongoing partnership exercise to develop the trade and economic relationship between India and Africa.

Ladies and gentlemen,

India is fortunate to enjoy long-standing and warm links of brotherhood and affinity with the African continent. The waters of the Indian Ocean unite us. Indian traders and seafarers reached the shores of Africa centuries ago and made Africa their home. Our shared experience of colonialism and India's unstinting support in the African struggle against apartheid and colonialism helped us establish a close political relationship. Apart from our common civilizational heritage, we are united by common ideas, ideals and icons. Indeed, India and Africa are natural allies and we eagerly look forward to a comprehensive engagement with Africa, which has always enjoyed an important position in our foreign policy priorities.

Today, Africa is witnessing far reaching changes. In recognition of this, India and the countries of Africa have, for some time now, been in the process of providing a contemporary character to our relationship. The economic growth paradigm in Africa has altered with real GDP estimated to have grown by almost 6% and a large number of countries growing at an average rate of 5% over the years. Several countries have benefited from debt write-offs through the HIPC initiative and resultant improvements in credit ratings. Ideas of democracy and good governance are taking root. There is recognition that achievement of stability and peace are key for socio-economic development and that partnership amongst the Africans themselves is an imperative. Nevertheless, the international community's supportive role remains vital.

It is in this context that there is substantial scope for cooperation between Africa and India in order to help provide a better quality of life for the people of both nations. Both sides are home to a wealth of biodiversity, substantial natural resources and hard working populations. What we need is to identify areas of our core competence and match these with the economic and societal needs of a particular nation. Knowledge sharing, knowledge creation and knowledge dissemination must be a vital component of our cooperation.

I am gratified to note that India's trade with Africa has been increasing in recent years. Two-way trade has risen from 5 billion US dollars in 2001-02 to nearly 25 billion US dollars in 2006-07, a five-fold growth in as many

years, even though it does not include the import of gold bullion. Nevertheless, I am sure that all in this room share my belief that our trade flows are still to achieve their true potential. In order to do so, India has signed Trade Agreements with 29 countries in Africa. India and the Common Market for Eastern and Southern Africa (COMESA) have also decided to set up a Joint Working Group to study the possibilities of signing a Comprehensive Economic Cooperation Agreement (CECA). Negotiations are ongoing as well for a Preferential Trade Agreement with the Southern African Customs Union.

Let me take this opportunity to make what I think are four thematic points as we explore the way ahead for a new India-Africa partnership. First, for India, trade and investment go hand in hand. It is with this in mind that Indian companies are making robust investments in Africa in sectors ranging from horticulture and agriculture to power generation and mining. I take this opportunity to urge our African friends present here to encourage Indian industry even more in their efforts.

Second, as a continent, Africa is generating enormous demand for appropriate infrastructure technologies, products, engineering services and capacity building, especially for setting up manufacturing capabilities for local value addition as well as for generating employment. India has made strides in manufacturing and technology by pursuing a model of development that we believe is appropriate, affordable and relevant in the African context. We have offered the benefits of our experience to African countries and are committed to continue our support in areas of our strength, including human resource development and capacity building programmes. Africa is today the largest recipient of India's ITEC programme. We are extending and diversifying the programme to cater to special needs of individual countries and groups of nations. Projects such as the Pan African e-Network are an illustration of our genuine effort at sharing our progress in the knowledge sector and helping bridge the digital divide in Africa.

Third, India has, in recent years, extended many bilateral and regional lines of credit on concessional terms to the countries of Africa. These have been used mainly for developmental projects chosen by and in the interest of the recipient countries. We are in a position to do more in this field and our focus will be on fostering sustainable socio-economic development in our partner countries.

The fourth and last theme I want to touch upon is the fact that Africa has found merit in regional integration and is increasingly seeking to consolidate

its regional economic communities. India's engagement with African countries has in the past focused on bilateral engagement. Of late, however, we have also taken initiatives for establishing relationships with the regional economic communities. We have made progress with COMESA, SADC, ECOWAS and EAC and hope to make progress with ECCAS, IGAD and others. I see this as a most promising area for our larger cooperation.

Excellencies, ladies and gentlemen,

India has always had a vision and a message for the world. From the very beginning of our civilization, we have believed that humanity is a single family. We are committed to establishing ties of friendship and co-operation with all countries. Our ties with Africa are special and we will continue to work with Africa and the international community to create a better world - a world free of terror, poverty, disease, ignorance and inequality. In this context, I would like to highlight some aspects of the international situation that all of us are called upon to face.

Terrorism constitutes a grave threat to the civilized world. India believes that this is an evil that can only be combated by exercising zero tolerance for all kinds of terrorist violence and by significantly enhancing the levels of international cooperation in this area. India looks forward to enhancing its cooperation with African countries on this matter, both bilaterally and in various multilateral fora. The conclusion of a Comprehensive Convention on International Terrorism is important in this regard.

The reform of the United Nations remains high on our agenda and we seek the support of the African countries for overall reforms, including democratization and expansion of the UN Security Council in both permanent and non-permanent categories. India also attaches great importance to the Doha Round of trade negotiations currently underway and we seek the continued support of African countries to ensure that the vision of the Doha Round as a developmental round becomes a reality.

Climate change is another subject which figures increasingly in our discussions. Our commitment to solutions based on common but differentiated responsibility and respective capabilities remains steadfast. We seek a convergence of per capita GHG emissions between the developed and the developing world. Transfer of technologies at affordable prices is a key factor in this process.

Excellencies, Ladies and Gentlemen,

India is committed to work in partnership with Africa. May I, on behalf of the Indian delegates as well as my own behalf, thank you all for your presence here today and reassure you of our continuing commitment to the further development of India-Africa relations.

Thank you.

**513. Remarks by Dean of African Diplomatic Corps at the International Conference on "Africa-India Partnership in the 21st Century" at Indian Council of World Affairs.**

New Delhi, April 2, 2008.

Dear Excellencies,

Dear Mr. Nalin Surie, Secretary (West), Ministry of External Affairs,

Dear Mr. Ashok Kumar, Acting Director General, ICWA,

Dear Dr. Nagesh Kumar, Director General, RIS,

Dear Professor Rajen Harshe, President, African Studies Association, Members of Research and Information System for Developing Countries (RIS), and

African Studies Association of India (ASA), and

Distinguished Ladies and Gentlemen,

I feel greatly privileged to be invited for this prestigious International Conference on "Africa-India Partnership in the 21st Century". Therefore I would like to thank Indian Council of World Relations, Research and Information System for Developing Countries (RIS) and African Studies Association of India (ASA), for organizing this prestigious International Conference on "Africa-India Partnership in the 21st Century".

This particular topic being contemporary and due to its importance is a subject which will certainly be considered deeply, in the forthcoming India-

Africa Partnership Summit, scheduled just a few days ahead.

I feel honoured to stand before you this morning, to place few of my remarks at this inaugural session. It is indeed one of the greatest honours of my time in India, to stand before you today.

I invite the kind support and co-operation of all of us to strengthen the genuine and strategic partnership in the 21st Century, to achieve the common objective and mutual benefits in the front of combating poverty and promoting peace, stability and sustainable development in Africa and India.

As I have said many times earlier also, India and Africa have several profound reasons for strategic, balanced and responsible partnership in this 21st Century, of which I would like to mention just a few of them:

- 1) In the words of Late Pandit Jawaharlal Nehru, "though separated by the Indian Ocean; Africa is in a sense our next door neighbour".
- 2) The relationship between Africa and India dates back to thousands of years. Therefore India and Africa are not discovering each other now.
- 3) India and Africa are bound together by very long traditions of friendship and common historical struggle against the evils of colonialism, apartheid, racism and injustice of all sorts. This common historical background based on western colonialism and a successful achievement of independence is one of the great opportunities for strengthening the India-Africa genuine and strategic partnership in the 21st Century.
- 4) The other reason, for genuine and strategic partnership between India and Africa in this 21st Century is because India has become a significant player in the global economy. This rapid emergence of India in the global economy raises the demand for Africa's natural resources, which fortunately are available in the African Continent; need to be industrialized for a better contribution in sustainable development of the continent.

Excellencies, distinguished Ladies and Gentlemen,

It is in the above environment of profound reasons for genuine and strategic partnership in this 21st Century that India and Africa are keen to work together for better and greater representation in United Nations

Organizations and other International Forums, so as to have their voice in international decision making.

In the aforementioned context, India and Africa should work together to narrow the gap in view to bring Africa and India's position related to United Nations reforms particularly the expansion of the United Nations Security Council, much closer.

It is also in the above environment of strengthening the India-Africa Partnership in 21st Century that India has launched and successfully implemented number of initiatives to support various aspects of the continent's peace, stability and development efforts. Such efforts have been visible in the following among other areas:

- 1) Human Resources Development and Capacity Building: Many Africans are being trained in Indian Universities and other short term courses being conducted under the ICCR and ITEC scholarship schemes respectively. ITEC has been training more than 1000 beneficiaries per annum from the Sub-Saharan Africa since 1964.
- 2) India has launched many Lines of Credit to Africa to help its process of development.
- 3) India has announced the e-connectivity programme which will benefit 53 countries of the African Union to boost development in tele-education and tele-medicine.
- 4) India has supported the Peace keeping process in many countries in Africa.
- 5) India has provided technical assistance under South-South Co-operation.

All of Africa acknowledges these important initiatives of India in context to the Indo-Africa partnership.

Excellencies, distinguished Ladies and Gentlemen,

Although India and Africa share a robust relationship there are also the challenges to overcome to further strengthen the India-Africa Partnership in 21st Century so as to promote sustainable development in Africa.

Therefore, the strategic partnership between India and Africa in 21st Century

should bring solutions for the various issues which are included in the African Programme namely NEPAD (The New Partnership for Africa's Development). Some of these issues among others are as follows:

- 1) Raise the level of investments in human capital development in Africa;
- 2) Promote more capacity building, technology acquisitions as well as knowledge generation sharing and applications;
- 3) Acceleration of African Industrialization so as to add value to the huge African natural resources and get good, fair and competitive prices for the African goods;
- 4) Acceleration of development of infrastructure which will facilitate intra African trade and economic development in the continent;
- 5) Enhance economic co-operation, trade and improved market access for African products;
- 6) Sharing India's experience on green revolution for boosting agricultural products so as to combat hunger and disease in Africa. Combating hunger and disease in Africa are the key areas of strategic partnership in 21st Century so as to meet the first of the Millennium Development Goals, set by world leaders at the United Nations Summit 2000, which aims to reduce the proportion of the hungry people by half by 2015. This first of the Millennium Development Goals is facing a tough challenge in Africa.

Excellencies, distinguished Ladies and Gentlemen,

The challenges are enormous but possible to achieve, if we work together.

There are huge opportunities of investment in Africa. Determined to raise its share in the world trade the African countries are making significant changes in economic and social development. True transformation in the rural development: all inclusive health care, rapid growth in educational sector, rule of law; good governance as well as the democratic culture, are deepening their roots in African countries. We should try our level best to accelerate these economic and social developments through a strengthened India-Africa Partnership in this 21st Century.

Together we will succeed. As, together we were victorious yesterday against colonialism, apartheid, racism and injustice and today nothing will prevent India and Africa to succeed on strategic partnership in this 21st Century.

Let us interact and work together for a flourished, deep and everlasting partnership between Africa & India in this 21st Century, where African countries would provide opportunities for investment, trade and industrialization of their untapped natural resources and in turn India will share with Africa, its advanced technology and technical expertise, suitable for African countries.

Excellencies, and distinguished Ladies and Gentlemen,

Kindly allow me to thank you all once again for giving me this opportunity to place my remarks, at this inaugural session of prestigious International Conference on "Africa-India Partnership in the 21st Century".

I look forward for a bright future of a strong Indo-Africa Partnership in this 21st Century, and together we will make a difference.

Thank You and *Shukriya* for the valuable time you all have spared to attend this conference.



514. Inaugural Address by Secretary (West) Ministry of External Affairs Nalin Surie at the International Conference on "Africa-India Partnership in the 21st Century".

New Delhi, April 2, 2008.

On behalf of the Ministry of External Affairs, it gives me great pleasure to welcome you all to this International Conference¹ on "Africa-India Partnership in the 21st Century". At the very outset I would like to thank our distinguished Panelists from Africa who have traveled long distances to be with us here today. We are particularly grateful to them for having agreed to participate in this Conference at such a short notice. Our gratitude also to all the distinguished participants from India.

¹ The Conference of intellectuals from Africa and India was a precursor to the India-Africa Forum Summit which was organized at the initiative of the Indian Council of World Affairs (ICWA) in cooperation with the Research and Information System for Developing Countries (RIS) and African Studies Association of India (ASA).. Its theme was "Africa-India Partnership in the 21st Century". As the title suggested the conference focused on the future of India-Africa partnership and to spread seeds of ideas which produce in the fertile environment of resurging Africa and rising India, seedlings which nurtured through Africa-India partnership could bear fruits for mutual benefits. Besides the 12 scholars from Africa and 21 from India, a large number of experts who had either worked in Africa or had great interest in African affairs also participated. Welcoming the guests, Ashok Kumar, Acting Director General, ICWA referred to the age old relations between India and Africa and the long tradition of sea faring trade and the more recent experience of independence struggles of India and African countries. He said that India looked forward to a comprehensive engagement with Africa and expressed the hope that deliberations of the intellectuals would contribute to the shaping of Africa-India partnership in the 21st century. The Dean of African Diplomatic Missions in New Delhi H.E. Mr. Carlos Agostinho Do Rosario addressed the guests.

The deliberations of the Conference were divided into themes and discussed separately in various sessions:

I: Partnership for Economic Growth and Development

II: Partnership for Economic Growth and Development: Trends in Trade and Investment

III: Partnership for Economic Growth and Development: Technological Progress and Agricultural Cooperation.

IV: Partnership for Human Resource Development and Capacity Building.

V: Partnership for Energy and Sustainable Development

Among the highlights of the two day deliberations were the need to reinvigorate the programmes for human resource development and to explore the possibility of setting up training institutions in Africa with Indian collaborations. The example of Kofi Annan Centre of ICT in Ghana set up with Indian cooperation was mentioned. These institutions could be both in areas of skill development as well as tertiary education. African scholars emphasized the need to aggressively explore collaboration possibilities in the areas of pharmaceuticals, IT, agriculture, hydrocarbons and energy technologies of the future. Dr. Nagesh Kumar, Director General, RIS presented the highlights of the conference

I would also like to express our sincere appreciation to the African Studies Association of India, the Research and Information System for Developing Countries and to the Indian Council of World Affairs for putting together this very important meeting of intellectuals. Director General, ICWA, Mr. Ashok Kumar has been the driving force behind this Conference and my special thanks go to him.

This Conference is part of a series of outreach activities that are being held in India to feed into the India-Africa Forum Summit being held in New Delhi on 8-9 April, 2008. This is a standalone Summit that is intended to allow the leaders of India and select African countries, chosen by the African Union, to brainstorm and devise ways and means of taking forward the India-Africa Partnership in the light of the changed circumstances, both of India and of Africa. I must stress at the very outset that the India-Africa Partnership is not new. It is age old and has been continuously evolving. Our effort now is to take into account the very fundamental changes taking place in Africa; the development and growth of democratic processes and pluralism, the rapid economic growth rates, the processes of integration and the expressed desire to take charge of their own destiny. Similarly, there have been fundamental changes in India. We are now a rapidly growing economy. Our democracy continues to flourish and we are today more integrated in the world economy than before. Our ability to help each other is far greater today than ever in the past. Our effort, therefore, is to build on complementarities and synergies to mutual benefit.

Viewed from the above perspective, your deliberations assume especial importance. The agenda of your meetings is a most meaningful one. Our expectation is that the outcome of your deliberations will provide us in the government, new and creative ideas on how best to deepen and diversify our partnership. The subjects that you are addressing, namely trade and investment, technological progress, human resource development and capacity building, energy and sustainable development, are all crucial for ensuring inclusive and rapid growth. Your individual expertise and your hands on experiences will, no doubt, help contribute enormously to the discussions in this Conference.

discussions and Prof. Rajen Harshe, President of the African Studies Association of India proposed the vote of thanks.

The South African delegates Dr. Elisabeth Sidiropoulos, National Director of South African Institute of International Affairs, presented the Hon'ble Minister of State for External Affairs Shri Anand Sharma the Special Issue of the South African Journal of International Affairs on India in Africa.

The India-Africa Forum Summit next week will allow the political leadership of India to interact at the highest level with the countries of Africa that currently chair the eight regional economic communities of that continent, the founder members of NEPAD, the current and past country Presidents of the African Union and, of course, the Chairperson of the African Union Commission. This is a most representative group of countries and covers all major parts of the continent. It will enable us to better understand the problems and priorities of Africa today and to agree on how best we can enhance our engagement with Africa to meet the socio-economic development requirements of individual nations and of the regional economic communities. The intention is to adopt, at the end of the Summit, a Declaration of political principles and an Action Plan. You would be happy to know that the Action Plan that is being discussed will benefit enormously from the outcome of your deliberations for the areas of focus in that document are quite similar to the content of your discussions.

India's approach to its partnership with Africa has, from its inception, been based on the principles of equality, mutual respect and mutual benefit. Our effort has always been to cooperate with the countries of Africa, within the framework of our capabilities and experiences and to help meet the requirements of Africa's socio-economic development. We have, without any self interest, participated in major UN peacekeeping efforts in Africa to ensure that peace and stability is restored in areas where there has been conflict. Without peace and stability there can be no development.

As our own capabilities and resource base has grown, we have broadened the scope of our cooperative activities with the continent. More importantly, as India's private sector has grown and begun to operate outside India, they have found useful opportunities in many countries on the continent. So too the Indian public sector which, in fact, in many respects pioneered India's industrial and infrastructural outreach in many countries of Africa, including in the development of small and medium enterprises.

Distinguished participants, ladies and gentlemen,

The opportunities for India and Africa to work together, bilaterally, through the regional economic communities, through public-private partnerships, through direct joint ventures and straight forward investment are enormous. They cover sectors such as agriculture, SMEs, health, education, infrastructure, information technology and communications, automobiles and other transportation systems, manufacturing and development of

railways. The Lines of Credit that the Government of India has extended through the Exim Bank have opened the way for such greater engagement. There are risks involved but there is no life and profit without risk. It is the Government's policy to encourage Indian industry, Indian entrepreneurs, agriculture and service personnel to build new cooperative partnerships in Africa. We can, for instance, visualize a situation where we have joint ventures producing foodgrains, pulses and oil seeds for export to India, in addition to domestic use and export to other countries.

India is also keenly studying the processes of integration that are taking place in Africa. These not only have political implications but also have a very important economic dimension. We are also fully aware and are in harmony with Africa's desire for greater value addition of its produce within Africa. Our efforts at institutional capacity building have indeed been aimed at helping bring about such an outcome.

Ladies and Gentlemen,

India and Africa are inexorably linked. We have been and continue to be natural partners. We share a common vision of inclusive and equitable socio-economic growth for our people and a common world view. We stand together on critical issues such as the fight against terrorism, climate change, multilateral trade negotiations, UN reform and the reform of the International Financial Institutions. The Indian Ocean unites us. Africa is determined to find its true place in the international community. We stand by Africa in this endeavour and intend to be a close partner in its resurgence.

In conclusion, may I once again thank you for your patience in listening to me. I wish you success in your deliberations. We look forward to receiving the concrete outcome of this important Conference which will greatly help us in our ongoing efforts towards deepening and diversifying the India-Africa partnership and making it even more relevant in the coming decades.



515. Press Release of the Ministry of External Affairs on the India-Africa Editor's Conference.

New Delhi, April 3, 2008.

The India-Africa Editors' Conference was successfully held on Thursday, 3 April 2008 in New Delhi. Sub-titled Building Bridges, Connecting Cultures, the Conference was organized by the External Publicity Division of the Ministry of External Affairs and the Indo-Asian News Service. The Conference was aimed to enrich the media debate leading up to the India-Africa Forum Summit which will be held on 8-9 April 2008.

Senior editors from 12 African countries, Algeria, Burkina Faso, Congo, Ethiopia, Ghana, Kenya, Libya, Nigeria, Senegal, South Africa, Tanzania and Zambia participated in the Conference. Senior editors from Indian print media and influential journalists from the Indian audio-visual media participated from the Indian side. The Conference was structured under three broad themes:

- Trends in Media Growth: Creating Understanding and Linkages;
- Democracy, Accountability and Media; and
- Media and Challenges of Development.

The Conference was inaugurated by Shri Anand Sharma, Minister of State for External Affairs, who in his remarks recalled the long association between India and African nations, the central role of Gandhiji in this relationship and the emphasis laid by India on capacity-building and human resource development in her development cooperation with Africa. He stressed the importance of joint action between India and Africa in handling the four great challenges of the present day world - food security, energy security, health security and climate change.

The Valedictory Address of the Conference was delivered by Shri Pranab Mukherjee, Minister for External Affairs. He stated that both India and Africa, with high rates of growth and the huge potential of their economies, were ideal partners. He laid emphasis on the fact that Indian involvement in African economies had always been cost effective and had provided appropriate technologies; India's development assistance to African nations had taken a multi-pronged approach, with creative use of lines of credit and with the creation of assets in Africa and the establishment of high-tech

projects by India. He called upon the media of India and Africa to continue to play an important role in the political as well as socio-economic growth of their countries.

There were brief but in-depth presentations by several editors from the Indian and African side on the various themes. The discussions that followed were lively and informed. Many suggestions for further cooperation and more positive interaction between Indian and African mediapersons and media organizations emerged from the Conference. The Conference was felt to have been a most useful exercise in generating ideas and in building contacts between media professionals of India and Africa.



**516. Remarks by External Affairs Minister Pranab Mukherjee
at the Valedictory session of the India-Africa Editors'
Conference.**

New Delhi, April 3, 2008.

**Secretary, Shri Nalin Surie,
Distinguished Editors from Africa and India,**

Ladies and gentlemen,

It gives me great pleasure to be present here today at the Valedictory Session of the Editors' Conference of India and Africa. In a few days' time, India will host the India-Africa Forum Summit in Delhi. Your Conference today will, I am sure, prove to be a very useful element in the build-up to the Summit. All of you are, first and foremost, communicators and a meeting of minds between communicators from Africa and India is an essential step if we are to strengthen our mutual understanding and partnership.

"Building Bridges, Connecting Cultures" is the theme of your Conference and its importance is self-evident. The beautiful continent of Africa and our nation have had much in common in the past. We have both suffered under colonialism, which was characterized by exploitation and discrimination, and we have both emerged into the sunshine of freedom with the right to chart out our own destinies and the destinies of our peoples. This political legacy, its moral strength and the shared commitment to struggle against injustice, discrimination and exploitation of any kind remains a strong bond between us.

Two aspects of modern Indian have caught the attention of the world - one is our successful and unmatched democratic experiment, in which we have been able to give voice to a multi-religious, multi-ethnic and multilingual society. The second is the success story of our economy, which has been growing at a rate of 8 to 9%. Though we still have several challenges before us, both in the political as well in the socio-economic sectors, sixty years of independent decision-making have given us the confidence that we would be able to face these challenges successfully. In this context, African nations, with their own above average rates of growth and the huge potential of their economies, are ideal partners for India today.

Mahatma Gandhi, one of our most important and evocative links with the African continent, had stated: "Commerce between India and Africa will be of ideas and services, not of manufactured goods against raw materials after the fashion of western exploiters". Unquote. India's development assistance to African nations has a strong focus on empowerment of people through capacity building and connectivity. A multi-pronged approach has been adopted, which combines creative use of Lines of Credits with the deployment of Indian expertise to create assets in Africa and to establish high-tech projects. The development of local skills is part of all such projects. We have taken care that Indian involvement in the African economies should be cost effective and provide relevant and appropriate intermediate technologies. The spirit of partnership is further strengthened by the large number of trainees from several African nations, who have studied in India under the Indian Technical and Educational Cooperation Programme.

The possibilities of further cooperation, both economic and political, in the context of a multi-polar and globalised world, are enormous. The 54 countries of Africa and India continue to work together in international fora like the UN and WTO. We have common approaches to the challenges of global warming and climate change, HIV/ AIDS and other pandemics, as well as to global threats, such as terrorism.

Platforms like the Conference that you have all participated in today provide ample opportunity for a free discussion and exchange of ideas which can inform both our societies. I need not elaborate much on the role that an informed media can play in both the political as well as socio-economic growth of developing countries. The introduction of new ideas, the analysis of different trends, the protection and promotion of democracy, the encouragement of civil society and the exposure of corrupt practices are only some of the areas in which the media can play the lead role. I trust that

your exchanges at this conference have been useful in identifying some of the common approaches that the media of the 21st century, both in India and on the African continent, can adopt in meeting these challenges.

I would invite all of you to continue the process that has been started by this Conference and build linkages which can become self-sustaining and permanent. Once again, I would particularly thank the distinguished visitors who have come all the way from Africa for this Conference, and also the Indo-Asian News Service, which has partnered with the Ministry of External Affairs in putting together this Conference.

I thank you.



517. Address of Minister of State Anand Sharma at the India-Africa Editors' Conference.

New Delhi, April 3, 2008.

Mr. Navtej Sarna, Head of the External Publicity Division of the Ministry of External Affairs; my friend Mr. Tarun Basu, the CEO of India Abroad News Service; eminent Editors and journalists from Africa and India present here; friends:

I am very happy to be with you this morning to share some of my observations and at the same time to underscore the significance of the exchange that will take place between you all. Navtej was saying that over the years there has been a visible effort to make the Indian and the African media come together on platforms to share their experiences and also their views on the evolving situation regionally in Africa, in South Asia and in the world as such.

India and Africa do have a very special relationship, a relationship that is rooted in history, a relationship that has been time-tested, and a relationship which unfortunately - as Tarun was saying - does not get the due recognition and respect when it comes to the coverage that we find in the print and the electronic media. You all are in a profession and in a position to influence and shape public opinions. Therefore, informing the civil society at large about our respective experiences and the enormous significance of the engagement of Africa and India is important. Not informing would be a disservice not to ourselves but to our respective people.

It is important in my mind that while we talk of present we must remain connected with the shared experiences and struggles of the past which

have led to a deeper understanding between the political leadership and people of India and Africa. It will not be out of place to mention that in the last century both India and Africa, our respective people, were struggling to find our voice, our dignity, and struggling for our respective freedom. That was the period when our leaders forged a special bond.

It was Mahatma Gandhi, Mohandas Karamchand Gandhi, who had gone to South Africa as a lawyer. But the experiences there transformed him. He stayed on in South Africa for 22 years. The world knows him as Mahatma, a title which was given to him by India's Poet Laureate Rabindranath Tagore, but he became that in Africa when fought the discrimination, the humiliation of the people there only because of the colour of the skin, the denial, the deprivation which moved him deeply and he forged his tools of Satyagraha.

He returned to India and mobilized tens of millions of our people by the sheer force of his philosophy and the values that he espoused. But his philosophy of nonviolence - not passive resistance as it repeatedly gets mentioned but active opposition to injustice and discrimination - gave voice to the millions of our people and they were able to stand up to challenge and vanquish the mightiest empire of that time.

We may have left the last century behind. But we must not forget how we have arrived in the 21st century carrying some of those memories and at the same time much of the burden that was there both in Africa, in Asia and in India. It was the same Gandhi who had said after India's Independence that India's freedom will be incomplete as long as Africa remains in bondage. These were powerful words.

Equally strong was the commitment of Jawaharlal Nehru, India's first Prime Minister and architect of modern India, the author of India's foreign policy and engagement with the world where the emphasis clearly was on understanding and unity of the countries of Asia, Africa and Latin America, countries which are called the third world countries, the poor countries, countries which were denied access to modern tools of development, countries which were robbed of their resources, continents which had missed the Industrial Revolution.

You all know about the journey of a few decades, but important decades, of the last century when the developing world found not only a common cause but also a common voice which was articulated in the multilateral forums understood sometimes - misunderstood and misinterpreted most of the times

- by the entrenched vested interests and those who could not reconcile to the emergence of Asia, Africa, not to mention the potential that we have.

We have to, therefore, reflect in the contemporary context where we stand and what we can do together. It will be important to do so because Africa and India together account for one-third of humanity. India in the last 60 years has achieved many milestones in its quest for development and the economic and social empowerment of its people. That is exactly what Africa is seeking to achieve and that is all that Gandhi had stood for.

I have come back to Gandhi because I feel it is important, because Gandhi talked of poverty and hunger. He talked of education; he talked of empowerment of the people; he did talk of environment and models of development which would be in harmony and should be in harmony with the nature and environment. In the 21st century the world is grappling with all these issues. I often wonder that he was a visionary who could recognize these pitfalls and the problems a century before the others. All the wise people in the world are today commenting and writing. You look at the cover of the Time magazine, you look at the Newsweek, you switch on the CNN, BBC - I am not talking of today, last few months - there are stories, there are expressions of concern, the looming disaster because of the climate change and the other attendant issues and problems. That is where I feel Africa and India together have much to contribute. That is because in our own experiences of development we have been confronted by some of these very challenges. We have overcome some; we yet have to address others.

At the same time the credit goes to our leaders, also the people, the creative people in the different fields, whether our scientists, our farmers, the workers who are toiling in industry, who had the determination not to be overwhelmed by these challenges but to confront them. They are experiences. India has expertise in many fields not only in the development of our agriculture sector, the villages or the small and medium enterprises, but also what is called the high end of technology.

As I said, when we have shared experiences of the past we have shared concern for the present together. We still have the problem of abject poverty and hunger. India today is one of the fastest growing economies in the world. In Africa also many countries have registered impressive growth rates. There are robust economies developing in Africa. Democracy is taking firm roots. African leaders have come together to work for regional integration. But at the same time in my country if we have the largest middle class in the

world by global standards - without quarrelling with the statistics or the figures which are given to me on this and on many other issues - even if we say it is 22 per cent of our people living in poverty, and as has become globally fashionable those who survive on less than a dollar a day, it is still more than 230 million people.

In case of Africa, it is over 40 per cent of the population. So, it is a huge challenge. But Africa is also a resource-rich continent, a continent which is rich in every respect, its history, its song, its music, the people are vibrant, its rich biodiversity, the forests in Africa, and the enormous resources. Minerals, metals, hydrocarbons, there is nothing which the world looks for which Africa does not have. That is why I made a comment a few months ago while delivering a lecture in London that it is the tragedy of our times that a continent which is so rich in resources is also seeped in abject poverty. This is because of the exploitation of the past. That is exactly the reason I feel, and we in India do feel, strongly that Africa and India have to come together, step forward and make not only our presence felt, that is felt and acknowledged, but make our own contribution in the 21st century by ensuring that we access technologies and also see that our people benefit from the fruits of development.

India is willing and happy to share more than what we have been doing in the last almost five decades, our own experiences of development, our technology. We have been sharing even the meager resources that we had in the 1960s when we were confronted with monumental challenges of development and dealing with this issue of poverty and hunger. That is where Africa and India come together as partners, partners in development.

I, like all of you, read in the magazines and in the newspapers - it is not that I have to wait for days or weeks together, the frequency is increasing - if I have to politely put it, inadequately informed analyses, reports and writings that India is also trying to engage with Africa like China is doing because of Africa's resources, like Europe is doing, India is also trying to catch up. There is nothing which would have pained me more. I pity those who have such little knowledge and are making such patronizing and sweeping comments. Our engagement, as I said, is ancient, it is over millennia. We understand each other. We feel for each other.

India is not embarking on a new journey to discover Africa and that should

be made clear both by the media in Africa and by our distinguished Editors and representatives of media in this country. If you look at what I said about the 1960s - we were not a rich country, we are not even today - but we were sharing. Tens of thousands of students from Africa come here to study, take their professional degrees and go back. Many of them have occupied important positions in Africa, they continue to. Many of them are Heads of States, Heads of Governments, Heads of important institutions. If there is one singular contribution which India has done, that is the ITEC programme and the scholarship schemes.

The focus of India has been, and I must emphasize shall continue to be, on capacity-building and human resource development in Africa. That is the first priority for my country. If you look at it, it is increasing now. There are more friends from Africa who come not only to study but there are batches which come for dedicated courses in capacity-building. The field is vast and I am sure that it is going to expand further. But in addition to that there are other areas where we have identified to work together. They are health and food security, agriculture, infrastructure development, energy, and climate change.

At the same time, when I refer to capacity-building let me also quickly mention about one recent engagement. In the last 25 years, or two decades to be precise, our people have done us proud by ensuring that India leapfrogged to a leadership position in the field of information technology. A few years ago, our then President while traveling in Africa had made this offer to gift Africa with a project, a dedicated satellite, to bridge the digital divide. The Pan-African E-Network Project today has taken off. It is operational. The hub from Senegal will soon be operational. I see our friends from Senegal here. Already 29 countries have been linked. It is a revolutionary leap in tele-education and tele-medicine, linking leading universities of Africa with the leading universities of India, linking hospitals in Africa with super-specialty hospitals in India. Nothing of that is known or reported except that when your leaders will be coming as our honoured guests in few days it is being referred to as both of us Africa and India struggling to catch up.

This Partnership Forum Summit which is taking place is not something which has happened abruptly. It was in 2006 that we first proposed to be precise in February, 2006, when I in my humble capacity had suggested to my Prime Minister that we must take steps to institutionalize India's engagement

with Africa. But we wanted to do it guided by Africa, the leaders of Africa and it is through the Africa Union that we were able to take this process forward.

It is a Forum Summit and the leadership from Africa has been pre-selected by the African leadership, by the Africa Union. We have the five founding members of NEPAD along with Ethiopia, which is the Implementation Committee Chair; and all the eight regional organizations, because India is engaging with Africa and with all the regional and sub-regional organizations, we already are engaged; and also the current Chair of Africa Union, the President of Tanzania; and the immediate past Chair the President of Ghana. From Algeria we will have the honour of receiving the elder statesman from Africa President Bouteflika. Same is the case with Burkina Faso, Congo, Ethiopia, Ghana, the Prime Minister is coming. From Libya, of course, we do have a senior Minister leading the delegation. Nigeria, Senegal, South Africa, Zambia, all of your leaders will be here. We do hope that together they will be able to address these issues that I was referring to, and give a new hope to our people.

Before I conclude, I may mention - and if I do not I will not be doing my duty properly - that when we are together on partnership and sharing of experiences, the four things which I did briefly mention - the food security, health security, energy security and climate change - are deeply linked. We cannot address one by ignoring the other three. We cannot decouple them. Food security definitely is linked with the health security, the malnourishment of the people. How many women and children die both in Africa and India and in other developing countries!

For health security, again when we look at the pandemics of today these are transnational challenges - not only HIV AIDS but tuberculosis, malaria - they are not confined to one region. It has been a mistake, if I may say, of the developed world to think that these are problems only of the poor countries. It is clear that they have a cascading effect.

When we look at the energy security, it is not only the fossil reserves, the hydrocarbons, the renewables, but in the quest of energy security the run for bio-fuels, particularly the diversion of food grains, and we have been cautioning for quite some time that this is an area which should be very carefully looked into. Now we know that the food prices have been pushed up. There is food scarcity. It is not only the soya or the corn. Whether the diversion that has taken place has brought about energy

security or not, definitely it has severely undermined food security. And we have woken up when this has become a serious challenge of our times.

So, all these four issues have to be addressed together. I think the developing countries, India and Africa, have the capacity to do so. Our people deserve a better future. We do share a dream that we will overcome the burdens of the past and together write a new chapter of rising Africa and resurgent India.

Thank you.



518. Keynote Address by Secretary of the Ministry of External Affairs Nalin Surie at the International Conference organized by the Institute of Defence Studies and Analysis: "Africa and Energy Security: Global Issues, Local Responses".

New Delhi, June 23, 2008.

Ladies & Gentlemen,

Thank you for inviting me to address this conference on "Africa and Energy Security". To begin with, I would like to congratulate IDSA and PRIO for taking this initiative. The issue of energy security and, of late, food security, have come to the fore of the international agenda. They have also inextricably got linked to the broader issue of climate change. It is, therefore, my hope that during your discussions you would look at this composite picture.

The India-Africa relationship is civilizational and time tested. The most recent manifestation of that relationship was the India-Africa Forum Summit held in April this year in New Delhi. We had the privilege to have with us a very representative group of African Heads of State and Government and other leaders selected by Africa itself. On that occasion, the Prime Minister of India clearly spelt out India's philosophy towards cooperation with Africa. He stated, and I quote, "it is our (India's) intention to become a close partner in Africa's resurgence." You would all have seen the Delhi Declaration and the Framework for Cooperation that were issued at the end of the India-Africa Forum Summit.

The Framework for Cooperation speaks specifically of cooperation in the field of exploration and exploitation of natural resources as well as value addition and creation of an enabling environment for investment and development of renewable and non-renewable energy sources.

The African continent is nearly ten times the size of India. Its countries range from the very large such as Sudan to tiny island states such as Seychelles. It encompasses the entire geographical spectrum ranging from deserts to tropical forests and mountains. It is in effect a huge island and a continent that is rich in natural resources, bio-diversity, water resources and has the advantage of a relatively small population but very large areas of land which are cultivatable. Indeed, if experts are to be believed, Africa on its own, can potentially feed the world's population. The continent already meets a very important and growing proportion of the international community's requirements of natural resources, including hydro-carbons.

'Energy Security' has correctly been titled by this conference as a global issue. It is pertinent, however, to recall that this has been a topical issue for the international community for many decades. Some would argue that that has been the case also for many centuries now. The difference now is that the price of crude oil has gone up so sharply and shows little sign of reversal, that the issue has assumed overriding importance in today's increasingly globalized world. The importance of hydrocarbons has become greater in some respect because of climate change considerations and the inability of the world community to develop technologies that can effectively and economically exploit new and renewable forms of energy. This state of affairs has also given a new lease of life to the development of nuclear power which had become less popular in recent decades following, in particular, the unfortunate accident at Chernobyl. Thermal power, the other mainstay of the world economy, has its own limitations because of the associated pollution and the as yet inadequate development of cost efficient clean coal technologies.

In addressing the issue of energy security in today's context, it is particularly important that we focus on the extremely negative impact that high energy prices are having on developing countries. Large and rapidly developing countries like India are beginning to feel the huge burden of this price rise. It is never easy to transfer high prices to consumers in democratic countries but this has now become inescapable. The impact on the smaller and more

vulnerable developing countries, including those in Africa that do not have the benefit of hydrocarbon resources, is even more dramatic and could perhaps be devastating unless corrective action is taken in the near future. Unfortunately, the energy crisis has been compounded by the current food crises and this has made small and vulnerable economies all over the world and, in Africa in particular, face a huge double disability.

It is important also to bear in mind that not all of Africa is hydrocarbon rich. You cannot paint Africa with one colour. It is a huge continent. Its countries are diverse and have varying strengths and abilities to meet the current disabilities which they have to cope with. It is imperative, therefore, that the positive effects of globalization are brought to bear on these countries and the negative effects mitigated to the maximum extent feasible.

It is from the above perspective that we would view your discussions and it is in that context that local responses become that much more important. The international community must assist and cooperate with the individual countries of Africa to meet the requirements that pertain to their particular situation.

I referred earlier to the need for greater cooperation with Africa in the development of new and renewable forms of energy. Like in other parts of the world, the most promising areas appear to be wind and solar energy, although technological developments in the latter sector still do not permit extensive use of solar energy at an affordable price.

The other areas of promise are in respect of bio-fuel and bio-diesel. There are major opportunities to collaborate with Africa in the production of bio-fuel and bio-diesel. Like elsewhere in the world, however, all such efforts will have to ensure that the land used for bio-fuel and bio-diesel production is not at the cost of enhanced production of food and other non-food crops and does not lead to the diversion of fertile and potentially fertile land. It is also essential to ensure that the bio-diversity in Africa is not adversely affected.

In addition to hydrocarbons and bio-fuels, some countries of Africa are also home to large deposits of coal. Opportunities for exploitation of these resources are being discussed by different countries and multinational corporations with the concerned governments of Africa. This is a promising area of cooperation where again it is essential to ensure that collaborative arrangements drawn up are not exploitative, bring about transfer of clean technologies and generate local employment. In short, Africa's contribution

to the energy security of other countries must lead to sustainable development in Africa.

Ladies & Gentlemen,

Africa is rich in energy potential yet, the continent is currently deficient in energy use. This factor will also need to be borne in mind in your deliberations.

You would have noted that in my remarks I have spoken of energy in terms broader than simply referring to hydrocarbons. I believe it is necessary to do so for too narrow a focus would not be appropriate, especially if you look at the diversity of Africa and its own rapidly growing energy needs. It is necessary to look at the issue from the perspective of African countries. Earnings from the sale of energy resources are undoubtedly important to help finance the socio-economic development plans of countries that have such resources. At the same time, the domestic developmental requirements of these countries, including for energy, are growing. They will, therefore, have to find an appropriate balance between what quantities of energy they need to retain and what is exportable. There are already signals from some hydrocarbon producers in Africa that their supplies are committed to export abroad and as a result they have inadequate supplies for their own developmental and value addition requirements.

Further, Africa's own domestic requirements will grow both nationally and within the continent. As Africa integrates further, there will no doubt be pressure on the major producers to give priority to share their energy resources with the other countries of Africa. In any forward planning such considerations would have to be factored in.

Ladies & Gentlemen,

India's approach to Africa has long been crafted on the above premise. Our approach to the partnership with Africa has, from its inception, been based on the principles of equality, mutual respect and mutual benefit. Our effort has always been to cooperate with the countries of Africa, within the framework of our capabilities and experiences and to help meet the requirements of Africa's socio-economic development. We have, without any self interest, participated in major UN peacekeeping efforts in Africa to ensure that peace and stability is restored in areas where there has been conflict. Without peace and stability there can be no development.

As our capabilities and resource base has grown, we have broadened the

scope of our cooperative activities with the continent. More importantly, as India's private sector has grown and begun to operate outside India, they have found useful opportunities in many countries on the continent. So too the Indian public sector which, in fact, in many respects pioneered India's industrial and infrastructural outreach in many countries of Africa, including in the development of small and medium enterprises.

Similarly, India's engagement with Africa in the energy sector is not one sided and our approach has always been to attempt to involve ourselves in a holistic fashion so that while our needs are met, equally, the developmental needs of our partners are also fully met. It is with this objective in mind that we have consistently impressed upon Indian companies both in the private and public sectors to participate not simply in the production of oil and natural gas but to invest in the development of infrastructure and downstream industries as also related industries such as fertilizers, generation of power etc.

Our growing partnership with the countries of Africa in the hydrocarbon sector is part of our conscious policy to develop South-South cooperation. As we strengthen our cooperation in a more broad based fashion, we will find that our synergies will increase and our ability to chart our own destinies more effectively will also be enhanced.

I have spoken longer than I had intended and have taken the liberty of raising several issues for your consideration. I trust you would find these pertinent to your discussions.

Thank you for your patience and attention.



519. Valedictory Address by Minister of State Anand Sharma at the International Conference organized by the Institute of Defence Studies and Analysis: "Africa and Energy Security: Global Issues, Local Responses".

New Delhi, June 24, 2008.

Ladies and Gentlemen,

It is a matter of great privilege to be here before this august gathering today to share my thoughts on an issue of significant global importance.

India's engagement with Africa is historical and we have civilisational links. We were at forefront of liberation struggles in Africa even while we struggled for our own independence. In the 60s and 70s we have held in admiration African stalwarts like Nkrumah, Nasser and Nyerere. Mahatma Gandhi is a shared national hero and icon for India and South Africa. We provided moral, material and humanitarian assistance in Namibia, Angola, Zimbabwe and Mozambique. The principles of Afro-Asian solidarity were articulated way back in the Bandung Conference in 1955 by our Prime Minister Pandit Jawaharlal Nehru and the African leadership, which later became the bedrock of the Non-aligned Movement.

The 21st century world is an increasingly globalised and interdependent world. The last decade has thrown up major global challenges which are trans-national in character and require a concerted global response for effective resolution. Amongst the most pressing contemporary challenges faced by all of us is the trinity of food security, energy security and climate change. These are intertwined and our responses to each of them have a bearing on the other.

As nations witness rapid economic growth, the demands on energy grow exponentially. While the demand for energy has a global spread, the availability of energy resources is highly skewed. The industrial revolution had increased the dependence of the world on the use of coal which was later supplemented by oil and gas. In our rapid pursuit of development, we overlooked the fact that these resources are non-replenishable and scarce. Mindless and continuous exploitation of these resources has created a situation where the demand and supply gap has widened beyond imagination. Today we are confronted with a situation where the crude oil prices are threatening to touch US\$ 150 a barrel, which is a five-fold increase in less than 4 years. The recent meet of the OPEC countries in Jeddah is

a testimony to the gravity of the crisis confronting the world. This has an adverse impact on economies across the world and is causing acute inflationary pressures and is impeding growth.

The quest for alternatives has impelled nations to look for innovative solutions. However, it is a matter of grave concern that countries have resorted to mindless diversion of cereals and edibles for production of bio-fuels. Never before in human history have we seen a situation where food is being diverted for fuel. In the recent Rome Summit it was highlighted that nearly 100 million tonnes of cereal has been diverted from human consumption to satisfy the thirst of fuel for vehicles. There cannot be a bigger tragedy for the 21st century world where millions are suffering from hunger and malnutrition that we have resorted to such myopic and unsustainable policies.

We also need to place our policy regime of energy security in the larger perspective of environmental sustainability. It is now borne out by strong empirical evidence that the unsustainable consumption patterns followed by the developed nations have created the colossal challenge of climate change. The challenge is real and warrants an immediate response. So while all of us in the developing world chart our respective courses for rapid economic growth, we need to be mindful of its impact on environment.

Africa has the gift of nature and is endowed with huge mineral reserves and unparalleled bio-diversity. A continent of 900 million which has 60 per cent of world diamonds, 40 per cent of phosphate, 99 per cent chromium and 85 per cent platinum is truly a rich continent. It has proven oil reserves of nearly 16 million MTS and huge gas reserves. It has been projected that Africa would add 38 per cent to global oil contributing a further four million barrels of oil per day by 2010. Nigeria, Angola and Algeria have huge prospects. Apart from oil, Africa has a huge potential for LNG and it produces over 50,000 MT per year.

Our relationship with Africa has always been imbued with a spirit of partnership and equality. We recently convened the first India-Africa Forum Summit in partnership with the African Union to institutionalize our historic linkages. The Summit adopted the Delhi Declaration which provides a blue print of a shared political vision and world view, which is guided by a commitment to deepen the process of African integration while recognizing the diversities within various regions of Africa. The framework of cooperation adopted at the Summit outlines the priority areas of future engagement

which range from capacity building, agricultural infrastructure development, health and food security, energy security and technology cooperation.

The India-Africa Hydro-carbon Conference was held in November 2007 which provided a platform of interface between Government and private sector. We seek to forge a long term developmental partnership with mutual benefit while sharing our experience, capacity and technology in the energy sector. We have always believed in building local capacities and ensuring technology transfers. India can have a robust partnership especially in the area of research and development, human resources development and managerial best practices. Indian corporates have made strategic investments in Africa and the OVL has huge presence in Sudan, Ivory Coast, Libya, Egypt, Nigeria, and Nigeria, Nigeria-Sao Tome Principe Joint Development Area and Gabon.

Africa provides a reliable alternative of sustained fuel supplies to a world confronted with huge shortages.

I would like to mention that our cooperation in energy need not be confined to hydro-carbons alone. India has gained tremendous expertise over the years in developing its renewable energy program and we are the fourth largest wind energy producers in the world. We have acquired technology and capacities in solar photo voltaic, bio-fuels and hydro power. Our nuclear energy programme is totally indigenous and comparable to the best in the world. We would be happy to share our experience and technologies with our friends in Africa across the entire energy spectrum to ensure robust partnership.

I believe that Asia and Africa are at the cusp of a renaissance and collectively we shall have a major say in the emerging world order. I am sure that our time tested ties shall be transformed into vibrant economic partnerships in the years to come.



520. Address by Minister of State Shri Anand Sharma at the High Level Meeting on Africa's Development Needs at the United Nations.

New York , September 22, 2008.

Excellency President Abdoulaye Wade of Senegal,

Excellency Prime Minister Ralph Gonsalves of Saint Vincent and the Grenadines,

Excellencies, Ladies and Gentlemen.

India and Africa have a unique and special bond based on shared experiences and civilisational links. Over centuries, vibrant cultural and economic exchanges have marked the relations between India and Africa which were interrupted by colonization. Decolonization and emergence of free countries in Asia and Africa restored this engagement, bringing India and Africa together to address the challenges of social and economic development and poverty eradication.

We have a long-standing, close and multi-layered relationship with Africa based on our abiding commitment to work with the continent to fulfill its aspirations. Our partnership encompasses priority sectors integral to the developmental goals of Africa in the 21st century. A vibrant India and a resurgent Africa are witnessing an intensification of relations and growing convergence of interests in their common quest for sustainable economic growth and development.

India has always been committed to elevate its special engagement with Africa into an enduring partnership by developing an institutional mechanism for India-Africa dialogue. The first-ever India Africa Partnership Forum Summit held in New Delhi in April 2008 was convened in partnership with the African Union. It is the African Union which worked with us in choosing the participants and in defining the roadmap of Africa-India cooperation in accordance with Africa's priorities. The Delhi Declaration and the Africa-India Framework for Cooperation adopted at the Summit highlight our shared political vision and world view and provide a solid foundation for a systematic and stepped-up engagement in the years to come.

The vision of the Delhi Declaration is based on equality and mutual respect. The Framework of Cooperation, adopted at the Summit, outlines the priority areas of our future engagement. These are in line with the priorities of the

continent and include capacity-building, agriculture, infrastructure development, health and food security and technology cooperation. Our Prime Minister also announced the enhancement of the available concessional Lines of Credit for Africa to US\$ 5 billion. India sincerely aspires for a long-term partnership with Africa and is therefore investing in building economic infrastructure including railways, IT, telecom and power.

India has made a unilateral announcement of duty free and quota free market access to goods from 34 Least Developed Countries in Africa. This will spur economic activity in manufacturing, particularly for African SMEs, by allowing them enhanced market access to one of the fastest-growing economies in the world.

At the India Africa Partnership Forum Summit, India and Africa also decided to work together on pressing global issues of shared interests and concerns. These include climate change, WTO issues, reform and democratization of international institutions, the fight against terrorism, combating diseases, eradication of hunger and poverty and promotion of pluralism and democracy.

For many decades, capacity building in human resource development in Africa has been an area of priority. In 1964, India launched the Indian Technical and Economic Cooperation (ITEC) Programme. It was at a time when we ourselves were faced with acute scarcity of resources and colossal economic challenges. The ITEC programme has benefited thousands of students from Africa who came to study in professional institutions under Indian scholarship schemes. This programme is in the true spirit of South-South cooperation. Over 15000 African students are currently studying in Indian universities and colleges. India will over the next five to six years, undertake, on a grant basis, projects in critical areas focusing on education, science, IT, agriculture and renewable energy. India has offered a substantially higher number of training slots and has also doubled long-term scholarships. We have allocated half a billion dollars for this purpose.

The pan-African e-network project is a shining example of India-Africa partnership. India has gifted a dedicated satellite for e-connectivity in sub Saharan Africa to help bridge the digital divide. This project is fully financed by the Government of India and was launched from Addis Ababa with a satellite hub in Dakar. It is linking major universities in different regions of Africa with major Indian universities and centers of excellence in India and major hospitals in Africa with super-specialty hospitals in India. Thirty countries have already joined this Project to provide quality tele-education and tele-medicine.

Distinguished co-chairs,

We feel that the time has come when our age old political ties will mature into a vibrant economic partnership. India's FOCUS AFRICA policy, launched in 2002, which targeted seven countries, has yielded visible results. Our bilateral trade with Africa has grown manifold and reached a level of USD 31 billion in 2006-07 up from USD 3 billion in 2000-01 and is expected to reach a level of USD 35 billion in the current year. The Indian private sector's initiative and investments in Africa in core sectors, in particular in agriculture, pharmaceuticals, IT and health, complement India's commitment. Through this, it is enabling and empowering young local men and women in Africa.

It is a matter of satisfaction that many countries in Africa have been registering robust economic growth. There is greater stability and democracy has taken firm roots. The endeavours of the AU towards the regional economic integration and for building Pan- African institutions are truly commendable. While supporting the efforts of African countries to meet the Millennium Development Goals, it is an imperative that the industrialized countries honour the commitments already made to transfer better resources and technology.

I would like to conclude, Distinguished co-chairs, by reiterating India's commitment to continue to work closely with the countries in Africa to meet the diverse challenges that they face, to achieve the developmental targets and fulfill the aspirations of the people of Africa.

Thank You



ALGERIA

521. Statement by Official Spokesperson on Terrorist Attack in Algeria.

New Delhi, August 21, 2008.

We strongly condemn the repugnant act of terrorism that took place in the Algerian town of Issers¹ on Tuesday, August 19. The terrorist attack, killing dozens of people clearly exposes the grave threat that terrorism presents to the security of nations. No cause, no grievance, can ever justify acts of terrorism. Terrorism in any form cannot be tolerated.

We stand with friendly Algeria, in this hour of their grief and in their fight against new threats of extremism and terrorism. We reiterate our stand that the international community should cooperate closely to counter terrorism with resolve and resilience.



CONGO

522. Agreement between the Government of the Republic of India and the Government of the Democratic Republic of Congo for the establishment of the Indo-Congolese Joint Commission for Political, Economical, Scientific, Technical and Socio-cultural Cooperation.

New Delhi, March 12, 2008

The Government of the **Republic of India** and the Government of the **Democratic Republic of Congo** (hereinafter referred to as the Contracting Parties);

Desiring to strengthen and consolidate the friendly relations already existing between the two countries; and

Wishing to promote and reinforce political, economical, scientific, technical

1. The Spokesman was referring to a suicide car bombing in front of a police school near Algiers that killed more than 40 people and injured dozens.

and socio-cultural cooperation based on the principle of equality and mutual benefit on a long term and permanent basis; and

Being aware of the necessity to create a joint body that will follow up the execution and the evolution of Accords of cooperation between the two countries;

Have agreed to the following:

Article - 1

The contracting parties hereby agree to form a Joint Commission for political, economical, scientific and socio-cultural cooperation.

Article - 2

The contracting parties shall determine the composition for their respective delegations for the meeting of the Joint Commission.

Article - 3

Objectives and Functions

1. The Commission shall be responsible for:

- (a) the promotion and reinforcement of cooperation between the Contracting Parties in the political, economic, scientific, technical and socio-cultural fields;
- b) the identification of the bilateral programme of cooperation in order to encourage and promote the development of the Republic of India and the Democratic Republic of Congo;
- c) the planning and the implementation of the programme as determined.
2. The Joint Commission may through mutual agreement, set up working groups and committees to discuss specific issues of bilateral cooperation.
3. The Joint Commission shall propose to the two Governments the necessary agreements in order to put into practice the cooperation between them.
4. The Commission may review these agreements and make recommendations to the two Governments from time to time in the

light of new needs arising out of practical experience and may resolve any problems that may arise from such agreements and recommendations.

Article - 4
Meetings, Venues and Procedures

1. The Commission shall convene for meeting at least once in two years, on agreed dates. On request of either contracting party, special meeting of the Commission may be convened, and will be held in the country who requests it.

The proposed agenda will be submitted by the requesting party to the other party at least two months prior to the meeting.

2. The meeting of the Commission shall be held alternately in the two countries and shall be chaired by the country hosting the meeting.
3. The Commission shall have the power to determine its own procedure.
4. Decisions and conclusions of the Commission shall be placed on the record and be embodied according to the nature of their contents in accords, protocols or exchange of letters.

Article - 5

Any disagreement regarding the implementation of this agreement shall be amicably settled through diplomatic channels.

Article - 6

1. The agreement shall enter into force on the date of its signature and shall be valid for a period of five years.
2. This agreement shall automatically extend for an additional period of five years unless either of the Contracting Parties notifies the other in writing of its intention to terminate it six months prior to its expiration.
3. At the termination of this agreement or its provisions, the provision of any separate protocol, accord, separate contract or agreement

made in that respect, shall continue to govern any unexpected bond, existing obligation or project assumed or commenced thereunder.

In witness whereof the undersigned, being duly authorized thereto by their respective Governments, have signed the present Agreement.

Done at New Delhi this 12th day of March, Two Thousand and Eight in three originals each in English, French and Hindi, the texts being equally authentic. In case of doubt, the English as well as the French texts shall prevail.

For the Government of the
Republic of India

For the Government of the
Democratic Republic of Congo

Mr. Pranab Mukherjee
Minister of External Affairs

Mr. Antipas Mbusa Nyamwisi,
Minister of Foreign Affairs and
International Cooperation



EGYPT

523. Extradition Treaty Between the Government of the Republic of India and the Government of the Arab Republic of Egypt.

New Delhi, November 18, 2008.

The Government of the Republic of India and the Government of the Arab Republic of Egypt;

Desiring to make more effective the cooperation of the two countries in the suppression of crime by making further provision for the reciprocal extradition of offenders;

Recognizing that concrete steps are necessary to combat terrorism;

Have agreed as follows:

ARTICLE 1

OBLIGATION TO EXTRADITE

The Contracting States shall extradite any person found in their respective territories who is accused or convicted of an extraditable offence in the territory of the other Contracting State, in accordance with the rules and stipulations contained in the subsequent Articles, whether such offence was committed before or after the entry into force of this Treaty.

ARTICLE 2

EXTRADITABLE OFFENCES

- (1) An extraditable offence for the purposes of this Treaty is constituted by conduct which under the laws of each Contracting State is punishable by a term of imprisonment for a period of at least one year.
- (2) Where on conviction a prison sentence has been awarded on account of an extraditable offence in the territory of the Requesting State, the duration of the penalty remaining to be served must amount at least to six months.
- (3) Even regarding offences related to fiscal matters, customs duties or currency exchange, extradition shall be granted in accordance with the provisions of this Treaty.

- (4) An offence shall also be an extraditable offence if it consists of an attempt or a conspiracy to commit, aid or abet the commission of or being an accessory before or after the fact to, any offence described in paragraph (I).
- (5) If the request for extradition includes several separate offences each of which is punishable under the laws of the two Contracting States by a sentence of imprisonment, but some of which do not fulfill the condition with regard to the duration of the sentence which may be awarded, the requested state shall also have the right to grant extradition for the latter offences.
- (6) Extradition shall be available in accordance with this Treaty for an extradition offence, notwithstanding that the conduct of the person sought 11 occurred wholly or in part in the Requested State, if under the law of that II State this conduct and its effects, or its intended effects, taken as a whole, would be regarded as constituting the commission of an extradition offence in the territory of the Requesting State.

ARTICLE 3

EXTRADITION OF NATIONALS

- (1) Neither of the Contracting States shall extradite its own nationals. Nationality shall be determined as at the time of the commission of the offence for which extradition is requested.
- (2) If, pursuant to paragraph (1), the Requested State does not surrender the person claimed for the sole reason of nationality, it shall, in accordance with its laws and at the request of the Requesting State, submit the case to its competent authorities in order that proceedings may be taken if they are considered appropriate. If the Requested State requires additional documents, such documents shall be provided free of charge. The Requesting State shall be informed of the result of its request through the channels provided for in Article 7.

ARTICLE 4

GROUND OF REFUSAL

Extradition shall not be granted:

- (1) if the offence for which extradition is requested is regarded by the Requested State as an offence of a political nature. However, for

the purposes of this Treaty the following offences shall not be regarded as offences of a political nature;

- (a) An offence within the scope of multinational international treaty to which both Contracting States are parties and which imposes on them;
- (b) assault against the Heads of State or any of their families;
- (c) murder, robbery;
- (d) manslaughter or culpable homicide;
- (e) assault occasioning actual bodily harm, or causing injury, maliciously wounding or inflicting grievous bodily harm, whether by means of a weapon, a dangerous substance or otherwise;
- (f) the causing of an explosion likely to endanger life or cause serious damage to property;
- (g) the making or possession of an explosive substance by a person who intends either himself or through another person to endanger life or cause serious damage to property;
- (h) the possession of a firearm or ammunition by a person who intends either himself or through another person to endanger life;
- (i) the use of a firearm by a person with intent to resist or prevent the arrest or detention of himself or another person;
- (j) damaging property whether used for public utilities or otherwise with intent to endanger life or with reckless disregard as to whether the life of another would thereby be endangered;
- (k) kidnapping, abduction, false imprisonment or unlawful detention, including the taking of a hostage;
- (l) incitement to murder;
- (m) any other offence related to terrorism which at the time of the request is, under the law of the Requested state, not to be regarded as an offence of a political character;

- (n) an attempt or conspiracy to commit any of the foregoing offences or participation as an accomplice of a person who commits or attempts to commit such an offence.
- (2) if the offence for which extradition is requested is an offence under military law which is not also an offence under the general criminal law.
- (3) if there has been a final judgment rendered against the person in the Requested State in respect of the offence for which the person's extradition is requested.
- (4) if the person whose extradition is requested has, under the law of either Party, become immune from prosecution or punishment for any reason, including lapse of time or amnesty, the offence is of trivial nature or the accusation made is not in good faith or in the interests of justice.
- (5) If the Requested Party has substantial grounds to believe that the request has been made for the purpose of prosecuting or punishing a person on account of race, religion, nationality, or that the position of the said person at his trial may be prejudiced for any of these reasons.

ARTICLE 5

OBLIGATION TO PROSECUTE

- (1) Where the Requested State refuses a request for extradition of an accused, it shall submit the case to its competent authorities so that prosecution may be considered. Those authorities shall take their decision in accordance with the law of that State.

ARTICLE 6

POSTPONED OR CONDITIONAL SURRENDER

- (1) The Requested State may, after making its decision on the request for extradition, postpone the surrender of the person claimed in order that he may be proceeded against by that State or, if he has already been convicted, in order that he may serve his sentence in the territory of that State for an offence other than that for which extradition is requested.

- (2) The Requested State may, instead of postponing surrender, temporarily surrender the person claimed to the Requesting State in accordance with conditions to be determined by mutual agreement between both States,

ARTICLE 7

EXTRADITION PROCEDURES

- (1) The request for extradition under this Treaty shall be made through the diplomatic channel.
- (2) The request shall be accompanied by :
 - (a) as accurate a description as possible of the person sought, together with any other information which would help to establish his identity, nationality and residence;
 - (b) a statement of the facts of the offence for which extradition is requested, and
 - (c) the text, if any, of the law:
 - (i) defining that offence; and
 - (ii) prescribing the maximum punishment for that offence,
- (3) If the request relates to an accused person, it must also be accompanied by a warrant of arrest issued by a judge, magistrate or other competent authority in the territory of the Requesting State and by such evidence as, according to the law of the Requested State, would justify his committal for trial if the offence had been committed in the territory of the Requested State, including evidence that the person requested is the person to whom the warrant of arrest refers.
- (4) If the request relates to a person already convicted and sentenced, it shall also be accompanied:
 - (a) by a certificate of the conviction and sentence;
 - (b) by a statement that the person is not entitled to question the conviction or sentence and showing how much of the sentence has not been carried out.

- (5) If the Requested State considers that the evidence produced or information supplied for the purposes of this Treaty is not sufficient in order to enable a decision to be taken as to the request, additional evidence or information shall be submitted within such time as the Requested State shall require..

ARTICLE 8

PROVISIONAL ARREST

- (1) In urgent cases the person sought may, in accordance with the law of the Requested State, be provisionally arrested on the application of the competent authorities of the Requesting State. The application shall contain an indication of intention to request the extradition of that person and statement of the existence of a warrant of arrest or a conviction against him, and, if available, his description and such further information, if any, as would be necessary to justify the issue of a warrant of arrest had the offence been committed, or the person sought been convicted, in the territory of the Requested State.
- (2) A person arrested upon such an application shall be set at liberty upon the expiration of sixty days from the date of his arrest if request for his extradition shall not have been received. This provision shall not prevent the institution of further proceedings for the extradition of the person sought if a request is subsequently received.

ARTICLE 9

RULE OF SPECIALITY

- (1) A person extradited under the present Treaty shall not be proceeded against, sentenced, detained, re-extradited to a third State, or subjected to any other restriction of personal liberty in the territory of the requesting State for any offence committed before surrender other than:
 - (a) an offence for which extradition was granted;
 - (b) any other offence in respect of which the requested State consents. Consent shall be given if the offence for which it is requested is itself subject to extradition in accordance with the present Treaty.

- (2) A request for the consent or the requested State under the present article shall be accompanied by the documents mentioned in paragraph 2 of Article 7 of the present Treaty and a legal record of any statement made by the extradited person with respect to the offence.
- (3) Paragraph 1 of the present article shall not apply if the person has had an opportunity to leave the requesting State and has not done so within 60 days of final discharge in respect of the offence for which that person was extradited or if the person has voluntarily returned to the territory of the requesting State after leaving it.

ARTICLE 10

EXTRADITION TO A THIRD STATE

A person shall not be re-extradited to a third State, except when, having had an opportunity to leave the territory of the State to which he has been surrendered, he has not done so within sixty days of his final discharge, or has returned to that territory after having left it.

ARTICLE 11

EVIDENCE

Documents, in support of an extradition request, shall be received and admitted as evidence in extradition proceedings, provided the documents are certified by a judge, magistrate, or officer to be the original documents or true copies of such documents and are authenticated by the official seal of the court or competent authority.

ARTICLE 12

COMPETING REQUESTS

If extradition of the same person whether for the same offence or for different offences is requested by a Contracting State and a third State with which the Requested State has an extradition arrangement, the Requested State shall determine to which State the person shall be extradited, and shall not be obliged to give preference to the Contracting State.

ARTICLE 13

SURRENDER

- (1) If extradition is granted, the person sought shall be sent by the

authorities of the Requested State to such mutually agreed point of departure from the territory of that State'.

- (2) The Requesting State shall remove the person sought from the territory of the Requested State within one month or such longer period as may be permitted under the law of the Requested State. If the person is not removed within that period, the Requested State may refuse to extradite him for the same offence.
- (3) If extradition of the requested person is obstructed because of exceptional circumstances, the concerned party shall inform the other of these circumstances before the expiry of the appointed date. Both States shall agree upon a new date and, if required, a new place of extradition. In such case, the provision under paragraph 2 of this article shall be applicable.

ARTICLE 14

SURRENDER OF PROPERTY

- (1) When a request for extradition is granted, the Requested State shall, upon request and so far as its law allows, hand over to the Requesting State articles (including sums of money) which may serve as proof or evidence of the offence.
- (2) If the articles in question are liable to seizure or confiscation in the territory of the Requested State, the latter may, in connection with pending proceedings, temporarily retain them or hand them over on condition that they are returned.
- (3) These provisions shall not prejudice the rights of the Requested State or any person other than the person sought. When these rights exist the articles shall on request be returned to the Requested State without charge as soon as possible after the end of the proceedings.

ARTICLE 15

MUTUAL LEGAL ASSISTANCE IN EXTRADITION

Each Contracting State shall, to the extent permitted by its law, afford the other the widest measure of mutual assistance in criminal matters in connection with the offence for which extradition has been requested.

ARTICLE 16**EXPENSES**

- (1) The requested State shall meet the cost of any proceedings in its jurisdiction arising out of a request for extradition.
- (2) The requested State shall also bear the costs incurred in its territory in connection with the seizure and handing over of property, or the arrest and detention of the person whose extradition is sought.
- (3) The requesting State shall bear the costs incurred in conveying the person from the territory of the requested State, including transit costs.

ARTICLE 17**OBLIGATIONS UNDER INTERNATIONAL
CONVENTIONS/ TREATIES**

The present Treaty shall not affect the rights and obligations of the Contracting States arising from International Conventions/Treaties to which they are parties.

ARTICLE 18**CENTRAL AND COMPETENT AUTHORITIES**

For the purpose of this Treaty, the Contracting Parties shall communicate through their Central Authorities. The Central Authority for the Republic of India shall be the Ministry of External Affairs and for the Arab Republic of Egypt the Ministry of Justice.

ARTICLE 19**LANGUAGE**

Request and the supporting documents made pursuant to this Treaty shall be accompanied by a translation into the language of the Requested Party or in a certified copy or English Language.

ARTICLE 20**FINAL PROVISIONS**

- (1) The present Treaty shall enter into force from the date of receiving the last notification by either of the Contracting Parties through the

diplomatic channels, concerning the execution of the necessary measures for the ratification, according to the domestic laws of either Contracting Parties.

- (2) Either of the Contracting States may terminate this Treaty at any time by giving notice to the other through the diplomatic channel; and if such notice is given the Treaty shall cease to have effect six months after the receipt of the notice.

In witness whereof, the Undersigned being duly authorised thereto by their respective Governments, have signed this Treaty.

Done in duplicate at New Delhi this the 18th day of November 2008, in Hindi, Arabic and English, all languages being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

On behalf of the Government
of the Republic of India

On behalf of the Government
of the Arab Republic of Egypt



524. Agreement on Mutual Legal Assistance in Criminal Matters between the Government of the Republic of India and the Government of the Arab Republic of Egypt.

Cairo, January 8, 2008

The Government of the Republic of India and the Government of the Arab Republic of Egypt (hereinafter referred to as Contracting States);

Guided by the traditional friendly relations between the two countries;

Recognizing the need to facilitate the widest measures of mutual legal assistance in criminal matters; and

Desiring to improve the effectiveness of both countries in the prevention, investigation, prosecution and suppression of crime, including crime related to terrorism and tracing, restraint, forfeiture or confiscation of the proceeds and instruments of crime, through cooperation and mutual legal assistance in criminal matters.

Have agreed as follows:

ARTICLE 1

SCOPE OF APPLICATION

1. Under this Agreement, the Contracting States shall grant each other the widest possible measure of mutual legal assistance in criminal matters, in respect of offences the punishment of which at the time of the request for assistance falls within the jurisdiction of the judicial authorities of the Requesting State.
2. This Agreement shall be without prejudice to other obligations between the Contracting States pursuant to other treaties or arrangements or otherwise, and shall not prevent them or their law enforcement agencies from providing assistance to each other pursuant to other treaties or arrangements.
3. This Agreement shall also apply to any request for mutual legal assistance relating to acts or omissions committed before its entry into force.
4. Assistance shall include, but not limited to:

- (a) measures to locate, restrain, forfeit or confiscate the proceeds and instruments of crime;
 - (b) taking of evidence and obtaining of statements of persons;
 - (c) providing of information, documents and other records, including criminal and judicial records;
 - (d) location of persons and objects, including their identification;
 - (e) search and seizure;
 - (f) delivery of objects, including lending of exhibits;
 - (g) assisting in the availability of detained persons or others to give evidence or assist in investigations;
 - (h) service of documents, including documents seeking the attendance of persons; and
 - (i) other assistance consistent with the objects of this Agreement.
5. This Agreement does not apply to:
- (a) the arrest or detention of any person with a view to the extradition of that person;
 - (b) the enforcement in the Requested State of criminal judgments imposed in the Requesting State except to the extent permitted by the law of the Requested State;
 - (c) the transfer of persons in custody to serve sentences; and
 - (d) the transfer of proceedings in criminal matters.

ARTICLE 2

DEFINITIONS

For the purpose of this Agreement:

- (a) For India "criminal matters" means investigations, inquiries, trials or other criminal proceedings relating to an offence created by a law of Parliament or by the legislature of a state and for Egypt, means any criminal proceeding relating to an offence created by a law in force.

- (b) "criminal mailers" shall also include investigations or proceedings relating to offences concerning taxation, duties, customs and international transfer of capital or payments',
- (c) "proceeds of crime" means any property that is derived or realised directly or indirectly by any person from an offence or offences or the value of any such property;
- (d) "property" Includes money and all kinds of movable or immovable, tangible or intangible property, and includes any interest in such property;
- (e) "confiscation" means any measure resulting in the deprivation of property;
- (f) "instruments of crime" means any property which is or is intended to be used in connection with the commission of an offence; and
- (g) "the restraint of property" means any measure for the prevention of dealing in or transfer or disposal of property.

ARTICLE 3

CENTRAL AUTHORITIES

1. Requests for assistance under this Agreement shall be made through the Central authorities of the contracting States who will ensure that the request is prepared in accordance with this Agreement.
2. The Central Authority of the Requested State upon receipt of a request for assistance, shall examine whether it is in accordance with the provisions of this Agreement and other relevant laws; and if satisfied may process the request for its compliance.
3. In the Republic of India, the Central Authority shall be the Ministry of Home Affairs. In the Arab Republic of Egypt, the Central Authority shall be the Ministry of Justice.

ARTICLE 4

CONTENTS OF REQUESTS

1. Requests for assistance under this Agreement shall be made in writing. However, in urgent circumstances, or where otherwise

permitted by the Requested State, requests may be made orally but shall be confirmed in writing thereafter.

2. Requests for assistance shall include a statement of:
 - (a) the name of the competent authority conducting the investigation or proceedings to which the request relates;
 - (b) a description of the facts alleged to constitute the offence and a statement or text of the relevant laws, except in cases of a request for service of documents;
 - (c) the purpose for which the request is made and the nature of the assistance sought;
 - (d) details of any particular procedure or requirement that the Requesting State wishes to be followed;
 - (e) any time limit within which compliance with the request is desired;
 - (f) the identity, nationality and location of the person or persons who are the subject of the investigation or proceedings;
 - (g) in the case of request for the taking of evidence or search and seizure, a statement indicating the basis for belief that evidence may be found in the jurisdiction of the Requested State;
 - (h) in the case of request to take evidence from a person, a statement as to whether sworn or affirmed statements are required, and a description of the subject matter of the evidence or statement sought;
 - (i) in the case of lending of exhibits, the person or class of persons who will have custody of the exhibit, the place to which the exhibit is to be removed, any tests to be conducted and the date by which the exhibit will be returned;
 - (j) in the case of making detained persons available, the person or class of persons who will have custody during the transfer, the place to which the detained person is to be transferred and the date of that person's return;

- (k) the need, if any, for confidentiality and the reasons therefor; and
 - (l) in the case of requests for restraint or forfeiture of proceeds or instruments of crime, where possible:
 - (i) a detailed description of the proceeds or instruments including their location;
 - (ii) a statement describing the basis for belief that the monies or property are the proceeds or instruments of crime; and
 - (iii) a statement describing the evidence that would be available for a proceeding in the Requested State.
3. The Requested State shall not refuse to execute the request solely because it does not include all of the information described under this article, if it can otherwise be executed according to the law of the Requested State.
4. If the Requested State considers that additional information is needed to enable the request to be dealt with, that State may request such additional information.

ARTICLE 5

EXECUTION OF REQUEST

1. For the purpose of this Agreement, mutual legal assistance shall be granted irrespective of whether the assistance is sought or is to be provided by a court or some other competent authority.
2. Requests for assistance shall be executed in accordance with the law and practice of the Requested State and may be executed in accordance with any requirements/manner specified in the request if not incompatible with the law of the Requested State.
3. The Requested State shall, upon request, inform the Requesting State of any circumstances which are likely to cause a significant delay in execution of the request.
4. The Requested State shall promptly inform the Requesting State of its decision not to execute in whole or in part a request for assistance or to postpone execution and shall give reasons for that decision.

ARTICLE 6
REFUSAL OF ASSISTANCE

1. The Requested State may refuse the assistance if:
 - (a) the execution of the request would impair its sovereignty, security, public order or other essential interests or prejudice the safety of any person;
 - (b) the execution of the request would be contrary to its domestic law;
 - (c) if the request seeking restraint, forfeiture or confiscation of proceeds or instruments of activity which, had it occurred within the jurisdiction of the Requested State, would not have been an activity in respect of which a confiscation order could have been made;
 - (d) the request relates to an offence in respect of which the accused person had been finally acquitted or pardoned;
 - (e) the offence is regarded by the Requested State as ex-facie being of a political nature, except serious offences against the life, the physical integrity or the freedom of person;
 - (f) there are substantial grounds for believing that the request for assistance has been made for the purpose of prosecuting a person on account of that person's race, sex, religion, nationality, ethnic origin or political opinions or that that person's position may be prejudiced for any of those reasons;
 - (g) the request relates to an offence that is subject to investigation or prosecution in the Requested State or the prosecution of which in the Requesting State would be incompatible with the Requested State's law on double jeopardy;
 - (h) the assistance requested requires the Requested State to carry out compulsory measures that would be inconsistent with its law and practice, had the offence been the subject of investigation or prosecution under its own jurisdiction; and

- (i) the act is an offence under military law which is also not an offence under general criminal law.
- 2. Assistance for banking or financial transactions shall be in accordance with national legislation of the Requested State. The request for legal assistance for the crime, including crime related to terrorism, or transnational organized crime under any International or Regional Convention to which both the Contracting States are parties, shall not be refused.
- 3. The Requested State may postpone the execution of the request if its immediate execution would interfere with an ongoing investigation or prosecution in the Requested State.
- 4. Before refusing or postponing the execution of a request for assistance, the Requested State shall consider whether assistance may be granted subject to such conditions as it deems necessary. If the Requesting State accepts assistance subject to these conditions, it shall comply with them.
- 5. Reasons shall be given for refusal or postponement of mutual assistance.

ARTICLE 7

TRANSMISSION OF DOCUMENTS AND OBJECTS

- 1. The Requested State shall provide copies of documents and records insofar as they are open to public access as part of a public register or otherwise, or insofar as they are available for purchase or inspection by the public.
- 2. The Requested State shall provide copies of any other document or record under the conditions as it may provide to its own law enforcement and judicial authorities.
- 3. Insofar as not prohibited by its law the Requested State shall transmit documents, objects and records in a form or accompanied by such certification as may be requested by the Requesting State in order to make them admissible according to the law of the Requesting State. The original records, documents and objects so transmitted to the Requesting State, shall be returned to the Requested State as soon as possible.

ARTICLE 8**OBTAINING OF EVIDENCE**

1. The Requested State shall, in conformity with its law and upon request, take the sworn or affirmed testimony. or otherwise obtain statements of persons, including those in custody or require them to produce items of evidence for transmission to the Requesting State.
2. Subject to the law of the Requested State, commissioners, other officials of the Requesting State and persons parties to the proceedings in the Requesting State shall be permitted to be present when evidence is taken in the Requested State.
3. Persons parties to the proceedings have the right to be represented by their counsels, to pose questions through the representatives of the Competent Authority of the Requested State and to make a verbatim transcript of the proceedings. The use of technical means to make such a verbatim transcript may be permitted according to the law of the Requested State.
4. For the purpose of request under this Article, the Requesting State shall specify the questions to be put to the witnesses or persons giving evidence and the Subject matter about which they are to be examined. If necessary, any questions in addition to those specified in the request, may be put through the representative of the Competent Authority of the Requested State to the witness or person giving evidence by the representatives of the Requesting State present at the time of recording of evidence.

ARTICLE 9**AVAILABILITY OF PERSONS TO GIVE EVIDENCE OR ASSIST IN INVESTIGATION IN THE REQUESTING STATE**

1. The Requesting State may request the assistance of the Requested State in making available a.person:
 - (a) to appear in proceedings in relation to a criminal matter in the Requesting State unless that person is the person charged; or
 - (b) to assist in the investigations in relation to a criminal matter in the Requesting State.

2. The Requested State shall make available the person to appear as a witness or expert in proceedings or to assist in the investigations or to seek that person's concurrence. Where appropriate, the Requested State shall satisfy itself that satisfactory arrangements have been made for the person's safety.
3. The request or the summons shall indicate the approximate allowances and the travel and subsistence expenses payable by the Requesting State.
4. Upon request, the Requested State may grant the person an advance, which shall be refunded by the Requesting State.

ARTICLE 10

MAKING DETAINED PERSONS AVAILABLE TO GIVE EVIDENCE OR ASSIST IN INVESTIGATIONS

1. If the Requested State agrees and its law so permits, a person in custody in the Requested State may, at the request of the Requesting State, be temporarily transferred to the Requesting State to give evidence or assist in investigations or proceedings, provided that the person consents to that transfer and there are no overriding grounds against transferring the person.
2. While the person transferred is required to be kept in custody under the law of the Requested State, the Requesting State shall hold that person in custody and shall return the person in custody at the conclusion of the execution of the request.
3. Where the Requested State advises the Requesting State that transferred person is no longer required to be held in custody, that person shall be set at liberty and be treated as person referred to in Article 9.
4. The transfer of the person in custody may be postponed if the presence of that person is necessary in a criminal action pending in the territory of the Requested State.

ARTICLE 11

SAFE CONDUCT

1. A person present in the Requesting State in response to a request seeking that person's attendance shall not be prosecuted, detained

or subjected to any other restriction of personal liberty in the territory of that State for any acts or omissions which preceded that person's departure from the Requested State, nor shall that person be obliged to give evidence or assist in any investigation in any proceeding other than the proceedings to which the request relates.

2. A person, who is present in the Requesting State by consent as a result of a request for the person's attendance to answer before a judicial authority any acts, omissions or convictions shall not be prosecuted or detained or subjected to any other restriction of personal liberty for acts and omissions or convictions Which preceded that person's departure from the Requested State, not specified in the request.
3. Paragraphs 1 and 2 of this Article shall cease to apply if a person, being free to leave the Requesting State, has not left it within a period of 30 days after being officially notified that that person's attendance is no longer required or, having left that territory, has voluntarily returned.
4. A person who does not consent to a request pursuant to Article 10 or accepts an invitation pursuant to Article 9 shall not, by reason thereof, be liable to any penalty or be subjected to any coercive measure, notwithstanding any contrary statement in the request or summons.

ARTICLE 12

PROCEEDS AND INSTRUMENTS OF CRIME

1. The Requested State shall, upon request, endeavour to ascertain whether any proceeds or instruments of a crime are located within its jurisdiction and shall notify the Requesting State of the results of its inquiries. In making the request, the Requesting State shall notify the Requested State of the basis of its belief that such proceeds or instruments may be located within its jurisdiction.
2. A request may be made for assistance in securing the forfeiture or confiscation of proceeds or instruments of crime. Such assistance shall be given in accordance with the law of the Requested State by whatever means are appropriate. This may include giving effect to an order made by a court or other competent authority in the Requesting State or submitting the request to a competent authority

for the purpose of seeking a forfeiture or confiscation order in the Requested State.

3. A request may be made for assistance in the restraint of property for the purpose of ensuring that it is available to satisfy an order for the recovery of proceeds or instruments.
4. Where, pursuant to paragraph 1 of the present Article suspected proceeds of crime are found, the Requested State shall upon request take such measures as permitted by its law to prevent any dealing in, transfer or disposal of, those suspected proceeds of crime, pending a final determination in respect of those proceeds by a court of the Requesting State.
5. The Requested State shall, to the extent permitted by its law, give effect to or permit enforcement of a final order forfeiting or confiscating the proceeds of crime made by a court of the Requesting State or take other appropriate action to secure the proceeds following a request by the Requesting State.
6. The Parties shall ensure that the right of bonafide third parties shall be respected in the application of the present Agreement.

ARTICLE 13

PROTECTION OF CONFIDENTIALITY

1. The Requested State may require, after consultation with the Requesting State that information or evidence furnished or the source of such information or evidence be kept confidential or be disclosed or used only subject to terms and conditions as it may specify.
2. The Requested State shall use its best endeavour to keep confidential the request for assistance its contents and its supporting documents as well as the fact of granting of such assistance. If the request cannot be executed without breaching the confidentiality requirement, the Requested State shall so inform the Requesting State which shall then determine whether the request should nevertheless be executed.
3. The Requesting State shall keep confidential evidence and information provided by the Requested State, except to the extent that the evidence and information is needed for the investigation and proceedings described in the request.

ARTICLE 14**LIMITATION OF USE**

The Requesting State shall not, without the consent of the Requested State, disclose, use or transfer information or evidence provided by the Requested State for investigations or proceedings other than those stated in the request. However, in cases where the charge is altered, the material provided may be used insofar as the offence is an offence in respect of which mutual assistance could be provided under this Agreement.

ARTICLE 15**AUTHENTICATION**

Evidence or documents transmitted pursuant to this Agreement shall not require any form of authentication, save as is specified in Article 7.

ARTICLE 16**LANGUAGE**

Requests and supporting documents shall be accompanied by a translation in English or in the language of the Requested State.

ARTICLE 17**COSTS**

1. The Requested State shall meet the cost of executing the request for assistance, except that the Requesting State shall bear:
 - (a) the expenses associated with conveying any person to or from the territory of the Requested State at (a) the request of the Requesting State, and any allowance or expenses payable to that person while in the Requesting State, pursuant to a request under Articles 9 or 10 of this Agreement; and
 - (b) the expenses and fees of experts either in the Requested State or the Requesting State.
2. If it becomes apparent that the execution of the request requires expenses of an extraordinary nature, the Contracting States shall consult to determine the terms and conditions under which the requested assistance can be provided.

ARTICLE 18**SERVICE OF DOCUMENTS**

1. The Requested State shall effect service of documents that are transmitted to it for this purpose by the Requesting State.
2. A request to effect service of summons shall be made to the Requested State not less than ninety days before the date on which the appearance of a person is required. In urgent cases, the Requested State may waive the time requirement.

ARTICLE 19**RIGHT OR OBLIGATION TO DECLINE TO GIVE EVIDENCE**

1. A person who is required to give evidence in the Requested or Requesting State may decline to give evidence where either:
 - (a) the law of the Requested State permits or requires that person to decline to give evidence in similar circumstances in proceedings originating in the Requested State; or
 - (b) the law of the Requesting State permits or requires that person to decline to give evidence in similar circumstances in proceedings originating in the Requesting State.
2. If a person claims that there is a right or obligation to decline to give evidence under the law of the other State, the State where that person is present shall, with respect thereto, rely on a certificate of the competent authority of the other State as evidence of the existence or non-existence of that right or obligation.

ARTICLE 20**PROVISION OF PUBLICLY AVAILABLE DOCUMENTS
AND OTHER RECORDS**

1. The Requested State shall provide copies of documents and records insofar as they are open to public access as part of a public register or otherwise, or insofar as they are available for purchase or inspection by the public.
2. The Requested State may provide copies of any other document or record under the same conditions as such document or record may be provided to its own law enforcement and judicial authorities.

ARTICLE 21**SEARCH AND SEIZURE**

The Requested State shall, insofar as its law permits, carry out requests for search and seizure and delivery of any material to the Requesting State for evidentiary purposes, provided that the rights of bonafide third parties are protected.

ARTICLE 22**ENTRY INTO FORCE**

The present Agreement shall enter into force from the date of receiving the last notification by either of the Contracting States through the diplomatic channels, concerning the execution of the necessary measures for the ratification, according to the domestic laws of either Contracting State.

ARTICLE 23**TERMINATION**

Either Contracting State may terminate this Agreement by giving notice in writing to the other State. Such termination shall take effect six months following the date on which it is received by the other State.

In witness whereof, the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

Done at Cairo this the eighth day of January, 2008. (Two Thousand and Eight) in two originals each, in Hindi, Arabic and English, all texts being equally authentic. However, in case of any divergence of interpretation, the English text shall prevail.

For the Government of the
Republic of India

For the Government of the
Arab Republic of Egypt



525. Memorandum of Understanding on Trade and Technical Cooperation between the Government of the Republic of India and the Government of the Arab Republic of Egypt.

New Delhi, November 18, 2008.

The Government of the **Republic of India** and the Government of the **Arab Republic of Egypt** hereinafter referred to as "the Parties";

Considering the friendly relations between the two countries;

Desiring to enhance the partnership, 'friendship and the spirit of cooperation between the two countries and to further develop trade and economic relationship between them;

Recognizing the benefits to each party resulting from increased trade and Investment flows, and the essential role of private investment, both domestic and foreign, in furthering growth, creating jobs, expanding trade, technology upgradation and accelerating economic development;

Reiterating the need to create favorable conditions for trade in goods, services and promotion of investments and also the need to provide new dynamism to bilateral industries cooperation through stimulating technological innovation and exchange of technological know-how;

Stressing the important role of the business sector in enhancing trade and investment between the countries;

Article - 1

Promotion of Trade in Goods and Service

- a) Promote bilateral trade on the basis of equality and mutual benefits; consistent with their WTO commitments;
- b) Eliminate obstacles and restrictions on bilateral trade in goods;
- d) Set up bilateral mechanisms to explore methods to enhance trade in goods, investments and the possibility of liberalizing trade in services through establishing Joint Study Group referred to in Article (3).
- d) Cooperate for increasing trade in services and the flow of expertise and technology by entering into a dialogue on issues relating to trade

in services which are of export interest to both the parties including exchange of information.,

Article - 2

Joint Trade Committee

With the view to enhancing the implementation of this Memorandum of Understanding and defining methods of developing trade relations between them, the parties agree to establish a high senior officials committee to represent the trade ministries in the two countries (hereinafter referred to as the committee).

The duties of the Committee shall comprise, in particular, the following:

- a) Discussions on the development of bilateral economic relations;
- b) Identifying new possibilities for further development of economic cooperation
- c) Drawing up suggestions, for improvement in terms of economic cooperation between enterprises of both countries and
- d) Making recommendation for the implementation of this Memorandum.

The Committee shall meet alternatively on an annual basis in Cairo and Delhi.

Article - 3

Establishing Joint Study Group

Both parties shall establish a Joint Study Group to identify opportunities for expanding trade and investment, and to enhance economic cooperation in areas of mutual interest. The Joint Study Group shall review the institutional framework, infrastructure and mechanisms in bilateral trade and economic relations and shall recommend measures to facilitate and optimize these relations. The Joint Study Group shall also examine the feasibility of putting in place a comprehensive policy framework consistent with WTO principles, for enhancing trade flows in goods, services and investment between the parties.

Article - 4

Existing Institutional Mechanism

Both parties shall continue to engage with each other on a continuous basis through the institutional mechanism of the Joint Trade Committee for

expanding and deepening bilateral trade. The Egypt - India Joint Business Council and Egypt India Joint Business Group comprising of apex trade chambers and businessmen of the two sides shall be encouraged to evolve modalities aimed at exploring and creating opportunities for developing trade relations between the two countries.

Article - 5

Exhibitions/Fairs & Trade Missions

Both Parties shall encourage export promotion and trade bodies concerned to participate in Trade Exhibitions and Trade Fairs held in each other territories in order to create awareness about their goods, services and capabilities and thus intensify trade and economic engagement between the two sides. The parties may explore and promote trade opportunities and exchange trade delegations. Such transactions (between private parties) however, should be as per the prevalent law and practices of both the countries and payments involved, if any should be as per the Foreign Exchange Policy of the country.

Article - 6

Industrial Cooperation & Technology Exchange

Both parties shall, in accordance with their respective laws and regulations, promote industrial cooperation, and enhance and encourage competitiveness, especially in the areas of automotive and auto components, food processing, pharmaceuticals, textiles, apparel, chemicals & petrochemicals, fertilizers and electronic Industries.

They shall also look into possibilities of cooperations in the following areas:

- a. Joint research and development projects for research, technical development and industrial application in Information and Communication Technology.
- b. Cooperation in the commercialization of the results of scientific and technological activities;
- c. Promotion of technology exchanges and research & development activities through alliances, scientific institutions / organizations of the two sides, joint investment and other cooperative avenues of mutual benefit to the industries in the two countries;

- d. Joint organization of seminars, conference etc., in the above areas.

Article - 7
Promotion of Investments

Both parties shall strengthen cooperation for increasing flow of capital and exchanging expertise and technology through;

- a) Methodologies for identifying investment opportunities and information channels on investment regulations;
- b) Establishing mechanisms for encouraging and promoting investments;
- c) Providing information on measures to attract foreign direct investment.
- d) Promotion of investments may be in line with the existing Bilateral. Investment Promotion and Protection Agreement (BIP A) between both the countries.

Article - 8
Human Resource Development and Capacity Building

Both Parties shall cooperate in the following areas on mutually agreed terms and conditions and in accordance with their respective laws and regulations:

- a) Exchange information and experts with academic and/or technical expertise and industrial experience in sectors like Food processing industries, printing and packaging, chemicals, building materials; pharmaceuticals, textiles, healthcare, shipping, furniture and wood works to provide for 'know how' and deliverables basis 'Train the Trainers' approach through on the job training;
- b) Capacity building in trade remedies, macroeconomic issues, multilateral trade negotiations, commercial diplomacy and export and investment promotion;
- c) Enhance links between research and training centers, specialized agencies and business organizations.

Article - 9
Other Areas of Economic Cooperation

Economic cooperation shall be extended to support the efforts of modernization, restructuring and the promotion of sectors such as Agriculture and veterinary science, transportation and infrastructure and tourism.

Article - 10
Amendments

The Parties may, by mutual consent amend this Memorandum of Understanding.

Any such amendments shall enter into force upon its signature.

Article - 11
Settlement of Dispute

Any Dispute between the parties arising out of the interpretations of this Memorandum of Understanding shall be settled amicably through consultation or negotiation between the parties through diplomatic channels.

Article - 12
Validity and Termination

This Memorandum of Understanding shall enter into force upon signature by both parties, and shall remain in force until it is terminated by either party by giving a 90 days written notice to the other party through diplomatic channels, indicating its intention to terminate this Memorandum of Understanding.

Each party has the right to terminate this Memorandum of Understanding through a written notice served to the other Party.

Article - 13
Affect of Termination on Projects

Termination of this Memorandum of Understanding shall not affect the completion of any project undertaken pursuant to this Memorandum of Understanding, prior to its termination, unless the parties agree otherwise.

In witness whereof, the following representatives duly authorized thereto by their respective governments have signed this Memorandum of Understanding.

Signed at New Delhi on this 18th Day of November 2008 in two originals each in English.

AFRICA

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For the Ministry of Commerce
and Industry,
Government of the Republic
of India

For the Ministry of
Trade and Industry
Government of the Arab
Republic of Egypt

Kamal Nath
Minister of Commerce and Industry

Rchid Mohamed Rachid
Minister of Trade and Industry



526. Agreement between the Government of the Republic of India and the Government of the Arab Republic of Egypt on the Abolition of Visa requirement for holders of Diplomatic, Special and Official /Service Passports.

New Delhi, November 18, 2008.

The Government of **the Republic of India** and the Government of **the Arab Republic of Egypt**.

Hereafter referred to singularly as the “Contracting Party” and collectively as the “Contracting Parties”;

Considering the interest of both countries to strengthen their friendly relations, and

Desiring to facilitate the entry of the citizens of the Republic of India and the citizens of Arab Republic of Egypt who are holders of diplomatic, Special or official/service passports into their respective countries.

Have Agreed as follows:

Article - 1

1. A citizen of the Republic of India, who is in possession of a valid diplomatic or official passport and a citizen of Arab Republic of Egypt, who is in possession of a valid diplomatic, special or service passport; shall be permitted to enter into, exit from and transit through the territory of the other Contracting Party through their respective international points of entry/exit without visas.

2. A citizen of either Contracting Party, holding the said passport shall be allowed to stay in the territory of the other Contracting Party for the maximum period of ninety (90) days without a visa.

Article - 2

1. A citizen of either Contracting Party, who is assigned as a member of the diplomatic or consular staff in the territory of the other Contracting Party and is in possession of a valid diplomatic, Special or official/ service passport, shall not be required to obtain a visa to enter the territory of the other Contracting Party, and shall be granted, on a written request from the diplomatic mission/consular post concerned, within ninety days of the arrival of the diplomatic, Special or official/ service passport holder, a residence visa for period of his/her official stay.
2. A citizen of either Contracting Party being the representative of his/ her country in an international organization located in the territory of other Contracting Party holding the said passport shall also enjoy the rights mentioned in paragraph-1 of this Article.
3. The facilities enumerated in paragraphs 1 and 2 of this Article shall also apply to the spouse of a member of the diplomatic Mission or Consulate or representative in international organization, their children and their dependent parents, provided they hold a similar category of passport or the children's names are entered in their father's or mother's passport.

Article - 3

1. A citizen of either Contracting Party, who is in possession of a valid diplomatic, Special or official/service passport and has to attend a meeting or conference convened by an international organization or Government, in the territory of the other Contracting Party, shall not be required to obtain a visa to enter and stay in the territory of the other Contracting Party.
2. The holders of diplomatic, special or official/service passports of either Contracting Party who are employed by an international organization, body, agency or any other such entity, would be required to obtain visa prior to their entry into the territory of the other Contracting Party for official or private visits.

Article - 4

1. Either Contracting Party shall reserve the right to refuse entry or stay in its territory to citizens of the other Contracting Party on grounds of state security, public order or for public health reasons, as well as the right to shorten or terminate the stay of such a person in accordance with the laws and regulations of the receiving state.
2. If a citizen of either Contracting Party loses his/her passport in the territory of the other Contracting Party, he/she shall inform the authorities concerned of the host country for appropriate action. The diplomatic Mission or Consulate concerned will issue a new passport or travel document to its citizen and inform the concerned authorities of the host Government.

Article - 5

Citizens of either Contracting Party, being holders of diplomatic, special or official/service passports shall abide by the laws and regulations of the other Contracting Party while crossing its frontier and throughout the duration of their stay in its territory.

Article - 6

1. For the purposes of this Agreement, each Contracting Party shall transmit to the other, through diplomatic channels, specimens of its respective passports, including a detailed description of such documents currently used, at least thirty(30) days before the entry into force of this Agreement.
2. Each Contracting Party shall also transmit to the other through diplomatic channels, specimen of its new or modified passports, including a detailed description of such documents, at least thirty (30) days before they are brought into force.

Article - 7

1. The application of the present Agreement may be provisionally suspended, in whole or in part. by either Contracting Party on grounds of State security, public order or for public health reasons.
2. The Contracting Parties shall notify without delay each other, through

diplomatic channels, on the imposed restrictions and their revocation immediately as soon as the reasons of suspension cease to exist.

3. Paragraphs 1 and 2 do not affect the right of the other Contracting Party to similarly provisionally suspend the application of this Agreement, in whole or in part, during the period of suspension by the other Contracting Party.

Article - 8

Either Contracting Party may request in writing, through diplomatic channels, a revision or amendment of the whole or part of this Agreement. Any such revision or amendment, which has been agreed to by the Contracting Parties, shall come into effect on a date to be mutually agreed upon and shall accordingly form part of this Agreement.

Article - 9

Any difference or dispute arising out of the implementation of the provisions of the Agreement shall be settled amicably by consultation or negotiation between the Contracting Parties without reference to any third party or an international tribunal.

Article - 10

This Agreement shall enter into force on a date to be mutually agreed upon by the Contracting Parties, which shall be notified through the exchange of Diplomatic Notes. This Agreement shall remain in force for an indefinite period and may be terminated by either Contracting Party by notification through diplomatic channels, which shall enter into force ninety (90) days after the date of such notification.

In witness whereof, the undersigned being duly authorized by their respective Governments, have signed the present Agreement.

Done at New Delhi on this eighteenth day of November in the year two thousand eight (2008) in two(2) originals; each in the Hindi, Arabic and English languages, all texts, being equally authentic. In the event of any divergence of interpretation, the English text shall prevail.

For the Government
of the Republic of India

For the Government of
Arab Republic of Egypt



527. Joint Statement issued by the Ministry of Commerce on the visit of Egyptian Minister of Trade and Industry Rachid Mohamed.

New Delhi, April 15, 2008.

Shri Kamal Nath, Commerce & Industry Minister held a bilateral meeting with the Minister of Trade & Industry of Egypt Mr. Rachid Mohamed Rachid on 15th April, 2008 in New Delhi. Eng. Rachid is paying an official visit to India from April 14 to 17, 2008. Both the Ministers were assisted by senior officials during the meeting.

The talks were held in a cordial and constructive atmosphere. Both the Ministers expressed happiness at the warm and close multifaceted relations between India and Egypt and exchanged views on a wide range of issues including bilateral and multilateral trade and investment related issues. Both the Ministers expressed satisfaction at the level of bilateral trade which is approaching the US \$ 2.5 billion mark. It was noted that India's exports to Egypt have grown by 51% last year and Egypt's exports to India have grown by 35%. It was also noted that Egypt has emerged as India's largest trade partner in North Africa accounting for 40% percent of India's trade in the region and bilateral trade turnover has grown nearly nine fold in terms of value during the period 2000-07. Both the Ministers expressed the view that the trade basket is required to be expanded to tap the enormous potential.

Both the Ministers appreciated the economic reforms being vigorously pursued by India and Egypt and felt that these are catalytic to expansion of bilateral trade and investment and will facilitate strengthening of bilateral economic and commercial relations. Shri Kamal Nath, Commerce & Industry Minister welcomed the Egyptian initiative for establishing an Indian Industrial Zone in Egypt exclusively for Indian companies to attract Indian Investments targeting domestic market as well as nearby International markets in Europe, Africa and the Middle East¹.

1 Later in May when the Minister of State for Commerce and Power, Jairam Ramesh visited Cairo as the Special Envoy of Prime Minister to participate in the World Economic Forum (Middle East), he gave a further push to economic relations with Egypt in his discussions with Egyptian Prime Minister Ahmed Mahmoud Mohamed Nazif and senior Ministers. He highlighted the need for greater Indian participation in the Egyptian energy sector. He pointed to the need for assured energy supplies to ensure that some of the key mega projects, which were in the final stages of discussion, take off. Egypt currently produced around 7,00,000 barrels of oil per day and had estimated gas

The two sides agreed on the following:

- Both sides will consider participation in various international trade fairs and specialized exhibitions held by each other and will keep each other informed to enable significant participation.
- Egypt will provide to India details of benefits and incentives that would become available to Indian companies on their participation in the Industrial Zone of Egypt.
- Both sides will explore possibilities of exchanging industrial know how and formation of joint ventures in the sectors of Textiles, Iron and Steel, Cement, Building Materials, Automotive and its components, Health, Hospitality, Petrochemicals, Chemicals and Fertilizers, Drugs and Vaccines, Communication and Information Technology, New and Renewable Energy and Organic Fuel for Industrial Use, Infrastructure, housing and real-estate development projects. Egypt will identify specific areas / products of JVs.
- Egypt will look into the prospect of Egyptian Banks establishing Lines of Credit, on mutually beneficial commercial terms, with EXIM Bank of India.
- The Indian Institute of Foreign Trade (IIFT) will arrange either in India or in Egypt training, on mutually agreeable terms, to Egypt Government personnel in subjects related to Dumping measures, WTO Issues, organizing commercial activities in domestic markets (anti monopoly measures, quantitative analysis and cost benefit analysis, macro economic analysis, commercial diplomacy and export promotion, consumers protection, price monitoring) etc.

reserves of around 66 Trillion Cubic Feet (TCF). Mr. Ramesh said the ONGC (Videsh) - the overseas arm of the Oil and Natural Gas Corporation - had already made a promising start in its oil exploration venture in Egypt. The company and its Egyptian partner IPR Red Sea Incorporated drilled an exploration well in the Gulf of Suez with a promising flow of around 4,600 barrels a day. The two companies were also drilling another two exploratory wells in the North Ramadan Concession in the same area. Besides, the ONGC (Videsh) was negotiating a 33 per cent stake in an offshore block operated by Shell in the northeast Mediterranean. A couple of months earlier, in March the Gujarat State Petroleum Corporation (GSPC) and its Egyptian partners EGAS and GANOPE had signed a deal to explore the North Hap'y offshore field. It would also have exploration rights in the South Diyuran onshore block located in Egypt's Western Desert area. Apart from the public sector giant Indian Oil Corporation (IOC), some of the top Indian private companies including Reliance Industries, Tata and Essar Global

- India will examine within two months the Joint Action Plan on Trade and Technical Cooperation, and Indian Technical Experts for Egyptian Industry.
- The Egyptian side will look into India's request for accelerating the process of registration for WHO/GMP certified Indian pharma companies and will also consider the Indian offer for supply of technical know-how for manufacture of bulk drugs by Indian companies and training of drug regulatory personnel of Egypt.
- Egypt will also consider India's suggestion for setting up an Indo-Egyptian Joint Working Group on Pharmaceuticals.
- Egypt will consider the proposal of RITES for assistance in modernization of the rail system and infrastructure in Egypt.
- Egypt will consider the proposal of TCIL for assistance in the ICT sector.
- Egypt will consider the offers of M/s. MECON and SAIL for technical assistance in upgrading steel sector of Egypt.
- Egypt will consider the proposals of the Ministry of MSMEs and MSMEDO/ NSIC for assistance in the SMEs sector on paid basis.
- Egypt will consider the offer of BMTPC for technical assistance in the sector of low cost housing.



were interested in setting up refineries, LNG terminals and petrochemical complexes. Uncertainty over gas supplies had delayed the final decision on the proposed \$1billion investment by Tata Chemicals for the manufacture of ammonia and urea. Another Tata Group company the the Tata Consultancy Services was holding negotiations with the Egyptian authorities to develop a software development and training centre. Satyam Computers inaugurated a Global Solutions Centre at Smart Village near Cairo in March to cater to the Middle East and North Africa market and Europe. During his discussions, Minister Ramesh said the Bharat Heavy Electricals Limited had already completed the supply, installation and commissioning of the contracted electric transformers in Egypt. The company now intended to make substantial investments for the manufacture of boilers and transformers in Egypt.

528. Briefing Points by Official Spokesperson on External Affairs Minister's visit to Egypt.

New Delhi, July 2, 2008.

- EAM called on President Hosny Mubarak in Sharm el Sheikh for about half an hour today. They reviewed bilateral relations in the context of recent Ministerial visits.
- The President particularly referred to India's economic growth and possibilities of increased trade and economic cooperation between the two countries, particularly IT, pharma sectors, petrochemicals and energy.
- India's prominent share in Egypt's trade was stressed.
- Reiterated commitment to revitalize NAM in the light of Egypt's forthcoming chairmanship of NAM in 2009; in the same context importance of south cooperation was stressed.
- Relevance of climate change in ensuring sustainable development for developing countries was discussed.
- Later this evening EAM held delegation level talks with Egyptian foreign minister followed by banquet in his honour in Cairo¹.



1 The External Affairs Minister addressing a press conference along with the Egyptian Foreign Minister in Cairo stressed "coercive armed engagement" with any country should be prohibited and reiterated that it was opposed to the use of force against Iran and renewed the call for a dialogue to resolve the crisis surrounding the Gulf state. He said: "Any act against a sovereign country, member of the United Nations, is unacceptable, undesirable and should not be indulged in." The "international community" should not accept such a move. In their interaction both Ministers emphasised that the relationship between India and Egypt, which were founding members of the Non-Aligned Movement, should be revitalised. Mr. Mukherjee said the NAM should be viewed in a new perspective. Its economic dimension needed to be enhanced, so that fresh energy could be infused in South-South cooperation. He said Egypt, which was hosting the 2009 NAM summit, would take the movement forward and advance the cause of developing nations. The two Ministers acknowledged that they needed to work together to re-engage Africa. Asked whether India could assist Egypt in a civilian nuclear energy programme, Mr. Mukherjee said this would not be possible due to technical limitations. He said India was currently ineligible to engage in nuclear trade, as it was neither a

529. Joint India-Egypt Statement issued on the visit of External Affairs Minister Pranab Mukherjee to Egypt.

New Delhi, July 3, 2008.

Shri Pranab Mukherjee, Minister of External Affairs, visited Egypt from 01 to 03 July 2008 at the invitation of His Excellency Mr. Ahmed Aboul Gheit, Minister of Foreign Affairs of the Government of the Arab Republic of Egypt. His programme included meetings with his Egyptian counterpart and a call on His Excellency Mr. Mohamed Hosni Mubarak, President of the Arab Republic of Egypt.

2. The wide-ranging discussions were held in a friendly atmosphere and both sides exchanged views on various bilateral, regional and international issues of mutual interest.
3. Both sides noted with considerable satisfaction the developments in recent months in the evolution of friendly relations between India and the Arab Republic of Egypt. They reaffirmed their resolve to further broaden and deepen the close and friendly ties between the two peoples and to enhance bilateral cooperation in different fields, thus strengthening the multi-faceted relationship.
4. Mr. Gheit and Shri Mukherjee recognized the immense potential for enhancing economic cooperation between India and Egypt. The two sides reiterated their commitment to diversify and deepen the scope of their economic, trade and investment linkages.

signatory to the Nuclear Non-Proliferation Treaty nor member of the 45-nation Nuclear Suppliers Group. According to media reports the External Affairs Minister Pranab Mukherjee also sought to advance the economic relationship between the two countries during his talks with his counterpart Ahmed Abul Gheit and Egyptian President Hosni Mubarak. *The Hindu* quoted diplomatic sources in Cairo to add that apart from trade, India was keen to strengthen its investments in Egypt. The Oil and Natural Gas Corporation-Videsh (OVL) had drilled an exploratory well with a flow of 4,600 barrels, in the North Ramadan Concession in the Gulf of Suez. The Gujarat State Petroleum Corporation had signed an agreement with two Egyptian partners to develop the North Hap'y and South Diyur offshore blocks in the Mediterranean Sea. Mr. Mukherjee told reporters that India's investments in Egypt will rise from the current level of \$700 million to \$2 billion if the Egyptian authorities approved two key projects. These include a petrochemicals project worth \$1.5 billion that Reliance Industries plans to set up in Egypt. The fertilizer giant, IFFCO, was also interested to set up a \$350-million phosphoric acid plant.

5. The two sides took note of the recent visits to India by the Egyptian Minister of International Co-operation who attended the India Africa Forum Summit held in New Delhi, and by the Egyptian Ministers of Trade and Industry and Agriculture and Land Reclamation.
6. The two sides also took note of the visits to Egypt by the Indian Minister of Home Affairs in January this year, and the recent visits of the Minister of State for Commerce and Power for the World Economic Forum on the Middle East and the Minister of State for External Affairs for the African Union summit.
7. The Ministers agreed that the discussions held during the recent exchanges of high-level visits have thrown up new opportunities for strengthening political and economic interaction between Egypt and India.
8. The Ministers expressed concern at the phenomenal rise in food and fuel prices in recent months and resolved to work together in addressing these challenges. They emphasized the importance of food security and energy security, especially for developing countries like India and Egypt.
9. The Ministers also underscored the continuing consultation and co-ordination between the two countries in the United Nations, the Non-Aligned Movement and other international forums.
10. The two sides exchanged views on the situation in West Asia. India reiterated her consistent support for the Palestinian cause and called for early resumption of negotiations on all tracks under the Middle East Peace Process. Both sides agreed that force and violence would not lead to peace in the region.
11. Shri Mukherjee conveyed to Mr. Gheit his sincere appreciation for the warm hospitality extended to him and the accompanying delegation.
12. Shri Mukherjee also had a meeting with His Excellency Mr. Amre Moussa, Secretary-General of the League of the Arab States, before his departure from Cairo.



530. Press Release issued by the Ministry of Commerce on the Enormous Potential for Expanding Trade between India and Egypt: Proposal for Indian Industrial Zone in Egypt.

New Delhi, November 17, 2008.

Shri Kamal Nath, Union Minister of Commerce and Industry, has stated that there is enormous potential for expanding the bilateral trade between India and Egypt and a need to further diversify the trade basket to tap this enormous potential. While addressing at the Business Session with Egypt President Mr. Mohamed Hosni Mubarak, here today, Shri Kamal Nath stressed that the possible area of cooperation / growth are: Steel, Construction, Tractors & agricultural equipment, pumps & diesel engines, pharmaceuticals, tourism, auto components, information technology, fertilisers, phosphates & urea, hotel management, textiles, biotechnology and use of natural gas in cars.. He further added that Egypt has traditionally been one of India's most important trading partners in the African continent and Egypt alone accounts for almost 40% of India's trade with Northern Africa.

Speaking at the Business Session, the Minister welcomed the Egyptian proposal of establishing an Indian Industrial Zone in Egypt exclusively for Indian companies. He further added that Egypt's strategic location makes it a gateway to the 20-country Common Market for Eastern and Southern Africa (COMESA), the 27-nation European Union and the Arab Free Trade Area. He highlighted that both the countries are already benefiting from a bilateral investment protection pact, which has been in force since 2000. "Companies like Ranbaxy, Kiroloskar, Dabur, Ashok Leyland, and Essel already have an investment presence in Egypt. I am sure that with these investments, India could well emerge among the top ten foreign investors in Egypt", he said.

During 2007-08, India's exports to Egypt have been to the tune of US \$ 1396.23 million as compared to US\$ 760.41 million during the year 2006-07. Imports (including oil imports) during the same period were US\$ 1982.77 million as compared to US\$ 1741.65 million during the year 2006-07. The top Indian export items include frozen meat, cotton yarn and synthetic yarn, rice, diesel, tobacco, electrical machinery, soybean, chemicals, automobiles and components, sugar, pharmaceuticals and tea. Nearly 95% of Egypt's exports to India comprise oil and gas. Coking coal, raw cotton, rock phosphate, and marble make up the balance 5%.



531. Address by Vice President M. Hamid Ansari at the Presentation of the Jawaharlal Nehru Award for International Understanding to the Egyptian President Mohamed Hosny Mubarak.

New Delhi, November 18, 2008.

Excellencies

Ladies and Gentlemen

As Chairman of the Jury of this Award, it is my proud privilege to inform you that after due deliberations, the Jury members decided unanimously to confer the Jawaharlal Nehru Award for International Understanding on His Excellency Mr. MOHAMED HOSNY MUBARAK, President of the Arab Republic of Egypt.

President Mubarak, we are deeply honoured by your presence today. Your leadership has been an outstanding example in achieving economic progress, social harmony and regional stability.

It is our belief that developing countries like Egypt and India need to work closely together to meet the growing developmental and global challenges facing us. Achieving inclusive economic growth and raising the standards of living of the vast majority of our population, continue to be our most important priorities.

Excellency

You lead a great nation with a sense of progressive vision and are committed to regional peace. In conferring this Award on you the Government of India recognizes, values and honours your unwavering and steadfast commitment to peace in West Asia and for championing the voice of the Non-Aligned and other developing countries in the global arena. Your support for regional and international efforts to promote and maintain peace in the West Asian region is eloquent testimony to your commitment to the promotion of international peace and goodwill. I feel deeply privileged to convey my warmest greetings to you.

I now invite Shri Pavan K. Varma, Director-General of the Indian Council for Cultural Relations and Secretary of the Jury for the Award, to read the citation and request the President of India, Smt. Pratibha Devisingh Patil to present the Jawaharlal Nehru Award for International Understanding to President Mohamed Hosny Mubarak.



532. Joint Press Interaction by Prime Minister Dr. Manmohan Singh and Egyptian President Hosny Mubarak.

New Delhi, November 18, 2008.

Official Spokesperson (Shri Vishnu Prakash): Good afternoon ladies and gentlemen, and welcome to the Joint Press Interaction.

Prime Minister of India Dr. Manmohan Singh would be making the opening statement. Next, His Excellency the President of Egypt would be making a statement.

Mr. Prime Minister, Sir, the floor is yours.

Prime Minister of India (Dr. Manmohan Singh): Your Excellency President Hosny Mubarak; ladies and gentlemen of the press:

Good afternoon. We feel greatly honoured to have President Mubarak and his delegation in our midst today.

President Mubarak is a great statesman and a highly respected world leader. My talks with President Mubarak were extremely productive. They were held in a spirit of great friendship and warmth, which has always been the hallmark of relations between India and Egypt.

This visit has opened a new chapter in our relations. We have both agreed that all the conditions are ripe for transforming our relationship to correspond to contemporary realities. We have agreed to make up for the lost time and to elevate our relations to a level that reflects our mutual strengths and complementarities.

The Agreements that have been signed and the Joint Declaration that has been issued cover many new areas of cooperation including space and health. The establishment of a strategic dialogue at the level of the two Foreign Ministers reflects our intention to upgrade our relations. We have agreed to work together to combat terrorism and signed an Extradition Treaty.

Our bilateral trade has increased four times in the last five years and now exceeds US three billion dollars. But this is still below the potential and we have agreed that more efforts are required. We agreed to expand cooperation in priority areas such as hydrocarbons, information technology, agriculture and biotechnology.

We had a detailed discussion on several regional and international issues of mutual interest. I conveyed to the President India's consistent support to the Palestinian cause, and the fact that peace and stability in West Asia are in India's vital interest. We have great regard for the role which Egypt is playing in the region.

There was a strong commonality of views on issues of concern to the developing countries. I conveyed our full support to President Mubarak for Egypt's forthcoming chairmanship of the Non-Aligned Movement. We have agreed to work closely on major challenges like the global financial crisis, energy security, food security, climate change, reform of international institutions and terrorism.

I wish to take this opportunity to congratulate His Excellency President Hosny Mubarak on the conferment of the Jawaharlal Nehru Award for International Understanding.

It is my firm belief that the time has come for India and Egypt to re-kindle the special nature of our bilateral relations based upon the immense goodwill that exists between our two peoples.

Thank you.

Official Spokesperson: Your Excellency, the floor is yours.

President of Egypt (Mr. Hosni Mubarak): Thank you hon'ble Prime Minister for your warm welcome and the kind words. Indeed our consultation today covered a wide range of regional, global, and bilateral issues. We had a fruitful discussion on the situation in the Middle East and West Asia, as well as the role of both countries in the maintenance of international peace and security.

On global issues we agreed that we are faced with a financial crisis of massive proportions. This crisis required that all countries, developed and the developing, move on two fronts. The first is to address the immediate recessionary pressures in the world economy. Related efforts need to be coordinated across nations and aimed in developing countries towards the less privileged in our societies.

The second front is with regard to the restructuring of the international financial architecture. We agreed that the various groupings of countries now attempting to address this issue need to ensure that all world regions are properly represented. In addition, any proposals for reshaping the present economic order need to be discussed in broadly-based fora.

India and Egypt commit to ensure that the issues relevant to the emerging market economies receive the appropriate attention in these discussions. On other issues of global reach, we underscored the need for concerted, collective action against terrorism.

We also had a very useful discussion on how best to confront such global challenges as food and energy security, as well as poverty alleviation and the climate change. In this respect we stressed the importance of effective economic, social, security, and the environmental policies as part of our globalisation era.

On bilateral issues our talks affirmed the mutual determination to continue a high-level political dialogue and to build up on the remarkable increase in trade and investment we realized in the last few years.

We agreed to continue working together to serve the interests of the developing countries within the Non-Alignment Movement, the United Nations, the WTO, the Bretton Woods Institutions, and the other international fora. Our consultations were extremely productive reflecting the historic friendship between Egypt and India over the decades as well as our shared values, priorities, challenges and concerns. My current visit to India comes to give a new, strong momentum to our historic relations and partnership. Likewise, and to achieve the same end, I address today my invitation to Prime Minister Singh to visit Egypt in order to reciprocate his warm welcome and the hospitality; and to continue our consultation in all issues of common interest.

Thank you.



533. Joint Declaration on the State Visit of Egyptian President Mohamed Hosny Mubarak.

New Delhi, November 18, 2008.

1. The President of the Arab Republic of Egypt, His Excellency Mr. Mohamed Hosny Mubarak, paid a State visit to India from 16 to 19 November 2008 at the invitation of the Prime Minister of the Republic of India, Dr. Manmohan Singh. President Mubarak was accompanied by a high-level delegation of senior officials and a business delegation.
2. President Mubarak called on the President of India, Smt. Pratibha Devisingh Patil. The Vice-President of India, Shri Mohammed Hamid Ansari, the External Affairs Minister, Shri Pranab Mukherjee and the Chairperson of the United Progressive Alliance, Smt. Sonia Gandhi called on President Mubarak. The President, Smt. Pratibha Devisingh Patil, hosted a banquet in honour of President Mubarak.
3. The Prime Minister, Dr. Manmohan Singh held delegation-level discussions with H.E. President Hosny Mubarak on 18 November, 2008. They expressed satisfaction over the evolution of bilateral relations in recent years and directed that exchanges and consultations should be further intensified in order to realise the full potential of the relationship.
4. The two leaders decided to establish a mechanism for a strategic dialogue at the level of External Affairs Minister / Minister of Foreign Affairs or their representatives to revitalise the current mechanism for regular political consultations on bilateral, regional and international issues. Such dialogue could be held either at the respective capitals or on the sidelines of multilateral fora. The two sides also agreed to institute a security policy dialogue at the relevant level. Whenever necessary, expert committees or working groups could be constituted under this mechanism by mutual consent.
5. The two leaders also exchanged views on a wide range of issues of bilateral and international interest including those relating to the situation in West Asia/ Middle East, the Non-aligned Movement, the reform of the United Nations as well as bilateral economic cooperation

and investment matters and cooperation in the peaceful uses of space and peaceful nuclear energy co-operation issues were discussed.

6. The two leaders reiterated their well-known support for the Palestinian cause in line with their backing of the United Nations Security Council Resolutions 242 (1967) and 338 (1973) calling for a negotiated solution resulting in a sovereign, independent, viable, contiguous and united State of Palestine living within secure and recognized borders, side by side at peace with Israel as endorsed in the Quartet Roadmap and United Nations Security Council Resolutions 1397 and 1515. India reiterated its support for the Arab Peace Plan. The two leaders called for an end to the expansion of Israeli settlements in occupied Palestine and for an early and significant easing of restrictions on the free movement of persons and goods within Palestine. Both sides agreed that peace in the region requires sustained and substantial negotiations among the parties. They advocated active support of the international community and regional players for efforts in normalizing the situation in West Asia and Middle East, and resuming dialogue on all tracks. India conveyed its appreciation for the role of moderation played by Egypt over the years, and especially for the statesmanship and leadership role of President Hosny Mubarak, in promoting the peace process in West Asia and working towards the establishment of an independent Palestinian State. The Egyptian side deeply appreciated India's traditional and steadfast commitment to the Palestinian cause and in consistently supporting the legitimate rights and aspirations of the Palestinian people.
7. The Prime Minister, Dr. Manmohan Singh conveyed felicitations to His Excellency President Hosny Mubarak for Egypt being chosen as the next chair of the Non-Aligned Movement. In this regard, he wished Egypt a successful summit in 2009 and pledged India's support and co-operation for Egypt's chairmanship.
8. India and Egypt will continue to work together to strengthen the central role of the United Nations in maintaining peace and security. They also emphasised the need for acceleration of the process of United Nations reform so as to reflect contemporary realities.

9. India and Egypt strongly condemn terrorism in all its forms and manifestations. Both sides consider terrorism to be one of the gravest threats to international peace and security, and affirm that there can be no justification for any act of terrorism, irrespective of motivations, wherever and by whosoever committed. They are convinced that terrorism cannot, and should not, be associated with any nationality, religious, cultural or ethnic group. They reaffirm their resolve to strengthen their cooperation in combating terrorism at all levels.
10. The President of India, Smt. Pratibha Devisingh Patil conferred the Jawaharlal Nehru Award for International Understanding for the year 1995 on His Excellency, President Hosny Mubarak at an impressive function attended by the Vice-President of India, Shri Mohamed Hamid Ansari, the Prime Minister, Dr. Manmohan Singh and other dignitaries.
11. His Excellency, President Hosny Mubarak addressed a meeting of the India-Egypt Business Forum organised jointly by the Association of Indian Chambers of Commerce & Industry (ASSOCHAM), the Federation of Indian Chambers of Commerce & Industry (FICCI) and the Confederation of Indian Industry (CII).
12. The two countries will cooperate closely in the field of technology, in particular in information and communications technologies; agriculture; biotechnology; and non-conventional energy technologies. They will work towards enhancing cooperation in the fields of science and technology, tourism, youth affairs and sports, agriculture research and education, technical education and vocational training and other fields of mutual benefit.
13. India and Egypt discussed intensification of cooperation in the ICT sector by facilitating and providing assistance to help promote trade and technology sector. They took note of the Memorandum of Understanding on Cooperation in the field of Information Technology and the several agreements signed between training institutions in India and Egypt in the field of Information Technology. They also took note of the establishment in Egypt of business development centres by some of the leading Indian IT majors.

14. India and Egypt will work towards expanding cooperation between their respective oil companies, both in the public and private sectors, for establishing long-term relationships in supply of crude oil and petroleum products, upstream and downstream joint ventures, refineries, petrochemical industries and marketing, both in Egypt and India and internationally, as permitted by their respective laws and regulations.
15. During their discussions, India and Egypt expressed concern over the adverse impact, particularly on developing countries, of the ongoing global financial crisis. The two sides will consult each other on the matter. They will also closely consult on the important issues of food and energy security.
16. Recalling the celebrations of the "Days of Egypt in India" in 2007 and the celebrations held recently to mark the "Days of India in Egypt", India and Egypt welcomed ongoing efforts towards developing partnerships between institutions of the two countries in the areas of culture, Indian and Egyptian studies and languages.
17. The following documents were signed at the conclusion of the talks between the Prime Minister of India and the President of Egypt:
 - (i) Extradition Treaty between the Government of the Republic of India and the Government of the Arab Republic of Egypt
 - (ii) Agreement between the Government of the Republic of India and the Government of the Arab Republic of Egypt on abolition of visa requirement for holders of diplomatic, special and official/service passports
 - (iii) Memorandum of Understanding between the Government of the Republic of India and the Government of the Arab Republic of Egypt on Cooperation in the field of Health & Medicine
 - (iv) Memorandum of Understanding between the Government of the Republic of India and the Government of the Arab Republic of Egypt on Cooperation in the Exploration and Use of Outer Space for Peaceful Purposes.

- (v) Memorandum of Understanding between the Government of the Republic of India and the Government of the Arab Republic of Egypt on Trade and Technical Cooperation.
18. His Excellency President Hosny Mubarak invited the President and the Prime Minister of India to visit Egypt at a mutually convenient time. The invitations have been accepted.
19. His Excellency President Hosny Mubarak expressed deep gratitude and appreciation to the President and the Prime Minister of India for the warmth of the reception accorded to him and to his delegation during their stay.

(Pranab Mukherjee)

External Affairs Minister
Republic of India

(Ahmed Aboul Gheit)

Minister of Foreign Affairs
Arab Republic of Egypt

New Delhi, 18 November 2008



**534. Speech by President Shrimati Pratibha Devisingh Patil
at the Banquet in honour of the Egyptian President
Mohamed Hosny Mubarak.**

New Delhi, November 18, 2008.

Your Excellency, Mr. Mohamed Hosny Mubarak, President of the Arab Republic of Egypt,

Madame Mubarak,

Excellencies,

Distinguished Guests,

Ladies and Gentlemen,

It gives us great pleasure to extend a warm welcome to you, Excellency, to Madame Mubarak and to the members of your delegation on your State Visit to India. Your visit comes after a long gap of over twenty-five years but is, nevertheless, another major landmark in the long history of our relations as civilisations and nations. We welcome you once again as a true friend of India, as a partner in non-aligned solidarity and as a world leader of great distinction and repute.

The history of our relations as two ancient lands is being rediscovered each day. Our ties date to Pharaonic times. In the Roman period, there were well-established trade routes linking ports in Western and Southern India to those on the Red Sea. Most recently, archaeologists have been unearthing an important site at Berenike on Egypt's Red Sea coast that promises to revolutionise our understanding of the wide extent of these ancient maritime and commercial links that must have also brought us together as kindred cultures.

In modern times, India and Egypt were brought together by common struggles and shared aspirations. We are aware of the friendship and mutual respect between Mahatma Gandhi and Sa'ad Zaghloul. Jawaharlal Nehru and Maulana Abul Kalam Azad did much to revitalise India's political and cultural links to Egypt. After Indian independence in 1947 and the July 1952 Revolution in Egypt, strong ideological bonds developed between our two countries, leaders and peoples.

The strength and the diversity of these ties were visible not only in momentous events such as the Bandung Conference of 1955 or during the

Suez crisis of the following year but were there for all to see in the popular adoration of Indian cinema such as "Mother India" and Raj Kapoor's "Sangam".

As young nations, we shared the goals and values for consolidating national independence and sovereignty as well as for achieving socio-economic development and raising the standard of living of our people.

Excellency,

Today, we are pleased to welcome you not only as the representative of an ancient civilization, but also as the leader of a friendly and vibrant nation which has been making impressive achievements in recent years in promoting socio-economic development and economic growth.

We have worked together in the Non-Aligned Movement, in the United Nations, and in the Group of 77 and other international fora to defend the political and economic interests of developing countries and for promoting South-South Cooperation.

We are confident that Egypt will contribute to the revitalization of NAM during its forthcoming chairmanship. We share a common interest in combating international terrorism that threatens the stability and security of nation-states and violates the most basic of human rights, namely the right to life.

In recent years, we have had successful experiences in economic reform and liberalisation, including de-regulation and disinvestment. These have thrown open new opportunities to our business, industrial and technological communities to work together to mutual benefit. I am happy that Indian investments in Egypt have been increasing steadily and are poised to exceed US\$ 2 billion within the next two years.

India is ready to share its development experience with close friends such as Egypt. I am pleased to note that we have signed agreements during Your Excellency's current visit in order to expand and consolidate our cooperation. These, I believe, will form the basis for building further cooperation.

We have also admired Egypt's important role in contributing to peace in West Asia, a region that we ourselves regard as our extended neighbourhood. India has consistently voiced its unequivocal support for the Palestinian cause and for the peace process in West Asia. In this regard, we look forward to working closely with Egypt and benefiting from its wise

counsel. A just and comprehensive peace in the region, in which the legitimate aspirations of the Palestinian people for a sovereign, viable and independent state, living at peace with Israel and within secure and recognised borders, would be met is imperative.

May I now invite Your Excellency and all distinguished guests to raise a toast: -

- to His Excellency, Mr. Mohamed Hosny Mubarak, President of the Arab Republic of Egypt;
- to the progress and prosperity of Egypt; and
- to ever-lasting friendship between India and Egypt.



**535. Press Release issued by the Ministry of External Affairs
on the visit of Egyptian President Mohamed Hosny
Mubarak.**

New Delhi, NOVEMBER 19, 2008.

The President of the Arab Republic of Egypt, His Excellency Mr. Mohamed Hosny Mubarak, accompanied by Mrs. Suzanne Mubarak, paid a State visit to India from 16 to 19 November 2008 at the invitation of the Prime Minister Dr. Manmohan Singh. President Mubarak was accompanied by a high-level delegation comprising the Minister of Foreign Affairs of Egypt, H.E. Mr. Ahmed Aboul Gheit, the Ministers of Trade & Industry, Communication & Information Technology, the Minister of Information, other senior officials as well as a large business delegation.

During his visit, President Mubarak called on the President of India, Smt. Pratibha Devisingh Patil. The Vice-President of India, Shri Mohamed Hamid Ansari, the External Affairs Minister, Shri Pranab Mukherjee and the Chairperson of the United Progressive Alliance, Smt. Sonia Gandhi called on President Mubarak.

The Prime Minister, Dr. Manmohan Singh held delegation-level discussions with H.E. President Hosny Mubarak on 18 November, 2008, during which a range of issues of bilateral and multilateral concern, including the Non-aligned Movement, of which Egypt will assume the Chair in 2009, and

United Nations reform were discussed. Both leaders renewed their well-known support for the Middle East peace process. The two sides also agreed to strengthen their cooperation in combating terrorism.

During the visit, the President, Smt. Pratibha Devisingh Patil conferred the Jawaharlal Nehru Award for International Understanding for the year 1995 on His Excellency, President Hosni Mubarak at an impressive function attended by the Vice-President of India, Shri Mohammed Hamid Ansari, the Prime Minister, Dr. Manmohan Singh and other dignitaries.

The following documents were signed at the conclusion of the talks between the Prime Minister of India and the President of Egypt:

- (i) Extradition Treaty between the Government of the Republic of India and the Government of the Arab Republic of Egypt
- (ii) Agreement between the Government of the Republic of India and the Government of the Arab Republic of Egypt on abolition of visa requirement for holders of diplomatic, special and official/service passports
- (iii) Memorandum of Understanding between the Government of the Republic of India and the Government of the Arab Republic of Egypt on Cooperation in the field of Health & Medicine
- (iv) Memorandum of Understanding between the Government of the Republic of India and the Government of the Arab Republic of Egypt on Cooperation in the Exploration and Use of Outer Space for Peaceful Purposes
- (v) Memorandum of Understanding between the Government of the Republic of India and the Government of the Arab Republic of Egypt on Trade & Technical Cooperation.

Hon'ble External Affairs Minister and the Foreign Minister of Egypt also signed a Joint Declaration on the State Visit of President Mubarak.

His Excellency President Hosny Mubarak invited the President and the Prime Minister of India to visit Egypt at a mutually convenient time. The invitations have been accepted.

His Excellency President Hosny Mubarak expressed deep gratitude and appreciation to the President and the Prime Minister of India for the warmth of the reception accorded to him and to his delegation during their stay.



ETHIOPIA

536. Press Release of the Ministry of External Affairs on the visit of Minister of State Anand Sharma as Special Envoy of the Prime Minister to Ethiopia.

New Delhi, July 31, 2008.

Shri Anand Sharma, Special Envoy of the Prime Minister of India and Minister of State for External Affairs visited Ethiopia on July 30/31, 2008. The Special Envoy called on the PM of the FDRE, H.E Ato Meles Zenawi and H.E Ato Seyoum Mesfin, Minister of Foreign Affairs.

The visit to Ethiopia was the last leg of a tour undertaken by the Minister, starting with the East Asia Summit (EAS) Foreign Ministers' Meeting, ASEAN-India Ministerial Meeting and the ASEAN Regional Forum meeting in Singapore from 22-24 July, 2008. He subsequently visited the four African members of the IAEA Board of Governors viz. Ghana, Nigeria, South Africa and Ethiopia.

During his visit to Nigeria from July 27-28, 2008, he had meetings with H.E. Alhaji Umaru Musa Yar'Adua, Hon'ble President and H.E. Chief Ojo Maduekwe, Hon'ble Foreign Minister. He met with the President, H.E. Mr. Thabo Mbeki, during his visit to South Africa on July 29, 2008. Earlier in the week he had a meeting with President John Kufuor of Ghana.

Unequivocal support from all these countries who have stood by their commitments made to India for partnerships in earlier meetings was assured. They have also said that they would work with other delegations to foster support for India at the IAEA Board of Governors meeting. South Africa is also a member of the Nuclear Suppliers Group where it has promised to support India.

Shri Anand Sharma presented a letter from the Prime Minister of India, H.E Dr. Manmohan Singh to the Prime Minister of Ethiopia seeking support from Ethiopia at the Board of Governors meeting of the International Atomic Energy Agency (IAEA) on August 1, 2008. He explained India's keenness to enhance its civil nuclear energy programme in cooperation with other countries, as this would contribute to the enhancement of India's economic development and meeting its energy demands.

In his meeting with the Minister of Foreign Affairs of Ethiopia the Special Envoy explained in detail the approach to civil nuclear cooperation, its

necessity, impact and why India had chosen the International Atomic Energy Agency (IAEA) special safeguards route.

In both meetings, discussions also took place on the continuing cooperation between India and Ethiopia in the development of infrastructure, industry, agriculture and services in Ethiopia. It was noted that India was now among the leading investors in Ethiopia and these investors were very welcome for their positive contribution to the development of Ethiopia in a democratic framework. India's cooperation in the field of human resource development was also positively regarded and further plans for the expansion of cooperation in this sector were discussed, particularly, in the context of the implementation of decisions taken at the India Africa Forum Summit in April in which the PM of Ethiopia, H.E Ato Meles Zenawi and Minister of Foreign Affairs, H.E Ato Seyoum Mesfin had participated.

Shri Anand Sharma also visited the Black Lion Hospital to view the Tele Medicine Center in operation and attended a Continuing Medical Education (CME) session between doctors at the Care Hospital in Hyderabad and at the Black Lion Hospital in Addis Ababa.

Shri Anand Sharma also had a meeting with the Chairperson of the African Union Commission, H.E Mr. Jean Ping at which the follow up of the decisions of India Africa Forum Summit were discussed. The Executive Secretary of the UN Economic Commission for Africa, Mr. Abdoulaye Jannet and the Deputy Chairperson of the African Union Commission, Mr. Erastus J.O. Mwencha also participated in the discussions.



GHANA

537. Press Release of the Ministry of External Affairs on the visit of Minister of State Anand Sharma to Ghana.

New Delhi, July 25, 2008.

Minister of State for External Affairs, Sh. Anand Sharma arrived in Ghana on 25th July as the Special Envoy of the Prime Minister. He called on the President of Ghana Mr. John Kufuor and also met with the Foreign Minister Mr. Akwasi Osei Adjei. President Kufour assured Mr. Sharma of Ghana's support for India in the IAEA Board.

The President stated that India and Ghana have historic relationship going back to Pandit Nehru and Nkrumah. He appreciated India's strong partnership with Ghana in its march towards development. The new Presidential palace at Ghana is being constructed with Indian assistance and is likely to be completed shortly.

Sh. Sharma is traveling to Africa as PM's special envoy to garner support from IAEA board and NSG member countries. He shall be traveling to Nigeria where he shall call on President Yar' Adua. Thereafter he shall be calling on President Mbeki of South Africa and Prime Minister Meles Zenawi in Ethiopia. Earlier in the week he had met several foreign ministers at the margins of the ASEAN Regional Forum in Sigapore, including US Secretary of State Condoleezza Rice.



MOZAMBIQUE

538. Press Release issued by the Ministry of Home Affairs on the meeting between the Interior Minister of Mozambique and Home Minister Shivraj Patil.

New Delhi, July 22, 2008.

A four-member delegation from Mozambique, led by their Interior Minister, Mr. Jose Pacheco met the Union Home Minister, Shri Shivraj Patil here yesterday. Ways to strengthen bilateral co-operation between the two countries were discussed. Both India and Mozambique have long coastlines and can learn from each other in the area of coastal security. Shri Patil stressed the need for all countries to join hands in the fight against terrorism. He said that nations can share information and exchange ideas for this purpose.

The Union Home Secretary, Shri Madhukar Gupta was among those who attended the meeting.



NIGERIA

539. Press Release of the Ministry of External Affairs on the visit of Minister of State Anand Sharma to Nigeria as Special Envoy of Prime Minister.

New Delhi, July 28, 2008.

H.E. Mr. Anand Sharma, Special Envoy to the Prime Minister of India and Minister of State for External Affairs visited Nigeria from July 27-28, 2008. He had meetings with H.E. Alhaji Umaru Musa Yar'Adua, Hon'ble President and H.E. Chief Ojo Maduekwe, Hon'ble Foreign Minister.

2. Mr. Sharma handed over a letter from the Indian Prime Minister to the Hon'ble President of Nigeria seeking support for India for the civil nuclear energy cooperation initiative to be discussed at the IAEA Board on August 1, 2008. He expressed India's desire to enhance mutual cooperation in various fields in view of the strategic

partnership between the two countries highlighted during the joint Abuja Declaration signed during the visit of the Prime Minister of India to Nigeria in October 2007.

3. The President of Nigeria gave a categorical assurance of support for India's initiative and was deeply appreciative of India's quest for energy security. He also highlighted India's stellar contributions in Nigeria's developments, particularly in the field of education. He expressed his desire to broaden the engagement with India, especially for energy security and infrastructure development.



SOUTH AFRICA

540. Extract from Media Briefing of Official Spokesperson relevant to the visit of External Affairs Minister to South Africa.

New Delhi, February 15, 2008.

In South Africa, the visit takes place from February 21-22. He will be heading the Indian delegation for the 7th Joint Ministerial Commission Meeting between the two countries. EAM is also expected to call on President Thabo Mbeki and the new ANC President Jacob Zuma.

The Joint Commission between the two countries was set up in 1994. The last meeting was held in New Delhi in December 2005. The forthcoming meeting will, therefore, enable an in-depth review of bilateral relations. The JMC has seven sub-committees which covers various aspects of bilateral relations.

There has been regular high level contacts - the last being PM Manmohan Singh's visit in October 2006 for the joint celebrations of the centenary of Satyagraha during which the Tshwane Declaration was signed. There is active contact in multilateral fora, particularly at the UN, NAM, Commonwealth, G-77, G-20, NAASP and WTO. IBSA issues will also naturally come up in South Africa.

The trade here is over US\$ 4 billion and with substantial Indian investment in South Africa. We expect Agreements/MOUs to be signed during the visit

on Visa-free entry for diplomatic and official passport holders, Agricultural Cooperation, Cooperation in Customs matters and on Programme of Cooperation in Science and Technology.



541. Address by External Affairs Minister Pranab Mukherjee to India Business Forum Pretoria Country Club.

Pretoria, February 20, 2008.

**Shri Raman Dhawan, Chairman of the India Business Forum,
Shri Bhatia, High Commissioner of India,
Shri Nalin Surie, Secretary, Ministry of External Affairs,
Shri Atul Gupta,**

Friends,

It is indeed a pleasure to be with you in Pretoria this evening and to have the opportunity to interact with senior representatives of Indian companies that are at the forefront of India's engagement with South Africa. The presence in this room of representatives of some of India's leading companies in the automobiles, pharmaceuticals, metallurgical, engineering, IT, telecom, financial services, diamonds and other sectors is clear testimony to the global aspirations of Indian industry and the importance that you attach to having a substantial footprint in South Africa.

As the High Commissioner said, the India-South Africa relationship is indeed one that is defined by common ideals, ideas and icons. The process of transformation of a young barrister in Mohandas Karamchand Gandhi into Mahatma Gandhi began on this soil when he embarked on his experiments with truth. It was natural therefore for India to render steadfast support to the people of South Africa in their struggle against apartheid and for upholding human values. I recall that my last visit to this country was more than a decade ago, as Commerce Minister, and the occasion was to renew the trade links that had been snapped almost half a century earlier by a newly-independent India that did not agree with the policy of apartheid.

Today, India and South Africa are Strategic Partners. My visit on this occasion is to co-chair the India-South Africa Joint Commission with the Foreign Minister of South Africa. I also expect to call on the highest leaderships of

both the Government and the Party. Our effort will be to add further content to our partnership and address implementation issues.

We are also working closely with South Africa and Brazil in the context of our IBSA partnership. This trilateral partnership opens up many exciting opportunities including on the business front.

On the economic side, our trade with South Africa has expanded rapidly and from US\$ 1.8 billion in 2002, last year it crossed US\$ 4.7 billion. During the same period, our exports have grown from just US\$ 350 million to over US\$ 2.2 billion last year, making South Africa our largest market in the African continent. Despite the current apprehensions of a slowdown in the global economy, we must continue to provide the momentum and dynamism to achieve the ambitious target of trebling trade by 2010 as laid down by our leaders in the Tshwane Declaration of 2006.

We can be optimistic on this score because of the remarkable growth that we are witnessing in the Indian economy over the last few years. A high savings and investment rate of around 35% points to the fact that our economy can sustain a growth rate of around 9 to 10% for the next 2-3 decades. As a result, the India story has caught the world's imagination. We were always proud to be called the world's largest democracy but the impressive economic growth over the last 2 ½ decades, and in particular over the last 7/8 years, has added a new dimension to this. Democracy and sustained high growth rates are compatible. But inclusiveness must also be ensured.

And a large measure of the credit for this transformation goes to you, the captains of industry here and in India. Thanks to your dynamism and entrepreneurship, business organizations like the ones that you represent are fast becoming the new standard bearers of India. Our government values the crucial contribution that you make and, in recognition of this, the national civil awards announced recently on Republic Day included Padma Vibhushans and Padma Bhushans for business leaders including Ratan Tata, NR Narayana Murthy, LN Mittal, PRS Oberoi, Baba Kalyani, KV Kamath and Shiv Nadar. The efforts of our government and of our diplomatic missions to project "Brand India" receive a powerful boost when you add your weight through concrete endeavour and investment.

In a sense, this also places an additional responsibility on you because you take upon yourself the obligation to enhance India's brand equity even as you focus on improving the bottom line on the balance sheet and delivering

value to your shareholders. This is especially so in a country like South Africa where we nurture the values and principles of Mahatma Gandhi and where the government is embarked on a monumental effort to restore human dignity and reverse the disastrous legacy of apartheid. I believe that India, through our government and through our leading business organizations, can play a vital role in supporting the efforts of our friends in South Africa to build a more equitable society.

I am happy to learn that several companies, including the Tata group, Satyam and Sahara have already taken the lead in sending locally recruited staff to India for specialized training. Others, including those in the diamond processing industry, are taking the initiative to provide training within their facilities in South Africa, while the Confederation of Indian Industry has taken a batch of 100 young South Africans to India for training in various trades related to the construction industry. This supplements Government of India's own efforts. We are currently providing 100 ITEC slots to South Africa which I am told are fully utilized.

Your companies are making major investments in South Africa. You are generating employment opportunities and creating physical assets in this country. You are, in effect, becoming "local" companies and making a very real contribution to the South African economy. I hope that the India Business Forum can work in a collaborative manner so that it can document our success stories and enable us to take pride in the very 'Indian' spirit that our companies bring to their operations in South Africa.

At the same time, companies like yours which are based here can also play an important role in India's own development process. Our needs are well known. The search for complementarities is important in sectors such as agriculture, mining, infrastructure, energy, power generation, SMEs, etc. Indian companies are well placed to make the kind of investments that can contribute to the development requirements of our economy and of your host country. Government of India and its Missions abroad would be happy to extend full cooperation to you in this endeavour.

We also recognize that every now and then, your companies can run into issues such as tariff and non-tariff barriers, procedural hurdles, difficulties in obtaining work permits, etc., that can potentially impede the effectiveness of your operations here. I would encourage you to share these concerns with me and with our diplomatic mission here so that we can try to address these through our dialogue with the government here. As you know, the India-South Africa Joint Commission meets tomorrow for its seventh session

and we hope to utilize this forum to bring up some of the matters that are of concern to you.

The Government of India has led Indian industry in forging India-Africa project partnerships by organizing pan-African conclaves in India and regional conclaves in Africa. These bring together on a common platform government, public and private sectors of the two sides to develop the necessary complementarities and synergies. We look forward to your inputs in making the March 2008 pan-Africa Conclave in New Delhi a success.

India's involvement with Africa is and has been focused on helping African countries develop their own potential for development. This has been an evolving process and we have, over the years, extended cooperation not simply in human resource development but also in agriculture, SMEs, transportation, infrastructure, information technology, health, education, capacity building, defence, etc. India has also been deeply involved in UN Peace-Keeping Operations in African countries intended to restore constitutional order and enable post-conflict development. We have also begun to develop programs of action with sub-regional organizations such as SADC, COMESA, EAC, and ECOWAS. India has taken a bold initiative to use its skills in the IT sector to implement a pan-African e-network project which comprises tele-education and tele-medicine components and will provide VVIP connectivity to all participating African nations. Twenty eight nations have already signed on. We also provide grant assistance for capacity building projects. Our concessional Lines of Credit have helped Africa in infrastructure development and created a brand image for Indian products. We also provide extensive training and educational facilities for all African countries. Together, we can further strengthen Brand India as Africa's development partner.

I am happy that CII has taken this initiative to bring Indian companies in South Africa under one umbrella. The presence of our senior officials from India and our diplomats based in South Africa in this room alongside the heads of Indian companies is also evidence of the spirit of public-private partnership that underpins our economic philosophy.

I wish the India Business Forum a great future and all success in its endeavours.

Thank you.



542. Opening Statement by External Affairs Minister Pranab Mukherjee at the India-South Africa Joint Ministerial Commission Meeting.

Pretoria, February 21, 2008.

Your Excellency, Dr. N. Dlamini Zuma, Foreign Minister of the Republic of South Africa, distinguished members of the South African delegation, Ladies and Gentlemen,

I am delighted to be in Pretoria to attend the 7th session of the Joint Ministerial Commission between our two countries. The last meeting of our Joint Commission was in December 2005 in India. Much has happened since and this meeting is therefore very important for the purpose of taking stock of where we are and charting the way forward. I am glad that our way forward has been eased greatly by our sectoral working groups who have been meeting through the day

2. Relations between our two countries are unique, based on shared ideas, ideals and icons¹. The ANC's struggle for a just and democratic society was our own struggle and the common fight against apartheid forged a deep bond between leaders of India and South Africa. The challenge for us has always been how to leverage the excellent political understanding between our leaderships into concrete and beneficial outcomes for the strategic partnership between our two countries.
3. Since the last Joint Commission Meeting, we have had several exchanges at the highest political levels. From the South African side, the Deputy President has been to India and from India we have had two visits by Prime Minister, Dr. Manmohan Singh, a visit by Congress President Mrs. Sonia Gandhi and several by our Cabinet Ministers. We need to maintain the momentum of these visits. This year, we

¹ The Official Spokesperson while briefing the media in New Delhi on February 15 before the start of the visit of EAM said that there has been regular high level contacts between India and South Africa - the last being Prime Minister Manmohan Singh's visit in October 2006 for the joint celebrations of the centenary of Satyagraha during which the Tshwane Declaration was signed. There is active contact in multilateral fora, particularly at the UN, NAM, Commonwealth, G-77, G-20, NAASP and WTO. About bilateral trade between the two countries, the Spokesperson said "The trade here is over US\$ 4 billion and with substantial Indian investment in South Africa." The Joint Commission between the two countries was set up in 1994. The last meeting was held in New Delhi in December 2005.

look forward to receiving President Mbeki twice in India, first for the India-Africa Forum Summit, which will be held from April 4-9, 2008 and then for the 3rd IBSA Summit later in the year.

4. The strategic partnership, which was first articulated by President Mbeki when he visited India as Deputy President in 1996, has been in operation in a number of areas. We have almost 30 bilateral agreements in diverse fields. However, implementation has been patchy. This is an issue that has preoccupied our leaders as well. We, therefore, need to give a renewed push to all our sectoral Ministries to ensure time-bound outcomes in all fields of joint endeavour. I have already discussed this with Your Excellency and we both agree that the theme for this JMC should be 'Action and Implementation'. In particular, we need to focus our attention on those Agreements where not a single meeting has taken place so far. These include important sectors such as Communications & IT and Health & Medicine. We must ensure that their Working Groups meet at the earliest possible opportunity.
5. We will tomorrow also sign a number of new Agreements which will further enlarge the area of our bilateral cooperation. These are Agreements on customs cooperation, exemption of visas for official and diplomatic passport holders and a programme of cooperation in science and technology. Here too we must ensure timely implementation.
6. I would like to submit for your consideration that the implementation of these agreements as also the decisions of the Joint Ministerial Commission be reviewed during annual Foreign Office Consultations. The meetings of the JMC could be regularized once in two years. If we can have your agreement to this arrangement, both sides can proceed on this basis.
7. I am also glad to note that apart from bilateral cooperation, our trilateral cooperation under the IBSA framework is also gaining momentum. Excellency, India considers IBSA to be a unique forum which brings together on a common platform three major developing democracies from three continents. Following the successful 2nd IBSA Summit in South Africa, we have a total of 16 sectoral Working Groups. In the IBSA context too, our effort should be to identify at least half a dozen areas for concerted attention in which we must

aim for concrete outcomes. I would suggest that we focus in priority areas of cooperation, namely, transportation including shipping and civil aviation, tourism, trade and investment, infrastructure, SMEs, capacity building and information society. We have finalized the dates for the trilateral Ministerial Commission which South Africa has kindly consented to hold in the beautiful city of Cape Town. We have also communicated dates in mid-October for the Summit that India is honoured to host.

8. An issue to which both our countries attach the greatest importance is the reform and expansion of the UN Security Council. We believe that the reform and expansion of the UN Security Council, in both permanent and non-permanent categories, is central to the process of UN reform and hope that the member states would soon be able to initiate element-based and result-oriented inter governmental negotiations during the current 62nd session of the UNGA with a view to achieve progress on this issue. We believe South Africa can play an important role in the overall process, within AU and in coordinated efforts of the AU and G-4.
9. We also look forward to continue receiving South Africa's valuable support to India's candidature for a non-permanent seat on the UNSC for 2011-2012.
10. Another issue of global importance is the fight against international terrorism. India, in particular, has been battling the evil of international terrorism for over two decades. At a time when forces of intolerance and fundamentalism are gaining ground and organizations such as Al-Qaeda are expanding their presence, it is all the more imperative for all like-minded countries to come together in a global coalition against violence and terrorism. In this context, we welcome the ongoing cooperation between our delegations at the UN on the Comprehensive Convention on International Terrorism. I once again reiterate the need for India and South Africa to engage in a bilateral dialogue on Counter-Terrorism through the aegis of a JWG on Counter-terrorism. This subject was discussed at some length during the visit to India by your Home Ministry team in December, 2007. We expect to see some forward movement on this.
11. Both India and South Africa have repeatedly emphasized the importance of the development dimension of the WTO Doha Round and have welcomed the strengthened engagement, solidarity, and

cooperation among developing countries in that process. The Doha Round of trade negotiations is entering a critical stage. These negotiations are now in a genuine multilateral process, with draft texts for agriculture and industrial goods that provide a good basis for negotiations. Both India and South Africa have committed themselves to carry out negotiations towards an outcome that is fair and acceptable to all.

12. Climate change has emerged as a major international challenge. We are committed to finding practical and pragmatic strategies of addressing this challenge. Such strategies should not add greater burden or impose further conditionalities on the developmental objectives of countries like India. The principle of common but differentiated responsibilities and respective capabilities is important. I am glad that the Bali Conference has reaffirmed the principles and provisions of the UN Framework Convention on Climate Change. The long term convergence of per capita emissions of developed and developing countries is also an important principle that should be seriously considered in the context of the international climate change negotiations.
13. Just as we value our relations with South Africa, we value our relations with the rest of Africa. Our hosting of the India-Africa Forum Summit in April 2008 is the beginning of a process. How we take this forward will depend on the outcome of the Summit. I look forward to our deliberations during the Foreign Ministers' meeting on April 7, 2008. Before that, the Senior Officials will meet on April 4. We also look forward to receiving President Mbeki in New Delhi for the Summit meeting on April 8.
14. The formal outcome documents of the Summit would be a Declaration and an Action Plan. The draft of the Action Plan has been circulated by the AU to the member states. We await the response of South Africa. The second document, which will be a Declaration, will address broader areas of cooperation. The areas on which we wish to focus include human resources, institutional capacity building and education, science & technology, agricultural productivity and food security, industrial growth including small & medium enterprises and minerals, development in the health sector, development of infrastructure, ICT and establishment of judicial system with police and defence establishments under civilian control, etc. Over the next

two weeks, the officials on both sides will meet in Addis Ababa for further discussions on the draft declaration and the draft Plan of Action.

15. On the economic side, I am happy to note that our bilateral trade excluding gold bullion has reached USD 4.7 billion in 2006-07 and is growing at an impressive rate. Both our countries have been proactive in promoting visits of business delegations and in showcasing our products and technologies through mega exhibitions. From India, we have had the two CII Conclaves, the India Calling Conference by the Indian Merchants' Chamber and, most recently, INDEE 2007, the biggest ever expo of Indian engineering products in South Africa. I hope that the Sub-committee on Trade, Economic and Technical Cooperation will undertake a comprehensive review of the volume and composition of bilateral trade and two-way flow of investments, and discuss and share promotional plans that both countries have for the coming years.
16. While we acknowledge that trade will largely be driven by the private sector, it is the role of the two Governments to provide a facilitating environment. In this context, we greatly welcome the holding of the first round of talks on the India-SACU PTA in October last year and the second round which has just about concluded in Windhoek. We look forward to the early signing of the MOU so that substantive negotiations can begin in earnest. I must also highlight the imperative need to finalize the Bilateral Investment Promotion and Protection Agreement, which will increase the comfort level of investors in both countries.
17. Civil Aviation is another sector that needs priority attention. It is widely acknowledged that the present capacity on the India-South Africa sector is inadequate. While we are actively encouraging Air India to resume operations to South Africa, we would also request South African support for facilitating unencumbered permission for Jet Airways as also Air India's code share arrangement with South African Airways, both to South Africa and to Brazil. This was also raised by our PM with President Mbeki on the sidelines of the 2007 IBSA Summit.
18. In the Defence field, we are glad to note that the next meeting of the Joint Defence Committee will be held on March 13-14, 2008 in India. The aim expressed by our two leaders in the Tshwane Declaration

of moving beyond a buyer-seller relationship to joint production and development must be pursued.

19. One avoidable hindrance to the freer movement of businesspersons and tourists is the visa regime. We, on our side, are committed to ensuring that visas are given on the same day and without insistence on cumbersome documentation. We would request similar flexibility from the South African side so that letters from apex chambers of commerce, such as CII and FICCI, and the High Commission are honoured and bonafide tourists and businesspersons are not inconvenienced. I have been assured by the Foreign Minister that the South African side is looking into our suggestions.
20. We remain committed to partnering South Africa in alleviating the skills shortage, particularly through the JIPSA programme spearheaded by the Deputy President. I am glad to note that not only the Government of India, but several Indian private companies are contributing to make this programme a success. We have increased the number of ITEC slots to South Africa from 55 to 100. I am glad to note that all of them are being fully utilized. CII is also setting up an IT Centre for Excellence in South Africa and imparting artesian skills to 100 South African youth in Hyderabad in collaboration with the Umsobomvu Youth Fund.
21. I am happy to learn of the increasing linkages between our two countries in the field of higher education. I understand delegations from several South African universities have already been to India. We especially laud the decision of the University of Witwatersrand to set up a Centre of Indian Studies in Africa which will be the first 'India-Focus' centre in Africa. The establishment of the Gandhi-Luthuli Chair in the University of Kwazulu Natal has also lent further impetus to academic interaction.
22. I am told that the South African Government is keen to recruit maths and science teachers from India. We would be happy to assist you in this process. We have a PSU called Educational Consultants India Limited (EdCIL) which has a proven track record in this sector and we would be happy to facilitate a visit by EdCIL to take this process forward.
23. In Science & Technology, our two countries have much to offer each other. We are keen to cooperate in areas such as nano-science and

oceanographic science and to partner you in the Southern African Large Telescope (SALT) project. On Space, our two countries can also have a fruitful partnership. We have proposed an MOU for cooperation in space applications on which we await a response.

24. We must also not underestimate the importance of culture. Given the fact that the closest bond between our two countries is the bond between our peoples, it is important that both sides make extra effort to showcase their cultural offerings and to take them to areas outside the metros. I am happy to note that we have had several Indian artistes visit South Africa through the aegis of the Indian Council for Cultural Relations (ICCR) as also under the "Shared Histories" festival. The visit of the South African Minister of Arts and Culture to India in December 2007 has helped revitalize bilateral cultural cooperation. I understand that the South African exhibition "Scratches on the Face" has been very well received in India.
25. In conclusion, Madame Minister, my delegation and I are extremely satisfied with the substantive and in-depth discussions that we have had on all the areas in which our two countries are jointly engaged. I am confident that these will make the 7th Session of the Joint Commission a success and lay the basis for an even more diversified and productive partnership in the years to come.

Thank you.



543. Agreement Between The Government of the Republic of India and The Government of Republic of South Africa Regarding Waiver of Visa Requirement for Holders of Diplomatic and Official Passports.

Pretoria, February 22, 2008.

PREAMBLE

The Government of the Republic of India and the Government of the Republic of South Africa (hereinafter jointly referred to as the "Parties" and in the singular as a "Party").

Considering it in the interest of both countries to strengthen their friendly relations, and

Desiring to facilitate the entry of the citizens of the Republic of India and the citizens of the Republic of South Africa, who are holders of diplomatic or official passports into their respective countries,

Hereby agree as follows:

ARTICLE 1

WAIVER OF VISA REQUIREMENTS

1. Citizens of the country of one party who are holders of valid diplomatic or official passports in that country, may enter sojourn and exit the country of the other party of which he or she is not a citizen through their respective international points of entry and exit without having to obtain a Visa.

ARTICLE 2

COMPETENT AUTHORITIES

The Competent Authorities responsible for the implementation of this Agreement shall be:-

- (a) On behalf of the Government of the Republic of India, the Ministry of Home Affairs; and .
- (b) On behalf of the Government of the Republic of South Africa, the Department of Home Affairs.

ARTICLE 3**SCOPE OF APPLICATION**

Citizens of the countries of either Party who enter the territory of the other Party pursuant to Article 1 shall be entitled to stay in the country of the other Party for a period not exceeding ninety (90) days.

ARTICLE 4**ACCREDITED DIPLOMATIC AND CONSULAR STAFF**

- (1) A citizen of a country of a Party who is assigned as a member of the diplomatic or consular staff in the country of the other Party and is in possession of a valid diplomatic or official passport, shall not be required to obtain a visa to enter the country of the other Party, and shall be granted, on request from the Diplomatic Mission or Consular Post concerned, within ninety (90) days of the arrival of the diplomatic or official passport holder, a residence visa for the period of his or her official stay.
- (2) The provisions of Sub Article (1) shall apply to a citizen of a country of a Party in possession of a valid diplomatic or official passport who is a representative of his or her country in an international organization located in the country of the other Party.
- (3) The provisions of sub-Articles (1) shall also apply to the spouse of a member of the Diplomatic Mission or Consulate, their children and their dependent parents, within the first step of kinship, provided that they hold valid diplomatic or official passports.

ARTICLE 5**ATTENDANCE OF MEETINGS OR CONFERENCES
AND OFFICIAL VISITS**

- (1) A citizen of a country of either Party, who is in possession of a valid Diplomatic or Official passport and is attending a meeting or conference convened by an international organization or Government of initiating party, which is held in the country of the other Party, shall not be required to obtain a visa to enter, sojourn and exit the country of that Party.
- (2) The holders of diplomatic and official passports of either Party who are employed by an international organization, body, agency or any

other such entity, must obtain a visa prior to their entry into the country of the other Party for official visits.

ARTICLE 6

REFUSAL OF ENTRY AND ISSUING OF NEW PASSPORT

- (1) Each Party reserves the right to refuse the entry into, or shorten the stay in its country, of any citizen of the country of the other Party, whom it may consider undesirable.
- (2) If a citizen of the country of one Party loses his or her passport in the country of the other Party, he or she shall inform the authorities concerned of the host country for appropriate action. The Diplomatic Mission or Consulate concerned shall issue a new passport or travel document to its citizen and inform the concerned authorities of the host country.

ARTICLE 7

COMPLIANCE WITH DOMESTIC LAW

Citizens of the countries of the Parties, being holders of diplomatic or official passports, shall abide by the domestic law of the countries of the respective parties while crossing its frontier and throughout the duration of their stay in its territory.

ARTICLE 8

NOTIFICATION OF RELEVANT DOCUMENTS

- (1) For the purpose of this Agreement, each Party shall transmit to the other Party through the diplomatic channel, specimens of its respective passports, including a detailed description of such documents currently used, at least thirty (30) days before the entry into force of this Agreement.
- (2) Each Party shall also transmit to the other Party through the diplomatic channel, specimen of its new or modified passports, including a detailed description of such documents, at least thirty (30) days before they are brought into force.

ARTICLE 9

SUSPENSION AND TERMINATION

- (1) Each Party reserves the right for reasons of security, public order or public health, to completely or partially suspend this Agreement.

Such suspension, together with the reasons therefor, shall be conveyed to the other Party in writing through the diplomatic channel and shall take effect immediately upon receipt of such written notification. The suspending Party shall lift the suspension as soon as possible by way of written notice to the other Party through the diplomatic channel.

- (2) This Agreement shall remain in force for an indefinite period, but may be terminated by either Party by giving ninety (90) days written notice in advance to the other Party through the diplomatic channel, of its intention to terminate the Agreement.

ARTICLE 10

REVISION OR AMENDMENT

Either Party may request through an Exchange of Notes through the Diplomatic channel, a revision or amendment of the whole or part of this, agreement. Any revision or amendment which has been agreed upon between the Parties shall come into effect on a date to be agreed upon between the parties and shall accordingly form part of this Agreement.

ARTICLE 11

SETTLEMENT OF DISPUTES

Any dispute between the Parties arising out of the interpretation or implementation of this Agreement, shall be settled amicably through consultation or negotiation between the Parties without referring the matter to any third party or an international tribunal.

ARTICLE 12

ENTRY INTO FORCE

This agreement shall enter into force on the ninetieth (90th) day after the date of signature thereof.

ARTICLE 13

CONFLICT OF TEXTS

In witness whereof, the undersigned, having been duly authorized thereto by their respective Governments, have signed and sealed this Agreement in two originals in the Hindi and English languages, all texts being equally

authentic. In the event of conflict between the Hindi and English texts of the Agreement, the English text shall prevail.

Done at Pretoria on this 22nd Day of February 2008.

FOR THE GOVERNMENT OF THE
REPUBLIC OF INDIA

FOR THE GOVERNMENT OF
THE REPUBLIC OF
SOUTH AFRICA

Pranab Mukherjee

Minister of External Affairs

**Dr. Nkosazana Clarice Dlamini
Zuma**

Minister of Foreign Affairs



**544. Press Release of the Ministry of External Affairs on the
visit of Minister of State Anand Sharma to South Africa.**

Durban, September 18, 2008.

Mr. Anand Sharma, Minister of State for External Affairs, visited South Africa from September 15-18, 2008 during which he travelled to Johannesburg, Pretoria and Durban.

2. Mr. Sharma held substantive bilateral discussions with President of the African National Congress Dr. Jacob Zuma in Durban. Their discussions covered a wide range of issues of shared interest. Mr. Sharma also discussed with Dr. Zuma the follow up of the Memorandum of Understanding between ANC and INC which was signed by Dr. Zuma and Mrs. Sonia Gandhi earlier this year. The two leaders jointly inaugurated the Gandhi-Luthuli Chair for Peace Studies at the University of KwaZulu Natal. Mr. Sharma delivered the keynote address on this occasion before a packed audience of over 3000 people. During his speech, Mr. Sharma highlighted the enduring relevance of Gandhian philosophy in the 21st century world, specially for building an environment of peace and stability. Dr. Zuma appreciated the Government of India for the launch of this Chair and unfolded his vision for the role of ANC in upliftment of the poor. He

expressed his deep appreciation for the warm hospitality of Smt Sonia Gandhi during his visit to India in June this year. The launch of the Chair has a special significance since Mahatma Gandhi spent his formative years in Durban.

3. During his stay in Durban, Mr. Sharma also met representatives of key Indian organizations, had an interaction with Board Members of the International Centre for Non Violence (ICON) and the Gandhi Memorial Trust and attended a reception hosted by the Consul General of India.
4. Earlier, Mr. Sharma met ANC Deputy President and Minister for Government Business Mr. Kgaleme Motlanthe in the Union Buildings at Pretoria. Minister Motlanthe acknowledged the long-standing ties between South Africa and India. Apart from discussing bilateral relations and international developments, the two Ministers also touched upon the historic relationship between the INC and the ANC. Minister Motlanthe is expected to visit India later this year.
5. On September 15, Minister Sharma attended a Reception in Johannesburg to mark the 2nd edition of the Shared Histories' Festival, a seven-week long extravaganza featuring the best of Indian art, literature, dance, music, film and cuisine. In his address Mr. Sharma described India and South Africa as two countries with shared histories and a shared destiny.
6. Mr. Sharma also jointly inaugurated with Deputy Foreign Minister Ms. Susan van der Merwe the Centre for Indian Studies in Africa at the University of Witwatersrand in Johannesburg, the first such Centre in the whole of Africa. Describing the launch of the Centre as historic, Mr. Sharma assured the Vice Chancellor of Government of India's support to the activities of the Centre and expressed the hope that it would become the fulcrum for spreading awareness of India in Africa and Africa in India.
7. Mr. Sharma held wide-ranging discussions with Deputy Foreign Minister Ms. Susan van der Merwe on bilateral relations and also the trilateral engagement in the IBSA context. He thanked the South African Government for the proactive support lent by it at both the IAEA and the NSG which enabled India to obtain the historic waiver which would integrate India with the global mainstream for civilian nuclear cooperation and assist in both energy security and climate

change. Mr. Sharma stated that India was looking forward to welcoming President Mbeki for the 3rd IBSA Summit as well as his bilateral State visit during which he would be delivering the 2nd Gandhi Lecture at the Jawaharlal Nehru University. Minister Merwe expressed confidence that the IBSA Summit, which the South African Government regarded as one of the most important fora for South-South cooperation, would be very productive and mentioned that President Mbeki is likely to be accompanied by several Ministers.

8. Mr. Sharma also had a telephonic discussion with Foreign Minister Dlamini Zuma and they agreed to meet in New York on the margins of the UNGA. Prior to his departure from South Africa, Mr. Sharma attended a dinner in his honour by Mr. Essop Pahad, Minister in the Presidency.



SUDAN

545. Press Release issued by the Ministry of External Affairs on the visit of Sudanese Minister of Finance and National Economy Dr. Awad Ahmed Al-Jaz.

New Delhi, October 30, 2008.

Dr. Awad Ahmed Al-Jaz, Minister of Finance and National Economy of Sudan, visited India from October 28 to 30, 2008, as the Special Envoy of the President of Sudan. On 29th October 2008, Dr. Al-Jaz called on the External Affairs Minister, Shri Pranab Mukherjee. During the meeting, the visiting Minister handed over a letter from H.E. Omar Hassan Ahmad Al-Bashir, President of Sudan, addressed to the Prime Minister. During the meeting, a wide range of issues of mutual interest were discussed and bilateral relations were reviewed. Both sides expressed satisfaction over the excellent bilateral relations that prevail and outlined further steps to enhance cooperation. The External Affairs Minister underlined India's continuing commitment to the unity and territorial integrity of Sudan.

As regards matters pertaining to moves within the International Criminal Court with regard to Sudan, it was highlighted that India is neither a signatory to nor has it ratified the instrument establishing the said body. India hopes that any action that might detract from ongoing efforts to reach an early

resolution of conflict in the Darfur region of Sudan and aimed also at promoting the unity and territorial integrity of Sudan, may have undesirable consequences.

The External Affairs Minister also expressed concern over Indian nationals, Shri Biplab Biswas and Shri Chinna Rao Karni, Indian technicians who remain missing in Sudan, and sought conclusive information regarding their well-being.

During this visit the Sudanese Special Envoy also met the Minister of Railways, Shri Lalu Prasad Yadav, Minister of Finance, Shri P. Chidambaram and Minister of Petroleum & Natural Gas, Shri Murli Deora.

Minister of State for External Affairs, Shri E Ahamed, hosted a dinner in honour of the visiting dignitary.



UGAND

546. Speech by President Smt. Pratibha Devisingh Patil at the Banquet in honour of the President of the Republic of Uganda Mr. Yoweri Museveni.

New Delhi, April 10, 2008.

Your Excellency President Museveni,

Madam Janet Museveni,

Ladies and Gentlemen,

It is with great pleasure that I welcome you and Madam Janet Museveni on your state visit to India¹.

India's contacts with Uganda date back to the last years of the 19th century, when thousands of Indian labourers were brought to Uganda in the colonial period to build the railway line from Mombasa to Kampala. On its completion in 1901, most returned to India, but some stayed on, and in time became successful traders, farmers and entrepreneurs.

1. President Museveni, who came to India to participate in the India-Africa Forum Summit, stayed on for a separate bilateral visit.

In modern times, India's relations with Africa have been defined by Mahatma Gandhi and Pandit Jawaharlal Nehru. Mahatma Gandhi laid the foundations of India's struggle against apartheid and colonialism in South Africa in 1893. Pandit Nehru made that struggle a plank of India's foreign policy after independence. These ideas found deep resonance in Africa, when it was fighting its own battle against colonial rule. The bonds forged between India and Africa during their struggle for independence constitute a solid foundation for our partnership, which has grown stronger over the years.

Since your last State visit in 1992, much has changed in Uganda and Africa as it has in India. We greatly appreciate your decision to attend the India-Africa Forum Summit and have benefited from your contribution on how India and Africa can work together in meeting the socio-economic challenges of the 21st century. We have always been partners in African development and we wish to be part of Africa's new resurgence. We are grateful for your expression of solidarity and the warm words for India and our role in Africa.

For over two decades, you have given leadership to Uganda with which India and Indians have enjoyed long-standing links. We appreciate your support to the Indian Diaspora, which is contributing in good measure to the development of the Ugandan economy.

Uganda today is seen in Africa and elsewhere as a country that has enjoyed stability and economic growth for over two decades. You have brought down poverty levels significantly, while improving access to primary education and healthcare. Today, Uganda is playing a major role in the African Union, the East African Community, the Commonwealth and other forums. It is also contributing troops for peacekeeping in the region. The successful hosting of the Commonwealth Heads of Government Meeting last November has expanded Uganda's role beyond Africa, into other parts of the world. This is a tribute to your leadership, which has transformed Uganda into a dynamic nation.

It has always been India's endeavour to participate meaningfully in the socio-economic development process in Uganda. Our trade and investment partnership is developing well. We are happy that Uganda has decided to join the Pan-Africa e-network. The 4 Hole-in-the-Wall Projects, which are intended as learning stations for the under-privileged sections of society by providing unrestricted computer access to groups of children in an open playground setting, have already been set up in Uganda. Our pharmaceutical companies are collaborating well with your efforts to attack the scourge of

HIV/AIDS and other diseases. Our cooperation in capacity and institution building is being sustained. We are happy that a very large number of students from Uganda are studying in Indian education institutions.

It is a matter of satisfaction that the Indian and Ugandan corporate sectors are engaged in a sincere and serious endeavour to enhance the level of trade and investment flows. Your presence at the CII/EXIM Bank Project Partnership Conclave in Kampala in June 2007 and the presence of your Ministerial delegation at the Conclave in Delhi last month bodes well in this context. I hope our announcement of the unilateral tariff preference scheme for Least Developed Countries by Prime Minister Dr. Manmohan Singh at the India-Africa Forum Summit will help further boost our trade and investment partnership.

Our two countries have a good tradition of cooperating in multilateral fora. We face common challenges such as terrorism against which we have zero-tolerance and which require greater cooperation and more comprehensive action by the international community. We are working together on issues of Climate Change and the Doha Development Round of the WTO. In the case of both these important negotiations, our effort is to ensure that development in developing countries is ensured. We cannot accept solutions which perpetuate poverty in developing countries.

Our two countries are also working together on the important issue of United Nations reform, especially reform of the UN Security Council. No reform of the Security Council would be complete without adequate representation from Africa.

Excellency, Ladies and Gentlemen,

We are committed to strengthening our partnership with Uganda, both bilaterally and with the economic communities of Africa of which Uganda is a member.

Distinguished guests, may I request you to join me in a toast to:

- the good health and personal well being of President and Madame Museveni;
- the continued progress and prosperity of the friendly people of Uganda;
- and everlasting friendship between India and Uganda.



INDIA'S FOREIGN RELATIONS - 2008

SECTION -VII

AMERICAS

- (i) NORTH AMERICA**
- (ii) CENTRAL AND SOUTH
AMERICA**

(i) NORTH AMERICA

2070

INDIA'S FOREIGN RELATIONS - 2008

CANADA

547. Briefing points by Official Spokesperson on External Affairs Minister Pranab Mukherjee's meeting with Canadian Foreign Minister.

New Delhi, January 12, 2008.

- EAM Shri Pranab Mukherjee held a one hour meeting with visiting Canadian Foreign Minister Maxime Bernier today. The discussions also carried on over lunch hosted by the EAM
- Discussions covered bilateral issues as well as regional and major international issues. Among bilateral issues discussed were trade between the two countries, possibilities of closer contacts on global issues and the need to intensify the bilateral dialogue mechanisms already in position.
- Regional and global issues discussed included Myanmar, Sri Lanka, Afghanistan, Middle East peace Process, NAFTA etc. The two Ministers also exchanged views on climate change in the context of the Bali Conference. EAM also briefed the Canadian Foreign Minister on SAARC, including the 14th SAARC summit.



UNITED STATES OF AMERICA

548. Joint Press Statement on India-U.S. 6th High Technology Cooperation Group Meeting.

New Delhi, February 29, 2008.

The sixth meeting of the India-U.S. High Technology Cooperation Group (HTCG) was held in New Delhi on February 28-29, 2008. The U.S. delegation was led by Under Secretary of Commerce for Industry and Security Mr. Mario Mancuso, and the Indian delegation was led by Foreign Secretary Shri Shivshankar Menon with participation of concerned departments of the Government of India and the United States Government, as well as the U.S.-India Business Council, Confederation of Indian Industry, and the Federation of Indian Chambers of Commerce and Industry.

The High Technology Cooperation Group constituted in 2003, had identified four broad areas of priority focus for promoting and facilitating bilateral commerce in advanced technology items between India and the U.S: (i) Defense & Strategic Trade, (ii) Biotechnology, (iii) Information Technology, and (iv) Nanotechnology.

The architecture of the HTCG involves private sector participation as an integral part of its working format. The industry engagement on the first day, with wide participation of a cross-section of Indian and U.S. industry, identified the areas of common interest requiring specific action by both sides for enhancing high technology transfers to India. These were considered by the two government delegations who agreed on a comprehensive plan to respond to the industry's recommendations which are geared to enhancing high-tech transfers to India.

Highlights of the action plan include a timetable for reviewing export controls in respect of India, building on innovative efforts already underway for simplifying export controls. India recognized and welcomed the U.S. Administration's announcement of their dual use export control reform initiative. On the Validated End User Program, which was notified by the U.S. Government on October 2, 2007, as a U.S. initiative to simplify export licensing requirements for Indian companies, both sides agreed that further discussions were required as U.S. export control policies should keep pace with the transformed relationship between India and the U.S.

On nanotechnology, the two sides agreed to focus on commercial application of cost-effective solutions for the benefit of society in the areas of health, energy, potable water and sustainable development.

On biotechnology, both governments agreed to support advanced technology transfers that would stimulate capacity building in life sciences. They also agreed to engage in harmonization of regulatory systems in medical devices, pharmaceuticals and biotechnology with the ultimate objective of improving market access.

On information technology, the two sides agreed to focus on enhanced collaboration in trade on advanced electronics and software, high performance computers, encryption and next generation technologies.

In the area of defense, the Group agreed on an ambitious plan to give an impetus to high technology transfers and trade that would address all issues related to licensing and the implementation of India's defense offsets policy, encouraging collaborations at all levels including small and medium enterprises.

The two sides looked forward to a series of time-bound actions in the above areas to raise high technology commerce to the next level of bilateral cooperation in keeping with the transformed nature of the strategic partnership of India and the United States¹.



1 Foreign Secretary Shiv Shankar Menon on February 28 urged Washington to re-examine the export curbs on high technology items as "the regulatory framework must stay in step with the unfolding strategic partnership between India and the U.S." Crediting the U.S for having taken a series of steps to bring down the list of items prohibited for exports to India, he said both countries would discuss measures to ensure that the licensing procedures remained in step with the growing ties. "We need to ensure that Indian organisations with which the U.S. has agreed to cooperate must be taken off the entities list. This should be a logical step. We must ensure that the development of cooperation and the operation of the licensing system are in track with the opportunities," Mr. Menon said at a meeting of the Indo-U.S. High Technology Group (HTCG). In view of the deepening bilateral relations, the ambitions of the two countries had grown. It was, therefore, logical to remove the irritants on high technology trade, he argued, adding that India wanted "precise and inclusive identification" of items for high tech collaboration. For the forum to be effective, Mr. Menon wanted the HTCG to maintain a continuous process of interaction with focused identification of the initiatives that both countries needed to take. Mario Mancuso of the Bureau of Industry and Security in the U.S. Department of Commerce, proposed the setting up of a working group on civil aviation to take cooperation in this sector to a new trajectory. Responding later in the day to Mr. Menon's observations on the need to reduce export controls, Mr. Mancuso said the U.S. was committed to looking at all those areas but no commitment could be given in this regard. "We are committed to finding ways consistent to our national requirements. The key message is that this is a strategic relationship and we are actively looking for ways to expand the hi-tech trade." Mr. Mancuso urged Indian companies to apply for the validated end users (VEU) programme to avoid seeking a licence each time they wanted to import an item. One of the VEU clauses asks companies to sign an agreement to allow on-site reviews by U.S. government officials.

549. Joint Press Conference of U. S Secretary of State Condoleezza Rice and External Affairs Minister Pranab Mukherjee after their talks.

Washington, March 24, 2008.

Secretary Rice: Good morning. I'm very pleased to welcome External Affairs Minister Mukherjee. We have had a very brief discussion this morning of some elements of the U.S.-India relationship, a relationship that has broadened and deepened during the time that President Bush and Prime Minister Singh have been in office and have been working to fully express the nature of a relationship that should exist between two of the world's great, multi-ethnic democracies.

We have had an opportunity to talk about the deepening of our economic ties, of our defense cooperation, and the deepening of our dialogue about regional issues. We had, for instance, a discussion this morning concerning Tibet and the troubling circumstances there, as well as on Burma. We have a lot more to talk about, and the Minister and I will meet for dinner tonight in order to do that. And so, thank you very much for coming and welcome. It's good to have you here.

Minister Mukherjee: Thank you, Madame Secretary. As you have stated that we have covered some areas of our cooperation and shared some parts of the issues arising in our region, shared our individual position. We had quite a satisfactory discussion this morning, but we are waiting till I meet you at night on dinner. We deeply appreciate and recognize your personal contribution, Secretary Rice, for the transformation of India-U.S. relations and giving them a strong foundation for the future. The record number of landmark developments in India-U.S. ties over the last few years would not have been possible without a broad-based convergence of interests and concerns between our two countries.

India is the fastest-growing democracy in the world. It is also, perhaps, the fastest-growing export market for U.S. business and industry. Two-way trade and investment between our two countries is growing along with our cooperation in agriculture, clean energy, environment, science and technology, health and education. A similar momentum can also be seen in our different (inaudible) for peaceful use of outer space and other high-technology areas. We believe that the India-U.S. partnership is based on a bedrock of long-term commitments and a shared vision. During my

discussion with Secretary Rice we agreed to maintain the positive momentum generated particularly by the visits of Prime Minister Manmohan Singh to United States in July 2005 and that of President Bush to India in March 2006. Several critical decisions were taken during that visit on a wide spectrum of issues important to both countries. It will be our common endeavor to register progress on all of them. In this context, I discussed with Secretary Rice the recent developments related to our bilateral cooperation. Secretary Rice and I shared our views and concerns about regional and international developments. There is a broad overlap in our interests and objectives, and we intend to supplement our dialogue with a closer working-level interaction on a regular basis within the Ministry of External Affairs in India and the U.S. State Department.

Secretary Rice and I will continue, as I mentioned, our discussion this evening. I also look forward to the opportunity of meeting the National Security Advisor Stephen Hadley and calling on President George W. Bush later this afternoon. Thank you, (inaudible).

Question: Secretary Rice, if the U.S.-India Civil Nuclear Cooperation deal is not completed and sent to Congress by July, do you think you will simply have to give up on it for this Administration, given the electoral calendar?

And Mr. Minister, have you made any progress in your talks with your - the government's Communist allies, members, to obtain their approval for the deal? And how close are you now to completing the IAEA safeguards agreement?

Secretary Rice, if you could just quickly address Tibet? I don't think we've had a chance to hear you talk - squarely address the question of whether the Chinese authorities have used excessive force there. And have there been any more unauthorized passport inquiries?

Secretary Rice: Well, Arshad, you managed three questions rather than one. (Laughter.) Let me try and take care of them. First of all, we have had a brief discussion of what we consider to be a landmark agreement, the Civil Nuclear Cooperation agreement with India, which I believe would be good for both sides and good for the future of nonproliferation, as many experts, including Mohamed ElBaradei, have said. And so we will continue to work on that agreement. The Indians are now in a process of working with the IAEA and we'll follow that progress, but we will have further discussions on that matter later. We spoke principally this morning about various regional issues of concern to both sides.

In that regard, on Tibet, let me just say that we believe that the answer for Tibet is to have a more sustainable policy for the Chinese Government concerning Tibet. I've spoken to my counterpart about the current situation in which there needs to be restraint, in which violence is not acceptable, but there also needs to be a day after the current events.

And that really requires a sustainable process of dealing with the problems of Tibet, and the grievances of Tibetans. And we believe that the Dalai Lama could play a very favorable role, given his belief in nonviolence, given his stated position that he does not seek political independence for Tibet, and given his unassailable, authoritative moral stature not just with the people of Tibet, but with people from around the world. And we're going to continue to encourage that dialogue because, ultimately, that is going to be the only policy that is sustainable in Tibet.

And as to passports, I know of nothing further from the beginning of the weekend.

Minister Mukherjee: Thank you. In (inaudible), as Secretary Rice has pointed out, we are interested in implementing the landmark agreement, which we finalized during the visit of Prime Minister Manmohan Singh and followed by subsequent visit of President Bush in India. But we have some political problems in our country. Currently, we are engaged in resolving those problems. Out of four stages, 123 Agreement between India and the U.S.A. has been signed. The second stage, to have the approval of the Board of Governors of IAEA in respect of India's specific safeguard agreement, we are currently engaged with IAEA. The discussions are over, but the agreements are yet to be initialed and approved by the Board of Governors. In that stage, we are currently engaged with various political parties who are supporters of our coalition government in India. And the discussion is still going on.

In the aspect of Tibet, we shared our perceptions. You are aware of the fact that 49 years ago, in Dalai Lama entered into India in the month of March 1959. Since then, we are providing shelter to His Holiness Dalai Lama. He is highly respected. He is fully free to carry on his spiritual and religious activities. We have also provided shelter to his followers. I understand currently the number may be about 180,000 Tibetans who are provided shelter in India. They can carry on their religious, cultural and spiritual activities. But as part of our law, they are not entitled to carry on any political activities, as Indian citizens also cannot carry on any political activities which are inimical to any friendly countries or which can disturb

the relationship between India and any other country. And all of them are to accept the law of the land, including the efforts to cross the international borders. And Tibetan refugees are also subjected to the law of the land. We have expressed our concern in parliament about the latest development. We do hope it will be possible to resolve the issue through peaceful dialogue between the parties concerned. Thank you.

Question: Dr. Rice, what is your take on the latest challenge in Indo-U.S. relations? I mean, Speaker Pelosi's indiscretion in criticizing China on Indian soil, which many Indians have disapproved of.

And to you, Mr. Mukherjee, why are you allowing the Dalai Lama to let the Americans fire on China from Indian shoulders in violation of the Dalai Lama's longstanding commitment not to engage in political activity?

Secretary Rice: Well, let me first set aside the premise that there is some problem in Indo-U.S. relations. I don't believe that there is. Speaker Pelosi spoke with the Dalai Lama, as the President has spoken with the Dalai Lama, most recently in October when he was here to receive a Congressional Medal of Honor, our highest civilian medal. He is somebody who is respected. The Speaker respects him. The President respects him. And at this particular point in time, to have contact with him, I think, is a good thing, not a bad thing because he is a moderate voice on these issues and he is a voice that, frankly, I hope the Chinese will listen to more.

Minister Mukherjee: I think in respect of Tibet, I have already expressed my views.

Secretary Rice: Thank you very much.

Minister Mukherjee: Thank you.



550. Remarks by External Affairs Minister Pranab Mukherjee at the Carnegie Endowment for International Peace on "Perspectives on India-US Relations".

Washington, (D.C.), March 24, 2008.

Good Afternoon,

I would like to thank Jessica Mathews, President of the Carnegie Endowment for International Peace, for hosting this event and giving me an opportunity to share with you some thoughts on India's foreign policy as well as India-US ties.

One of the unique characteristics of our foreign policy and national security outlook is that they are based on a broad national consensus. While there has always been debate and dissent on the best ways in which to achieve our foreign policy priorities, a national consensus once arrived at, transcends party politics and even changes of government. For example, the multiple opinions on the India-US nuclear initiative in India and outside disguise the fundamental common understanding that energy security for India is vital and that nuclear energy through national means as well as international collaboration is a vital part of it.

Like everybody else, India too needs to tackle the complexities of the modern world. On one hand, there are vital security issues such as combating terrorism and religious extremism, as well as the dangers of WMD proliferation. On the other hand, we have to address human problems such as climate change, HIV-AIDS, bird flu, etc. Whether we look at security related issues or matters affecting the long-term health of this planet, it is no longer possible for any nation to succeed without concerted international action. Such action can take the shape of groups of countries working together or even, when necessary, a global consensus. Going it alone is no longer an option for any country. Through our association with IBSA, BRIC, SAARC, the G-8 and ASEAN, and our contribution to the UN, we are building important partnerships to address common problems. We also believe it is time to reform the structure of the UN, particularly the Security Council, where a permanent seat for India will only reflect current global realities.

Globalization today provides opportunities to countries that are willing to draw benefits from it. But the process must also ensure that countries are enabled to draw those benefits. Paradoxically, the benefits that accrue to

countries from a globalized economy also give them the strength to pursue their national priorities and independent foreign policies. As the case of India proves, globalization has not only linked our economy to the world; it has also strengthened our national decision-making autonomy.

The international discourse on the foreign policies of countries like India has often been defined by categories that are sometimes misleading or even irrelevant. For example, on matters of nuclear disarmament and non-proliferation, India is projected as having been outside the mainstream, whereas we have always been a leading member of the international consensus. In 1954, Prime Minister Nehru called for an end to all nuclear weapons testing. We are signatories to the Partial Test Ban Treaty, the Biological Weapons Convention and the Chemical Weapons Convention, and are ready to work with the international community to achieve a comprehensive and verifiable FMCT. We maintain a unilateral moratorium on nuclear explosive tests. While not being signatories to the NPT, we have unilaterally implemented controls on nuclear equipment, material and technology more effectively than perhaps any other state. Being from a neighbourhood that has the biggest sources and destinations of proliferation, we are particularly conscious of its dangers.

India's primary concern today is maintaining the tempo of economic growth and bringing its benefits directly to its people. It is, therefore, natural that we should seek to defuse crises in our immediate neighbourhood and encourage greater economic and other kinds of connectivity in our region. Many of the countries in our region, including Afghanistan, Pakistan, Nepal, Bangladesh and Myanmar, are going through a difficult period of transition. It is in our national interest that these countries return to the path of democracy, stability and economic development so that the entire region can look forward to an era of prosperity.

India's growing economic imprint is also connecting us more directly with West Asia and the Gulf on one hand, and the Asia Pacific region on the other. To that extent, we have a direct stake in and are ready to contribute to any effort to promote peace and security in these regions and protect the sea lanes of commerce and energy.

Between India and USA, as two great democracies, there will always be a fundamental underlying predictability in bilateral ties because this relationship answers to the interests of the people of both countries. The links between our two countries are multi-layered and take in the political leadership, business and industry, scientists, students and educators,

military personnel and others. The balance-sheet just since 2005 includes important landmarks like the Open Skies Agreement, the launch of the Energy and Economic Dialogues, a new defence framework agreement, a knowledge initiative in agriculture, a new agreement on science and technology, and revitalized cooperation in space and defence industry as well as R&D.

Economic cooperation looks particularly promising. Whether it is meeting the need for better infrastructure or addressing energy deficiency, improving telecommunications, or modernizing the manufacturing sector, the opportunities for US business and industry in India are huge. India has become the fastest growing export destination for US products, having registered a growth rate of 75% last year. The US is one of the largest foreign direct investors in India, while US-bound investment from India has grown dramatically in recent years, particularly in 2007. India's transparent economic policies, regulatory framework and judicial system are a source of reassurance to our foreign partners. I am confident that this economic synergy between India and United States is bound to continue in the coming years and decades.

Emblematic of this new relationship was the willingness of both countries to shed the baggage of the last 30 years to launch a new era of cooperation in civil nuclear power to address India's burgeoning energy requirements. We intend to press ahead on all these and other initiatives.

In the evolving geo-political and economic re-alignment in the world, we can visualize a situation in which Indian and US interests will increasingly intersect. With the shift in the center of gravity of the world economy towards Asia, the Indian Ocean has greater economic and strategic value than before. Existing and emerging threats in the form of piracy, drug trafficking, WMD proliferation, pollution, accidents, closure of choke points, regional conflicts and other disputes are of vital concern to us and to the US. All these challenges demand concerted action and I daresay that no two countries are better placed to exploit their inherent synergies in dealing with them than India and the United States.

I thank you for your attention and look forward to hearing your views.

(The question - answer session which followed was off the record)



**551. Press Conference of External Affairs Minister Pranab
Mukherjee during his visit to the United States of America.**

Washington, March 25, 2008.

Opening remarks of External Affairs Minister:

I have concluded a very productive and fruitful visit to the United States, the first in my capacity as the Minister for External Affairs of India. I had wide-ranging discussions with Secretary of State Dr. Condoleezza Rice and had the honor to call on President George W. Bush. I also had the pleasure of interacting with a group of invited scholars and guests at the Carnegie Endowment for International Peace.

My discussions with the US leadership reinforced our view that the India-US relationship is robust and forward-leaning and answers to the interests of both countries. Based on a foundation of shared values and tangible mutual benefit, the India-US strategic partnership has grown from strength to strength. I believe that there is consensus in both countries to strengthen India-US ties and to further enrich our bilateral agenda. Our relations encompass a meaningful and regular political dialogue, vibrant economic and commercial interaction and collaboration over a wide spectrum of issues including energy, defense, space, science and technology, agriculture and education. We also discussed the way forward on opening civil nuclear cooperation by India with USA and other partners as a critical element of our energy security.

I also had the opportunity to discuss with President Bush and Secretary Rice several regional and international issues including developments in many countries in our region. We have a commonality of views on most issues in terms of our objectives and we had the opportunity to discuss thoroughly the most effective ways to achieve them. Several countries in our region are going through a period of transition and it is in India's direct interest that there should be peace, stability and economic development that will benefit all. We also discussed climate change and the need for a successful conclusion of the Doha Development Round.

Although India-US relations have a strong dynamic and logic of their own resulting in the kind of momentum we have witnessed in recent years, I would like to pay a tribute to the personal contribution of President Bush, Prime Minister Manmohan Singh and Secretary Rice to this process. I have invited Secretary Rice to visit India at a mutually convenient date, and she has accepted this invitation.

Thank you.

Mr. Rahul Chhabra, Spokesman, Embassy of India : It gives me great pleasure to welcome all of you this afternoon.

We are privileged to have Indian External Affairs Minister Mr. Pranab Mukherjee here with us at this briefing. He has been here since day before evening. Yesterday, he had meetings with Dr. Rice, Secretary of State and he called on President Bush. To give you a flavor of his meetings, we circulated today's opening statement and the speech that he made at the Carnegie Endowment for International Peace yesterday.

We also have Ambassador Ronen Sen and DCM Ambassador Jassal here with us. The Minister will take questions. Before you pose the question, may I request you to identify yourselves and the organization that you represent?

One last piece of order; if you have forgotten to put your cell phones on silent mode, kindly do that now.

Thank you. Questions, please?

Q: (Off mike.) Hi. **Erica Nelson with Inside U.S. Trade.** Number one, I'd like to know what Secretary Rice's message to you was, specifically about the nuclear deal? And also, sorry, Speaker Pelosi's message was last week on the nuclear deal? And secondly, how long do you expect the domestic review of the IAEA safeguards to take?

External Affairs Minister Pranab Mukherjee: In fact, while having discussions with Secretary Rice, we discussed a number of areas of mutual interest, including bilateral relations between India and the USA, and also sharing our perception on the developments of our region. The nuclear deal came up in our discussions. We have finalized the language of the text of the agreement for the process of signing. After that, it will be taken to the board of governors.

At this juncture, it is difficult for me to indicate any time frame by which we will be able to complete this process.

We have some political problems in India with the agreement, particularly among our supporters of the coalition government, which we are heading. We are trying to resolve these issues, but it might take some more time.

Thank you.

Mr. Rahul Chhabra: Next. Sridhar from PTI.

Q: (Off mike.) Sir - timelines. I was wondering if this issue was raised by the administration, also?

Minister Mukherjee: I am aware of the time frame, but as I mentioned there are certain issues which are yet to be resolved and unless those issues are resolved, it will be difficult for us to fix any particular time frame.

Thank you.

Mr. Rahul Chhabra : Deepak Dobhal?

Q: Is UPA ready to sacrifice government for this deal?

Minister Mukherjee: I stated the position earlier - in response to queries from our friends at home; it's not a question of sacrificing the agreement or sacrificing the government. Currently, we are involved in resolving the issues and trying to find out whether we can find a meeting ground between us and a section of our supporters.

Q: Mr. Mukherjee, welcome to Washington, DC. I'm **Natasha Israni with Times Now**. The question is: If you don't find this consensus or a solution to this question with the Left government by June or by summer or even by August, what do you think is likely to happen then in terms of the stance of the Indian government on the deal?

Minister Mukherjee: You know, events have their own momentum - and we are interested in pursuing this deal and if we can evolve a consensus around this deal, it will be possible for us to develop the process, but as I mentioned, it is difficult for me to predict any time frame, so I cannot say whether it's in the month of June or the month of August. Let us see how things move.

Mr. Rahul Chhabra: Yes. The gentleman here.

Q: David Morgan with Reuters. Minister, can you tell us what some of the sticking points are in these discussions? And can you also say whether or not your government has confidence that there will be deal in the end?

Minister Mukherjee: So far as, nuclear deal is concerned, our government is interested in fructifying this cooperation because we would like to have alternative source of clean energy. All of us are fully aware of the close linkage between clean energy and climate change. Keeping that in view, on the one hand, we shall have to protect the environment by resorting to

more and more clean energy, which will have less adverse impact on the environment. On the other hand, to maintain the tempo of development, which we want to achieve around nine to ten percent annual GDP growth for the next 20 years to address our basic problems, we require substantial energy. From that point of view, we are interested in finalizing this cooperation agreement.

The other issues we discussed; we shared our perceptions on regional developments and also we shared our perceptions on climate change. As Prime Minister Dr. Manmohan Singh already has pointed out that India is equally concerned like many other countries of creating the appropriate mechanism through which we share the common but differentiated responsibilities depending on the capabilities.

We also welcomed the decision of President Bush to launch a fund to finance clean technological development. We shared our views on developments in our region, including the developments in Pakistan, Myanmar, etc.

Therefore, apart from bilateral cooperation, which we are having, these are the issues which we discussed. Our talks were wide-ranging.

Thank you.

Q: Minister, what I meant to ask, what are the sticking points in the discussions with the members of the government's coalition - what is preventing progress?

Minister Mukherjee: Oh, they have their own ideological perception. It is not that every coalition partner is against it, mainly the Left parties who are supporting the government without participating in the government. In our country, we are having two types of supporters for the coalition. Some political parties are supporting the government and participating in the cabinet.

Some political parties are supporting the government from outside without participating in the government. They feel that we should not have this arrangement with the USA and apart from that they also feel, a section of them, that we should explore the possibilities of going for clean coal technology since we are having abundant coal. Some of them feel that we should explore the possibilities of other sources of energy.

So there are divergent views with respect to the demand for clean nuclear technology, but there is an overwhelming consensus that nuclear

technology is important and nuclear energy will be one of the sources of clean energy and we should try to have it.

Q: Chidananda Rajghatta from Times of India. Minister, you have said a couple of times before you came here that a minority government cannot, you know, go ahead with this deal. I'm wondering if you can address this not as the external affairs minister, but as a Congress Party functionary and a very senior public figure and political leader.

The Indian constitution doesn't recognize minority governments and if you go down this path, the slippery slope tomorrow, any government can be held hostage to this principle that you might not be able to raise gas prices, petroleum prices, take any decision.

So do you still think that's a valid position that a minority government cannot take decisions which affect international security?

Minister Mukherjee: So far, legal and constitutional - correct, they were correct that there is no such thing as minority government, but one of the basic concepts of parliamentary form of government is that a government, which enjoys the confidence of the directly elected house of parliament is considered as the government having the majority. But there is another political angularity, which cannot be ignored. As you are aware, on this deal - there has been divergent views, not only the Left, even the principal opposition party, BJP, who were in government for six years prior to our assuming the responsibility of governance, they are opposing the deal.

The coalition will have to take into account that even if we sign an important international agreement, if it is subsequently not honored by the next government, it may lead to an embarrassing situation. Sometimes it has happened, in history, we find a number of examples, but we want to avert that situation and that's why we are making this exercise, maybe it's time-consuming, it is testing our patience, but nonetheless, we do feel it is worth pursuing.

Thank you.

Mr. Rahul Chhabra: Glenn Kessler, The Washington Post.

Q: U.S. officials, as well as Laura Bush have said that India has halted arms sales to Burma-Myanmar. I was wondering, could you confirm that? And could you also describe whether or not Secretary Rice asked you to do particular things with Burma in terms of putting pressure on that government?

Minister Mukherjee: During our course of discussion, the Myanmar issue came and so far as Myanmar is concerned, we have explained our position, what we have done to persuade the Myanmar authorities, to extend cooperation to Special Envoy, Mr. Gambari, special envoy to the Secretary-General and what steps they have initiated to carry on the political reforms and national reconciliation process in that country.

They also appointed a special representative to carry on dialogue with Aung San Suu Kyi. It is our persistent suggestion to the Myanmar authorities to please ensure that all important stakeholders, including Aung San Suu Kyi, are fully involved in the process of political reforms and national reconciliation, which you want to achieve, and at the same time, we are suggesting them to maintain peace and tranquility among the large number of ethnic entities who are in Myanmar.

Therefore, this is one area where we are in touch with Myanmar authorities and when the Myanmar foreign minister visited India, I had detailed discussions with him. Mr. Gambari also discussed with us; we are in touch with others and we shared this information with the authorities with whom we had discussions here.

So far, our arms supplies to Myanmar are concerned; we do not supply any arms. India is not a very major arms supplier to any other country.

Mr. Rahul Chhabra : The gentleman at the back.

Q: Ashim Jaklabati from Voice of America: Just yesterday, a change of guard has taken place in Pakistan and the government of India had been negotiating with Musharraf for a long time in the peace process and now Musharraf is a weak person since yesterday and how the Indian government will approach the peace process activities in dealing with Pakistan?

Minister Mukherjee: After all, in our concept of the government, it is always a continuing one. In any system of government, there may be change of political executives, but major policies of the government continue unless somebody wants to have a disruption in that.

We are hoping to renew composite dialogue with Pakistan. I, myself, have expressed my desire to visit Pakistan as soon as the new government is in place, and I'm waiting for that.

I hope that the new government will pick up the thread from where it was left by President Musharraf and will continue this exercise.

Thank you.

Mr. Rahul Chhabra : Last question, the lady at the back.

Q: I'm Yasmin Vossoughian from the Gallup Poll: We recently conducted a poll in your country that found that only 22 percent of Indians were familiar with the civilian nuclear deal, but of those 22 percent, almost 60 percent thought it was a good thing for India.

So my question to you is: How important do you think greater public knowledge of the civilian nuclear deal is to reaching a consensus?

Minister Mukherjee: I explained in detail how important it is for India because we require energy and at the same time, we shall have to depend more and more on clean energy. Right now, there are 300 million people in India who do not have any access to electricity. As for our assessment, the Planning Commission has made a detailed study. We still have to enhance installed power generation capacity in India from all sources nearly three times during the next five to seven years if we want to sustain eight to ten percent GDP growth for the next couple of decades. Therefore, energy requirement, and clean energy requirement is an absolute must. It may be that many of them are not fully aware of it, particularly with the level of understanding; the rate of literacy in our country, this is not a little unusual, but at the same time, I must say that in informed circles, there is a broad consensus about the need of augmenting energy capabilities of India and its requirement to sustain the enhanced level of growth.

Thank you.

Mr. Rahul Chhabra: Thank you so much.

Minister Mukherjee: Thank you ladies and gentlemen.



552. Press Release of the Ministry of External Affairs on India - US Energy Dialogue consultations.**New Delhi, April 4, 2008.**

The third meeting of the Steering Committee of the India US Energy Dialogue took place in New Delhi on April 4, 2008. The U.S. delegation was led by U.S. Department of Energy Under Secretary, Mr. C. H. 'Bud' Albright, and the Indian delegation was led by Foreign Secretary, Shri Shivshankar Menon, assisted by the officials of the concerned Ministries of the Government of India and the United States Government.

Prior to the meeting of this apex committee, the Working Groups established under the India US Energy Dialogue i.e. focusing on (i) Oil and Natural Gas (ii) Coal (iii) Power and Energy Efficiency and (iv) New Technologies and Renewable Energy met in New Delhi from March 31, 2008 to April 3, 2008.

Both sides expressed satisfaction at the level of cooperation and progress achieved during the last almost 3 years. The two sides looked forward to a series of time-bound actions in bilateral energy cooperation - in keeping with the transformed nature of the strategic partnership between India and the USA and to move forward towards the common objective of clean energy , energy efficiency, energy security while pursuing the goal of sustainable development.

A Memorandum of Understanding was signed on April 4, 2008 between the Ministry of Petroleum and Natural Gas and the Department of Energy, USA for cooperation in gas hydrates which, among other things would facilitate the establishment of a Gas Hydrate Technology Center in India. The Hindustan Petroleum Corporation Limited (HPCL) and the United States Trade Development Agency signed a Grant Agreement under which technical assistance will be provided for the proposed HPCL Asset Integrity Management Project.

The India-U.S. Energy Dialogue, launched on May 31, 2005, is aimed at increased India-U.S. trade and investment in the Indian energy sector by working with the public and private sectors to further identify areas of cooperation and collaboration and build on the broad range of existing cooperation between India and the United States to mobilize secure, clean, reliable and affordable sources of energy, focusing on (i) oil and natural gas (ii) coal (iii) power and energy efficiency,(iv) new technologies and renewable Energy and (v) civil nuclear energy.



553. Joint Press Statement on the Sixth Meeting of the Indo-US Global Issues Forum.**New Delhi, April 24, 2008.**

The sixth meeting of the US-India Global Issues Forum was held on April 24, 2008 at Hyderabad House in New Delhi. Foreign Secretary Shri Shivshankar Menon led the Indian delegation. Under Secretary of State for Democracy and Global Affairs, Paula J. Dobriansky led the U.S. delegation.

The two delegations engaged in productive discussions to strengthen cooperation on a range of global issues of common concern such as promotion of democracy and human rights, controlling avian flu and mitigating a future pandemic, accelerating polio eradication, addressing climate change, food security, cooperation in disaster management, protecting endangered wildlife and promoting science and technology cooperation.

The US-India Global Issues Forum, which convenes annually and alternates between New Delhi and Washington D.C., was first held in New Delhi in October 2002.

**554. Meeting of U.S President George W. Bush with Prime Minister Dr. Manmohan Singh at G8 Summit.****Toyako, Japan, July 9, 2008.**

PRESIDENT BUSH: Prime Minister Singh and I just had a typical conversation among friends. We talked about common opportunities, world problems, and we did it in a spirit of respect -- and it was easy for me to do because I respect the Prime Minister a lot. I also respect India a lot, and I think it's very important that the United States continues to work with our friends to develop not only a new strategic relationship, but a relationship that addresses some of the world's problems.

We talked about the India-U.S. nuclear deal, and how important that is for our respective countries. We talked about the environment and how we can work together to grow our economies and, at the same time, be responsible stewards of the environment. We talked about free trade, the Doha Round, and how important it is that nations such as India and the

United States find common ground to make sure protectionist sentiments don't wall us off from the rest of the world.

We talked about educational exchanges. I reminded the Prime Minister that the Indian American population is very proud of this relationship, and proud of their heritage, and proud of the leadership of the Prime Minister.

All in all, it was a really good meeting amongst two friends. And so, Mr. Prime Minister, thank you for joining us today, and congratulations on your leadership at home.

PRIME MINISTER SINGH: Mr. President, it is a great opportunity for me to once again meet you and to review with you the state of Indo-American relations. And I'm very happy to report to the President that our relations have moved forward handsomely since our first meeting in July 2005. We have made progress in all areas. We have progress in nuclear cooperation, space cooperation, defense cooperation, educational exchanges, our working together in multilateral institutions for the success of the Doha Round. And I am very pleased with the state of our relationship, which has truly acquired the characteristic of a genuine strategic partnership.

I thank the President for his personal magnificent contribution to the evolution of our relationship. And all I can say is our relationship with the United States has never been in such good shape as it is today. And it is the intention of my government, as I believe it is also the will of the Indian people, particularly the thinking segments of our population, that in this increasingly interdependent world that we live in, whether it is a question of climate change, whether it is a question of managing the global economy, India and United States must stand tall, stand shoulder to shoulder, and that's what is going to happen.

PRESIDENT BUSH: Thank you, sir.



555. Press Release of the Ministry of External Affairs on the telephone conversation between External Affairs Minister and US Secretary of State.

New Delhi, May 10, 2008.

External Affairs Minister Shri Pranab Mukherjee had a telephone conversation with US Secretary of State Condoleezza Rice on May 9, 2008 evening.

This is a part of normal periodical telephone conversations between the two Foreign Ministers.

External Affairs Minister and Secretary Rice exchanged views on the important developments in our region as well as on global issues since they last met in the month of March this year.

External Affairs Minister also extended an invitation to Secretary Rice to visit India to which she responded by agreeing to do so on a mutually agreed convenient date.

The conversation¹ was warm and cordial.



¹ Media reports said the call from Ms. Rice was essentially to request New Delhi to intervene and try to impress upon Myanmar to accept US aid for the cyclone-affected areas. Myanmar feeling uncomfortable with American assistance and American Aid Workers entering the country and distributing the aid, upon India's efforts, the US aircraft was allowed to land in Yangon where the aid cargo was unloaded. Media reports said Mr. Mukherjee conveyed this to Rice and explained to her the need to move gradually since the military regime in Yangon was sensitive to western presence on its soil. It may be noted that India had intervened in the past as well to facilitate the second visit of UN Special Envoy Ebrahim Gambari into Myanmar. During the conversation, the nuclear deal reportedly also figured.

556. Press Release issued by the Ministry of External Affairs on the signing of the Agreement between the Government of the United States of America and the Government of India for Financing Certain Educational Exchange Programmes.

New Delhi, July 4, 2008.

The Agreement between the Government of the United States of America and the Government of India for Financing Certain Educational Exchange Programmes was today signed by Foreign Secretary Shivshankar Menon and US Ambassador David C Mulford in New Delhi, giving a further boost to the strengthening of educational exchanges between India and the United States.

The Agreement supersedes the Fulbright Agreement revised in 1963 (after it was first signed in 1950 between Prime Minister Jawaharlal Nehru and the then US Ambassador to India, Mr. Loy Henderson).

Under the new Agreement, the Government of India and the United States shall henceforth implement the scholarship programme as full partners and increase by 100% the total scholarship amount awarded annually - to US\$5 million.

At present about 100 Indian students/ researchers visit the United States from India and a 100 US awardees visit India each year under the Fulbright Programme. Under the Agreement signed today, these numbers would approximately double.

The new Agreement provides for expansion of the existing programme with, for the first time, (i) a direct financial contribution by the Government of India, (ii) Government of India co-chairing the Board of Directors of the Foundation and (iii) participating equally in policy and decision-making on the exchange of Indian and US scholars under the India-US programme.

The Foundation will now be called the "US-India Educational Foundation" awarding "Fulbright-Jawaharlal Nehru Scholarships and Grants".

The programmes of the Foundation will continue to finance (i) studies,

research, instruction and other educational activities of/for US citizens and nationals in India and Indian citizens and nationals in US schools and institutions in USA, (ii) visits and exchanges of students, trainees, teachers, instructors and professors and (iii) other related educational and cultural programmes and activities.

Both Governments have agreed to endeavour to see that the Foundation's programmes of activities, research and studies will complement the bilateral initiatives announced by the US and Indian Governments on July 18 2005 and March 2, 2006 in the areas of agriculture, science and technology, sustainable development, clean and efficient energy, environment, climate change, democracy and capacity building in emerging democracies and global issues of common concern - among others - and create further awareness and understanding of India in the USA and vice versa, strengthening the 'knowledge' linkages between the people of the two countries.



557. Joint Press Statement after the meeting of India-US Joint Working Group on Counter-Terrorism.**New Delhi, August 25, 2008.**

The 10th India-US Joint Working Group on counter terrorism met today to discuss bilateral cooperation in fighting the global menace of terrorism. The Indian delegation was led by Shri Vivek Katju, Additional Secretary for Political and International Organizations at the Ministry of External Affairs of India, while the US delegation was led by the Coordinator for Counter-Terrorism, Ambassador Dell Dailey.

2. During the Joint Working Group meeting, both sides strongly condemned terrorism in all its forms and manifestations. The Joint Working Group underscored terrorism as a major threat to democracy, pluralism, international peace and security. Both sides renewed their commitment to fight the menace of terrorism and reiterated the need for the international community to come together to combat terrorism in a long term, sustained and comprehensive manner.
3. India and the US called upon all states to abide by their commitments under the UN Global Counter Terrorism Strategy adopted by the UN General Assembly in September 2006 and called for the urgent finalization of the draft UN Comprehensive Convention on International Terrorism.
4. They discussed, inter alia, threat assessments in South Asia and the Middle East. They also exchanged views on cooperation in bio-terrorism, ongoing Anti-terrorism Assistance Training Program, regional counter-terrorism efforts and cooperation in the field of forensic epidemiology. Other issues discussed included terrorist financing and money laundering. Both sides agreed to identify measures to strengthen institutional linkages leading to closer interaction and cooperation in the field of counter-terrorism.
5. The next meeting of the Counter-Terrorism Joint Working Group will take place in Washington DC in 2009 on a mutually convenient date.



558. Media Briefing by Foreign Secretary Shivshankar Menon on the visit of Prime Minister Dr. Manmohan Singh to the USA and France and by Secretary (West) on the India-EU Summit.

New Delhi, September 19, 2008.

Official Spokesperson (Shri Vishnu Prakash): Good evening and welcome. We have Foreign Secretary here to brief you about the forthcoming visit of the Prime Minister to USA and France. To his right is Secretary (West) Mr. Nalin Surie who would be briefing you about the India-EU Summit. To Foreign Secretary's left is Special Secretary (Political) Mr. Vivek Katju. After the opening remarks, Foreign Secretary and Secretary (West) would be taking a few questions. Thank you.

Foreign Secretary (Shri Shivshankar Menon): Good afternoon. We thought we would brief you on the Prime Minister's forthcoming visit to the United Nations General Assembly to Washington DC and thereafter to the EU Summit in France which Secretary (West) Mr. Nalin Surie will tell you about; and the Indo-French Summit in Paris on 30th.

Prime Minister will be leaving Delhi on Monday. He will be in the US from the 23rd to the 27th. He will be attending a high-level segment of the United Nations General Assembly which takes place that week; and will be in Washington DC on the 25th on a day's visit. In New York, the Prime Minister will address the General Assembly on the 26th afternoon. He will also be meeting with other world leaders on the sidelines of the UNGA. He will participate also in the high-level summit on the Millennium Development Goals which is taking place on the 25th. So, he will attend that on 25th morning and then go to Washington DC.

There are a series of high-level events being held at the UN during this week actually. There is a high-level event on Africa's Development Needs on the 22nd; there is the event on MDGs, which I mentioned to you, on the 25th which Prime Minister will be participating; there is a Commonwealth Ministerial meeting; India will be represented at very high levels at these meetings.

For India, this Session of the General Assembly is a significant one. The theme for the general debate is impact on the global food crisis on poverty and hunger in the world as well as, the need to democratize the United Nations. Both these are themes which are very important to us and which

will be addressed by the Prime Minister when speaks to the General Assembly on the 26th.

For us our priorities are combating key global challenges, combating terrorism, promoting verifiable and comprehensive nuclear disarmament, poverty eradication, which I told you is one of the major things, sustainable development, and reform of the United Nations, which we think is necessary to democratize it, make it genuinely representative, and enable UN to play its constructive and positive role.

In the working visit to Washington on the 25th of September, Prime Minister will be meeting President Bush and carrying on the conversation from their last meeting at Hokkaido during the G-8 Summit. There have been a series of bilateral contacts since then, as you know, on a variety of bilateral and global issues. We expect the two leaders to review the progress and the implementation of the wide range of initiatives that we have been taking in the last few years which had transformed the relationship between India and the US. Thereafter when he returns to New York he will also be meeting with the Indian community and, as I said, meeting with other world leaders.

He will then go to France where on 29th there is the India-EU Summit, which I will ask Secretary (West) to tell you about, which will be followed by the Indo-French Summit with President Sarkozy in Paris on the 30th. This is an annual feature. As you remember, President Sarkozy was here in January 2008. We are holding this Summit in order to review progress on all the subjects that that we had covered and that we have been working on. France is a strategic partner for us. It is important to us in several areas. We will naturally exchange views on the bilateral relationship and what more we could be doing together, but also on recent developments in the world affairs. But maybe I should wait for your questions before telling you more about that.

I will hand you over to Secretary (West) to tell you about the India-EU Summit and then we will be happy to take your questions.

SECRETARY (WEST) (SHRI NALIN SURIE): I think I will rather hear more but I will sort of say my piece.

The 9th India-EU Summit will be held in Marseilles on the 29th of this month. Prime Minister will lead the delegation. He will be accompanied by National Security Advisor, and the Principal Secretary. The European Union will be represented by President Sarkozy in his capacity as the President

of the European Council. He in turn will be accompanied by the President of the European Commission Mr. Barroso, the former Portuguese Head of State. The EU delegation will also include Mr. Javier Solana, the High Representative of Foreign and Security Policy; Mr. Mendelson, the Trade Commissioner; and the French Foreign Minister Mr. Kouchner.

As you all know, the last Summit was held in Delhi in November, 2007, at which time both sides had reaffirmed their determination to further strengthen the strategic partnership and to cooperate at the global level for the cause of peace, security and development. Both India and the EU member states are vibrant democracies and our fundamental belief in and commitment to democracy, pluralism, rule of law and multilateralism makes us natural partners.

India was amongst the first countries to establish diplomatic relations with the then European Economic Community in the early 1960s. In recent years, in particular after the adoption of the India-US strategic partnership of 2004, the relationship has intensified and evolved to cover a variety of issues of bilateral, regional and multilateral importance. The level of interaction since 2000 is at Summit level. This has qualitatively transformed the manner in which India and the EU engaged with each other. We also have regular exchanges at ministerial, official, parliamentary and civil society levels. This has helped widen and deepen the partnership.

At the 6th Summit in 2005, you will recall that a Comprehensive Joint Action Plan setting out a roadmap for India and EU interaction had been entered into. This represented a change from what used to be a purely trade-driven relationship to one covering diverse areas of interaction. As you all know, it is a very large plan and runs into many pages. It is on the Internet, if you would like to see it again. The Action Plan has been in operation for the last three years and has been reviewed in preparation for the Marseilles Summit. A revised Joint Action Plan updating and exchanging the areas of partnership will be issued at the Summit.

At the 7th Summit in Helsinki in 2006, we had agreed to launch negotiations on India-EU broad-based Trade and Investment Agreement. Negotiations began last year; several rounds have taken place; and progress has been made in several areas covered in that agreement. Our trade and economic relations with the European Union are complementary rather than competitive. The EU is not only India's largest trading partner, it is also a major source of foreign direct investment and of high technology. Bilateral trade has grown at about 15 per cent per year in the last six years and

crossed 55.6 billion Euro in 2007. We are important investment partners and these flows are two-way, direct investment from the EU averaged 2.2 billion Euro in the period 2004-2006; but it jumped to 10.9 billion Euro in 2007. In recent years, our investment in Europe has also gone up. In fact, last year it soared to 9.5 billion Euro.

The Marseilles Summit is part of India's continuing dialogue with the EU and will enable discussion at the highest level to strengthen our strategic partnership in areas of mutual interest. At the Summit we expect to issue a document elaborating the review of the JAP; adopt a joint work programme on energy, clean development, and climate change; sign the India-EU horizontal Civil Aviation Agreement; and issue a Joint Press Communiqué to reflect on the outcome of the discussions.

Finally, this Summit will be followed by an India-EU Business Summit in Paris on the 30th of September, which will be after the bilateral Summit. Thank you.

Question: Mr. Burns while answering a question on fuel supply said that we stand by what President Bush said that this is his political commitment. What is your response to that? Just a clarification but if there were to be a dispute between the two countries on 123 agreement, is there some kind of international mechanism that would address that?

Foreign Secretary: We are not going to comment on their internal political process. Let them go through that process and then we will tell you. We told you our views right in the beginning of this process that as far as we are concerned, it is the 123 when it enters into force which will govern the relationship. Because, as I said, we are not going to participate in their internal political process nor are we going to comment on everything that happens in that process.

Question: What if there is a dispute?

Foreign Secretary: Read the Agreement.

Question: I have a question on the United Nations. The Open-Ended Working Group which has recommended that expansion of the UN Security Council(inaudible).... should be thrown open to the General Assembly. What are we going to be doing at this particular session of the UNGA? Is anything ... (inaudible).... for brightening India's prospects?

Foreign Secretary: I will ask Mr. Katju to answer that because he knows it in great detail.

Special Secretary (Political) (Shri Vivek Katju): As we know, for the last fifteen years discussions on the Security Council reform have been taking place in the Open-Ended Working Group. On this occasion, the GA adopted a resolution which says that inter-governmental negotiations should begin no later than the 28th of February. For the last fifteen years there have been discussions and now we are moving to the stage of inter-governmental negotiations. That certainly means progress.

Question: What would it essentially mean in terms of the progress in the dialogue?

Secretary (Political): It is difficult to speculate on how inter-governmental negotiations progress. They have to begin first. Once they begin then we will see how they move.

Foreign Secretary: I think the simplest answer is that we are happy at the progress that we have moved forward. But we cannot predict how long the negotiations will take. That is a matter for all the countries involved. That is almost two hundred countries.

Question: How long do you think ...

Foreign Secretary: We would like it as quickly as possible.

Question: Is the Prime Minister going to be meeting Asif Zardari? Also, is he going to be meeting Chinese President in the US? There were some reports that has Pakistan come out with any new idea on... (inaudible) ... ?

Foreign Secretary: We are working on the bilateral meetings. Yes, we are working on the meeting with the President of Pakistan; we are also working on a meeting with the Premier of China. The precise dates and times, we have to tell you a little later because still they are being worked out. It is a very tight programme. But we are working on both those meetings.

Question: Mr. Menon, I just heard what you said about working on the dates. It would be nice if you could give us a sense of what India's message would be when they meet President Zardari. Secondly, there were some reports that perhaps there are delays in starting cross-border trade. Are these reports correct? Are we concerned about some delays from the Pakistani end?

Foreign Secretary: On the first question, our agenda with Pakistan is fairly well-known. It is out in the open. We feel that for our dialogue process to move forward, ideally we should be in an atmosphere free of violence and terror but we need to move that dialogue forward in our mutual interest but we need to demonstrate a commitment to the various promises that we made before and our ability therefore, for instance, to prevent ceasefire violations or cross-border terrorism for that matter. So, our agenda is well-known and I think that is what we hope will be advanced as a result of the meeting.

On cross-LoC trade, we have agreed with Pakistan that we will hold a meeting of the cross-LoC trade Expert Group in Delhi on the 22nd. So, they will be coming here to discuss that. We have been keen since April 2005 actually when we first suggested that we open up the LoC to trade both Srinagar-Muzaffarabad, also Poonch-Rawalakot, and ideally also Skardu-Kargil in the North. We had exchanged with the Pakistani side a list of commodities that we will be ready to receive and they have given us a list of what they could. But those details would now need to be worked out when this Group meets again on the 22nd. Actually about two years ago we had invited a delegation of businessmen from the other side to come to Jammu, to Srinagar, and then thereafter for us to send delegations from our Chambers on our side to their side. Unfortunately, so far Pakistan has not yet agreed to that. We are hoping to do that as quickly as possible because that will really make the trade meaningful. We would like it to start as soon as possible. We have said before that we will be ready from the beginning of October to carry on the trade.

Question: Why has not Pakistan agreed?

Foreign Secretary: You have to ask them.

Question: Mr. Menon, how do you react to the allegation by International Science and International Security that India divulged sensitive nuclear technology for unscrupulous elements?

Foreign Secretary: I think it is rubbish. It is an allegation that we have seen before. We saw it I think two years ago, in 2006 I remember when they trotted the same thing out and we made it quite clear that it was rubbish then. It is still rubbish today.

Question: When the Prime Minister meets President Sarkozy, are we seeing signing of the India-French nuclear agreement irrespective of the outcome in Washington?

Foreign Secretary: We are working on the being able to sign the agreement during the visit. We are still working out the details. I think both sides are doing their own procedures and are working on that.

Question: Yesterday Mr. Qureshi said that there are some hiccups in the Indo-Pak relationship. Do you agree with that statement? If you do, can you tell us what the hiccups are?

Foreign Secretary: I do not want to start characterizing what is under stress, what is hiccups etc. I think we all know that this relationship has gone through a difficult time in the recent past and we all know the reasons why. I do not think it is now here a question of describing whether it is 10 per cent, 20 per cent, 90 per cent. I do not think that is the issue. The issue really is, are we able to deal with the basic questions that stand in the way of these relations realizing their potential, that stand in the way of our normalizing relations with Pakistan, especially in the last few months, the kinds of incidents we have had, whether we are able to deal with them. If we are, then one can see this process working to the advantage of both sides of the border.

Question: Mr. Foreign Secretary, you have been asked before about signing agreements with Russia and France. But it seems to me that one of the pieces of the puzzle that has to be completed before even that can take place is the signing of the India Specific Safeguards Agreement. When do we propose to sign that? Have they been in any way linked to the United States completing the 123 process? Secondly, the document that the White House moved to Congress as part of the Hyde package included a reference to letters that India sent to the MTCR, fighter contract, and the IAEA meeting, on India adhering to the MTCR and NSG guidelines. Does the Government of India propose to make these efforts public? If so, when? Are we requesting at some point membership of MTCR? If so, why? If not, why not?

Foreign Secretary: I think you are absolutely right. Even if we sign these agreements with our partners - with the US, with France, with Russia - in order for them to first come into effect and then be operationalised in terms of concrete contracts and so on, we will have to sign the India Specific Safeguards Agreement because that will then be the safeguards which will apply to the cooperation under those agreements. So, as you said rightly, signing is only the first step of the process which then will continue until the reactors and so on are contracted for, supplied and brought under safeguards under the India Specific Safeguards Agreement. So, these are actions which will proceed in

that direction because we will discuss the commercial issues with the commercial entities concerned who would actually do the supply; we will sign the agreements and then we will also sign these safeguards agreements. But the exact dates and times frankly depend on the comfort of our partners. It depends on how we will proceed along those discussions. So, it is very hard right now to say. I can tell you that there is a whole series of steps that we will have to take before this cooperation is operationalised in terms of a working reactor imported and running on Indian soil. So, it is a whole series of steps on which you are absolutely right. Safeguards Agreement is something that we will have to do before these agreements start having commercial and practical effect. Certainly, we would have to sign them before those agreements are brought into force.

Question: What do you feel the(inaudible)...?

Foreign Secretary: As far as I can see these are all parallel. The Safeguards Agreement has been approved by the Board. So, we will now have to proceed to, but we will have something to bring under that agreement. So, we will sign cooperation agreements with our partners and start discussing the details of how to implement.

On the letters to the MTCR, I think there has been some misunderstanding perhaps in the public mind. On the MTCR, we had made a commitment actually in January 2004 to adhere to the export control standards that the MTCR lays down and that was done I think in the NSSP by the previous Government. Those are the standards, what we have really adhered to is the export controls. We will not violate those standards and over the last three years, since the Weapons of Mass Destruction Act, 2005 we have brought those into our various regulations, into our lists and our export control orders. And so, that is what has happened so far. That is all. Membership or the application of the MTCR to India, none of that has been gone into yet. Nothing has changed in that respect. It is the same on the NSG. What we have done is we have harmonized our export controls on nuclear related to trigger this items basically, we have harmonized our export control regulations with the NSG guidelines and adhered to those. That is what we have done. We have not taken a decision yet on making this public. But if you want we could.

Question: Though you have said that the dates cannot be confirmed, are you expecting the signing on the 123 will happen when President Bush meets the Prime Minister on the 25th?

Foreign Secretary: I have spent two years with you saying I cannot give you a timeframe, I cannot give you any dates. You know this. I am amazed that you are still so obsessed with this and still try. I cannot predict this.

Question: What is the status of negotiations on the Additional Protocol that we are supposed to sign in the Agreement?

Foreign Secretary: We have begun discussions with them. We have had an exchange of ideas at the level of concepts of what would be in that document. We have told them what we think; they have told us what they think. I think the DG has described it as substantial progress in the discussions. That is what we have achieved so far.

Question: When do you expect to sign them?

Foreign Secretary: No timeframes.

Question: Mr. Menon, the French Ambassador says that the bilateral agreement, which is likely to be signed in Paris on the 30th, does not include importation of enrichment technologies and a whole lot of other things we are interested in. So, do we have to sign a separate agreement for that? How does it work?

Foreign Secretary: These are agreements which are enabling agreements. In the French case, we would need to enter into concrete arrangements - whether it is for fuel, or whether it is for reactors - with the companies concerned. I think that is what we would have to do. I think that is what he is pointing to. We will need to actually enter into concrete and detailed negotiations.

Question: As far as nuclear deal is concerned, are you working on signing the same nuclear agreement with other countries? If yes, with which countries is it going to be signed and when? The second question is about the upcoming Summit of IBSA. What are the main topics that are going to be dealt with in this Summit?

Foreign Secretary: Yes, we are also working on signing the Agreement that we have finalized with Russia at the next suitable occasion. Agreements with the other countries have not been finalized yet. We are still in the process of discussing agreements and discussing possible cooperation. So, we are some steps away from having a finalized agreement ready to sign. But we will talk to all the friendly countries that we are in touch with.

On the IBSA I will ask my colleague Secretary (West), Mr. Nalin Surie to speak to you.

Secretary (West): The IBSA Summit will take place on the 15th of October in Delhi. It will be preceded by the various fora that we have, the Academic Forum, the Business Forum, Womens Forum, etc. We have ongoing this month all the 16 Working Groups which will meet; and at the end of the day we will take stock as focal points and discuss concrete modalities of what will emerge from the Summit. We expect a very substantive outcome which will help diversify the process of cooperation between the three countries.

Question: In the Prime Minister's meeting with the Chinese Premier, what would be the agenda? Given the fact that things have not gone so well lately and the Chinese did not find time to take a phone call from the Prime Minister, how would you see that and what are you going to ...(inaudible)... Will the NSG situation be raised with them or not?

Foreign Secretary: I think the agenda will be developments in bilateral relations and these issues that we have which will naturally include all the issues whether it is boundary, whether it is water. It will also include how we can develop the relationship further in areas where we are doing very well, trade, people-to-people exchanges; and a discussion I think on the larger global issues where we have very similar interests. Certainly, recent developments in the world economy will be discussed. They will also discuss other issues of common concern. You remember when Prime Minister visited in January, he and Premier Wen had laid out a common vision, a shared vision really, of the international situation and it has developed quite rapidly since then. So, I would expect them to continue from there.

You mentioned the NSG. Frankly, the NSG turned out well which means that everybody went along with the consensus. I think that is behind us now.

Question: Do you expect the issue of the attacks on Christians to come up during the India-EU meeting? What can we say in our defence in the sense that we have not really been able to protect them?

Secretary (West): We have a dialogue with the European Union and with the EU member States on this. It has been raised with us before and we

have explained to them what happened and what steps we have taken. I think they understand that the Government is doing all that it can. I do not think it is a problem between us at all. We discuss all issues quite frankly with each other and this has already been discussed.

Question: On the sidelines of the UN General Assembly, is the Prime Minister going to meet his Russian counterpart, Mr. Putin?

Foreign Secretary: I am not sure whether he is going to be there. As of now, we have not planned such a meeting.

Question: An out-of-the-context question now. Is it true that China worked against India's interests in Vienna?

Foreign Secretary: As I said, it turned out well in Vienna. There was a consensus; China was part of that consensus. We were happy with what came out at the end.



559. Statement by Prime Minister before his departure for the United States and France.

New Delhi, September 22, 2008.

I am leaving for New York to attend the 63rd Session of the UN General Assembly. India has consistently attached importance to the central role of the United Nations in promoting global peace, stability and development. I look forward to addressing the UN General Assembly and attending the UN High Level Event on the Millennium Development Goals. I will use the opportunity to articulate India's conviction that the contemporary challenges of our times are best addressed through collective and multilateral approaches.

I will draw the world community's attention to the need for the reform of international institutions, including of the United Nations, and to address global challenges such as the food and energy crises, terrorism and progress on the Millennium Development Goals.

During my stay in New York, I also look forward to bilateral meetings with some of the visiting leaders, including of China, Italy, Namibia, Pakistan, and the United Kingdom.

I also plan to meet a group of US CEOs, and members of the Indian-American community, both of whom have contributed to the consolidation of relations between India and the United States.

At the invitation of President Bush I will visit Washington. I look forward to my discussions with him on the entire range of issues on our bilateral agenda with the United States, including our civil nuclear initiative. In recent years our relations have expanded significantly in areas of interest to us such as education, trade, business, technology, energy and agriculture. The engagement between the two countries has strengthened and we are pursuing the multi-faceted cooperation to our mutual benefit.

We attach high value to our excellent relations with the European Union. The next India-EU Summit in Marseilles under the Presidency of France, which I will be attending, is part of the practice of annual Summit meetings between us. The European Union is our largest trading partner with whom we enjoy a multi-faceted strategic partnership. India and Europe are bound by the common values of democracy and pluralism. We have diverse areas of cooperation, including in the area of counter-terrorism, which I will seek

to strengthen. I look forward to attending the India-EU Business Summit being held on the sidelines of our Summit.

I will pay a bilateral visit to France at the invitation of President Sarkozy. India's relations with France are longstanding and of strategic importance. I am confident that my visit will lead to the further consolidation of our relations in the areas of trade and investment, defence, space, civil nuclear cooperation and high technology."



560. Remarks by President George W Bush and Prime Minister Dr. Manmohan Singh at their meeting.

Washington (D.C.), September 25, 2008.

President Bush: Mr. Prime Minister, once again it's my honor to welcome you back to the Oval Office. And it will be my honor to share a meal with you tonight. I thank you for coming to Washington from New York. It's very kind of you to come. I appreciate your friendship and I appreciate your leadership.

You and I have worked hard to change the relationship between our countries. India is a great country with an incredibly bright future, and it's in the U.S. interest to have a good, strong strategic relationship with India. And we've worked hard to achieve that.

One -- one such sign of that relationship is the India-U.S. civilian nuclear agreement. It has taken a lot of work on both our parts, a lot of courage on your part, and of course we want the agreement to satisfy you and get it out of our Congress. And so we're working hard to get it passed as quickly as possible.

We talked about trade. We talked about the environment and how technologies will make it such that we can grow our economies and be good stewards of the environment.

I'll never forget my visit to your country, Mr. Prime Minister. It's -- I remember telling my friends when I got back what an exciting place India is. There's a vibrancy and an energy, and there's an entrepreneurial spirit that's very strong. And I congratulate you and your government for enhancing that entrepreneurial spirit.

I thank you for your advice on a range of matters. I appreciated very much your briefing on -- on the neighborhood in which you live. It's -- was very informative, and it helps me make decisions and it helps me formulate policy.

All in all, ours is a very strong relationship at a state level and at a personal level, and I appreciate you coming.

Prime Minister Dr. Manmohan Singh: Thank you.

Mr. President, I know how busy you are with problems relating to the management of the financial crisis. That despite all the enormous pressures on your time you have found it possible to receive me is something I deeply appreciate, deeply value.

In the last four-and-a-half years that I have been prime minister, I have been the recipient of your generosity, your affection, your friendship. It means a lot to me and to the people of India.

In these last four-and-a-half years, there has been a massive transformation of India-United States relations. And Mr. President, you have played the most important role in making all this happen. (Inaudible) -- through our cooperation with regard to civil nuclear energy, I know these are difficult issues, and at each stage it was your leadership, your personal intervention, which resolved all the difficulties that were affecting the progress of these negotiations.

I sincerely hope that this agreement, which is now before the U.S. Congress, will be approved in a manner which will be satisfactory from the point of view of both of our countries. And when the history is written, I think it will be recorded that President George W. Bush played a historic role in bringing our two democracy closer to each other.

I am mentioning civil nuclear initiative because for 34 years, India has suffered from a nuclear apartheid. We have not been able to trade in nuclear material, nuclear reactors, nuclear raw materials. And when this restrictive regime ends, I think a great deal of credit will go to President Bush. And for this I am very grateful to you, Mr. President.

But there has been enormous transformation in our relationship in many other respects. The United States is India's largest trading partner. The United States is the largest investor in our country. And at President Bush's initiative, we set up a two-country CEOs forum, which has come forward

with many innovative ideas to bring the business communities of our two countries closer to each other.

We have taken new initiative in the field of education. We have today a new architecture of bringing the academic communities of our two countries, a new scheme of Fulbright-Naru Scholarship will unite the intellectual communities of our two countries in a manner which gives me immense satisfaction.

In the areas of science and technologies, in the areas relating to environment management, in areas relating to climate change, in areas relating to health, in areas relating to knowledge initiative in agriculture, all these initiatives have emerged as a result of the historic meeting that I had with President Bush on 18th of July 2005. These -- (inaudible) -- we have now a strategic partnership with the United States, and all that has happened because of the strong personal commitment of the president.

India is a functioning democracy, and I know how much President Bush appreciates that fact, that a country of a billion people with tremendous poverty, with all the diversities of the world, is yet trying to find its economic and social salvation in the framework of a functioning democracy. President Bush and I have discussed this aspect of India's functioning several times, and he has shown enormous respect for India or Indian democracy.

So, Mr. President, this may be my last visit to you during your presidency, and let me say that thank you very much. The people of India deeply love you. And all that you have done to bring our two countries closer to each other is something history will -- (inaudible.)

President Bush: Thank you, sir. Thank you very much.



561. Briefing by Foreign Secretary Shivshankar Menon on Prime Minister's meeting with President Bush and other matters.

Washington (D. C.), September 25, 2008.

Official Spokesperson: Good evening and welcome to the Press Center. Foreign Secretary is here to brief you about Prime Minister's meeting with President Bush and other issues. He would also be taking a few questions after his opening remarks. Let me also introduce Ms. Gaitri Kumar, JS (AMS) who is to the right of Foreign Secretary.

Foreign Secretary: Good evening. Sorry to keep you waiting. I will brief you on Prime Minister's meeting with President Bush. PM met with President Bush in Oval Office at 5 o'clock and the meeting went till 6. Then they went across for dinner. It was a very warm and friendly meeting. They both naturally reviewed what they had achieved in terms of transforming Indo-US relations since July 18, 2005 when the Joint statement had laid out the vision of how they wanted to take the relations forward.

You would recall that a major element of the Joint statement was on Civil-Nuclear cooperation which we were told is close to being adopted by US Congress. Both expressed their happiness and PM expressed his gratitude to President Bush for his decisive intervention for NSG clearance at various stages.

They also reviewed the rest of the relationship. Both expressed great satisfaction on the transformation of the relations and other various fields where the relation is moving forward, whether it is education, whether it is agriculture, whether it is high-technology co-operation. On cooperation in health, on high technology, cooperation on defence we will make available to you fact sheets which are also on our website, so you will get basic data on the relationship.

We also agreed to open two additional Consulates in the US at Seattle and Atlanta. US has opened its Consulate in Hyderabad. The two leaders also had discussion naturally on the regional situation, on the situation around India, as President Bush, I think, said to the media later that he had sought Prime Minister's advice on the situation in the region. There was talk also on the need to support Afghanistan's transition into normal democratic society and free the region from terrorism.

There were also some discussion in the initial meeting itself on Doha round and its prospects and how to carry it further. PM said India was interested in rule based trading system and that the most important part of our approach was our concern for our subsistence farmers and President Bush expressed understanding for this for the fact that this would need to be accommodated.

Most of the larger international issues were covered during the Dinner. It was a small dinner in the old family dinner room of the White House. There were some discussions and it came out very strongly that both leaders had a very firm faith in the importance of this relationship. But not only in the region but more also in the larger global context whether it is energy, or other crucial issues like that the environment for instance. There was some discussion that how we could move forward in this direction.

This was a very positive meeting. We were very satisfied with the manner of the meeting and what was covered. Everything that we wanted to do and achieve was done, but naturally there was something of a valedictory tone to it as probably it was the last time President Bush was in White House that PM was visiting. But there was a strong sense of satisfaction achieved over the last few years and where we have brought the India-US relationship. I would be happy to take questions.

Q: During the discussion, was the situation in South Asia like war on terror, stabilization of Afghanistan etc. discussed because in his statement President Bush said that he had sought PM's advice on this? Was there discussion on India's involvement in Afghanistan?

A: Yes, South Asia was discussed. We are already very involved in Afghanistan. Our assistance commitment today is almost 1.2 billion dollars. There is about 4000 Indians working today in Afghanistan for peaceful reconstruction. That's a sizeable number. It is for the economic development, it is for the restoration of the economy, it is for the hospitals, schools. Now even in culture, we have committed to set up a cultural university. It cuts across every sector. There is a programme to get nutritious wheat biscuit to children in school throughout Afghanistan. This actually shows India's commitment as being very strong and that will continue. This is a response to Afghan need and to what Afghanistan feels she wants. That has got nothing to do with any larger multinational force or anything. We have not participated in that, we don't have a military presence and we don't intend to change that.

Q: What specific action does US want India to take in Afghanistan?

A: Please ask US that question. We did not hear any demands from them. He sought advice.

Q: Are you o.k. with what amendments have been suggested on the nuclear cooperation bill? There have been reports that India is unhappy...

A: Let them finish their process. We will talk to you about this later. I have said this over and over again, I am not going to comment on their internal process. There can be reports or whatever you like but I don't see the point of commenting on it.

Q: There have been some amendments suggested today. Do you think they are going to adversely affect the progress?

A: Same question, same answer. I am not going to comment.

Q: After today's meeting, as far as operationalising the nuclear deal is concerned, what would be next step from GOI?

A: I think, we are discussing the possibility of the visit of the Secretary of State to India. We have been trying it for sometime and looking for possibility of dates.

Q: Is there possibility of a ceremonial signing.....

A: Let the US complete their process. After that we will sign the agreement and take the next step.

Q: What is the factual basis on which PM told President Bush that people of India loved President Bush?

A: I think, if you look at the public opinion polls, the ratings for President Bush are higher in India than in any other country. That is the factual basis.

Q: During PM's meeting with President Bush, was the issue of Pakistan discussed?

A: There was a discussion on the regional situation and the situation in the Pakistan was discussed as well but it was not a large part of the discussion.

Q: Did the issue of Afghanistan come up?

A: As I said, they all figured in the discussions.

Q: US is facing economic crisis and Prime Minister being a renowned Economist, did President Bush ask him for advice and did PM give any advice?

A: I think, the Prime Minister expressed gratitude that in the middle of all this pre-occupation with the financial situation, President Bush found time and that they had spent the time together. President Bush said in return that in the middle of all this, the one person that he wanted to spend time with was the Prime Minister for his calming and serene effect. It really was quite a remarkable conversation. The issue itself of financial crisis has come out on most occasions due to Prime Minister's background, his being such a renowned Economist and experience. Of course, he said what he thought. It came up with President Bush in passing; it came up in his discussion with the President of the World Bank where they went into much more detail about the role of multilateral organizations in dealing with and giving warning about such crisis before they happen. It came up in his meetings with several leaders including with Chinese Premier, in each case it was slightly different depending on what the nature of the conversation was. But this is natural given the PM's eminence as an Economist. But I don't think, and the PM is the first to say himself, there are any simple answers on how to deal with this issue. There are several ways of dealing with this. I think, he would be speaking about this in his speech at the UNGA about what he thinks needs to be done because it affects, from our point of view, the prospects of development. In fact, it already affecting growth in developing countries and other economies. That for us is a bad effect because when it starts affecting people who cannot afford to take a cut then it becomes a serious global issue.

Q: Was there any discussion on expansion of UN Security Council? Did US, directly or indirectly promised its support?

A: I think US has spoken before in public. In fact if you look at the July 18, 2005 statement, you find that US spoke in general terms about understanding India's aspirations not specifically about supporting India's candidacy to the UN Security Council. In that sense that has been the consistent US policy. PM did not raise it this time neither did President Bush.

Q: Was there any further talk on enhancing defence cooperation with US?

A: The Raksha Mantri was here just last week and they had discussions so the PM did not go into those details. But one of the fact sheets that I am giving you is about defence cooperation.

Q: What about time constraint? Tomorrow is the only time that Congress has. What happens next?

A: We are back to time-frames. I don't really know. This has been going on for quite some time. Earlier it used to be when you are going to be ready, when are you going to do NSG or this or that. We have never got into the time-frames. We are not the Astrologers here.

Q: Sir, you are saying, it was positive but overall if you would tell us what is the major outcome?

A: I think, for me, the most important thing is the quality of the conversation. It was very easy flow of ideas. Both obviously understood each other well and were very comfortable with each other and for me that was very remarkable. You know it was not a formal or stilted conversation where you have an Agenda that you have to say this or do that. Not at all, and I think that is a result of the success of the last few years of transformation in the relationship that we have accomplished. That was the experience of having successfully worked together. I have not seen a conversation of this quality at this level. It is very rare that you see this.

Q: Sir, was there a valedictory feeling to the meeting?

A: That is natural.

Q: Sir, we are opening two Consulates in Atlanta and Seattle. Any particular reason for this?

A: I think, community is always a big reason for us. I think for location of Consulates, there is also commercial reason where our trade originate from, where there is buying and selling and also the importance of these cities or the consular areas that we carve out for them for our relationship. Seattle for instance has a large community and there is lot of trade from the west coast. There is lot of high-tech trade with Seattle, not just aerospace and Microsoft but in other areas as well. Same is with Atlanta. Both these areas are of relative importance for us. There are other places where we would like to open Consulates but there is a constraint of resources.

Q: Like Miami and

A: We are keen too but we cannot do everything at once.

Q: Was it discussed that if the Nuclear deal is not consummated in the next few months, there would be similar support from the next Administration?

A: There was no mention of that at all. But my own expectation is that this has something which has bipartisan support, both candidates have expressed support after the NSG clearance. As you can see, in the Congress there is bipartisan support but the fact is that, they do have other things to do so it is really a function of their own process. I don't think it is a lack of will or support.

Q: But was there any disappointment at the non-completion of the process?

A: We have never set deadlines. Why set ourselves up for that kind of disappointment as you said. This is something new that we are trying, it is unprecedented, it is very important, it has tremendous potential. We have to work it and we have to learn as we go along. And so far I think we have done very well.

Q: Did President Bush also talk about the need for a strategic treaty with India?

A: I think we have a strategic partnership already. We declared a strategic partnership on July 18, 2005 in the Joint Statement. They expressed satisfaction the way things have progressed, the way it has grown.

Q: What is the status of the additional protocol with IAEA that has been mentioned in the July 18, 2005 joint Statement. You anticipate that at some point, somebody will raise the fact that India has not yet done that part?

A: You want me to guess, what a Congressman might say in a Congressional process. Why should I? The status is very simple, we have started discussion with the IAEA on the additional protocols, we have had two rounds of discussions both at technical level and at a high level and the DG of IAEA has stated that we have made substantial progress in that discussion.

Q: For the scheduled meeting, John McCain could not come. What discussion did PM have with Sara Palin?

A: I was not there yesterday since I was with you. I don't have the details of the meeting but I will get back to you. If I don't, Vishnu will give you something.

Q: (In audible)

A: We get along very well. As I said the relationship itself enjoys broad

bipartisan support and even if you look at the opinion polls, then this is one of the most popular relationship. I am not worried that political transition will affect us. In democracy we get used to doing transitions. This has been going on for 200 years. I don't think that is going to affect relationship that so clearly works for our interests and their interests as well. I think it is remarkable if you look at the transformation in the last three years, at what this relationship has done in fields that actually matter to people - in education we are now talking in terms of expanding our scholarship exchange both ways to over a 1000 students, we are now talking for instance, with the CEOs on 14th October and the next day a Special Session the next day with the Vice Chancellors and the Deans of Universities. This kind of qualitative transformation in a relationship is based on mutual interest and mutual benefit. It is not dependant on one Government. So, I am confident, even for the difficult ones, that ultimately the logic of the relationship and our mutual interests will see it through.

Q: We are opening Consulates here, are they opening in India as well?

A: They opened Hyderabad last year and I think they are looking at some other places as well. It is up to them to decide.

Q: Sir, you promised at your last interaction a more detailed account of the discussions between PM and President Zardari of Pakistan?

A: Yes, I promised you. I believe that in the detailed discussions between them, they covered all aspects of the relationship. PM raised our concerns of course. President Zardari made it quite clear that, and you have seen it reflected in the statement as well, his determination to deal with issues like terrorism and stressed the value that he attaches to maintenance of the cease-fire. They also spoke about the Kabul Embassy blast. President Zardari condemned it in no uncertain terms which is why we are holding the special session of Joint Anti Terror Group on that issue.

But more than that they talked about the potential of the relationship and how we can use trade and use other things to move forward on the various issues. President Zardari also raised the water issue because Baglihar is filling the dam and the Pakistan Indus Water Commissioner was worried that water flow were low and he had complained to his colleagues. Partly this is because, this year, the flows anyway are lower than the average; it is a fact of life. So we have invited him to come in the next 15 days and to see that we are actually not filling the dam or anything but there is scarcity

of water in the river. Having told him this, the PM assured we will abide by our commitment under the Indus Water Treaty.

There was a considerable discussion on the potential for economic cooperation especially in the energy sector. One of the ideas on the Pakistani side was to develop the enormous Thar Coal deposit. Pakistan also has a shortage of electricity and needs to generate to much more. One idea is to jointly develop those coal deposits to use electricity on both sides of the border. It is only an idea, no one has done a feasibility of wheeling the power out of Pakistan. But several ideas like that were discussed.

So it was a pretty open and wide ranging discussion. This is to be expected and it was their first meeting and I think it was important that they both get a sense of what the other person's vision about the relationship was. I think some of that flavour comes through in the speech today at the General Assembly by the Pakistani President and that gives you a sense of the sort of things that were discussed. It was an open free wheeling discussion, most of it positive forward looking and seeking potential in this relationship and how to realize that.

Q : Was President Zardari invited to India?

A: He has been invited, in fact, he was invited as the President of the party. He has also been invited as the President and we said that we would be happy to see him. There was also an invitation for PM to visit Pakistan. Both of them accepted the invitations although no dates have been set.

Q: Sir, the dinner at White House, what type was it? Was it a working dinner. Who all were present? Was there any speech?

A: No, there were no speeches. It was not a very formal dinner. On the US side, Vice President Dick Cheney, US Ambassador to India Mulford, Under Secretary William Burns, National Security Adviser Hadley, Secretary for Education Margaret Spellings, USTR Susan Schwab and senior assistant to the President. On our side Deputy Chairman Planning Commission, NSA, Special Envoy to PM , Foreign Secretary, JS (AMS), MEA, JS(P) and JS (G) from PMO and PS to the PM attended. It was a small dinner and very relaxed one.

Q: What food was served ? Was vegetarian food served? Was the food tasty?

A: It was very nice food. Perhaps fish.

Q: In the last seven days some US officials have said that they do not want to sign the deal at a disadvantage. They are perhaps thinking that since Prime Minister has announced that Russia and France are ready to have cooperation with us after NSG, India is perhaps in a strong position now, so this particular issue, was this mentioned?

A: There was no such sentiment expressed. But the fact is that no one will be disadvantaged because if you look at the kinds of quantities that the reactors would entail, we would have to go to several suppliers. The only issue really is whoever supplies has to be commercially competitive. The 123 is an enabling agreement and once it is done, it would allow firms and companies to sit and do the detailed contracts for the supply of the equipment etc. That work is going to take a little time. It is not that once 123 is done, contracts would be signed overnight with anybody. Even if we sign tomorrow with France or Russia, I don't see anybody being disadvantaged in this process.

Q: In the Paris leg of the visit, will nuclear cooperation with France be an agenda?

A: It is on the agenda. We are working on it with them for some time.

Q: Will our Cabinet have to ratify the agreement ? In an interview, EAM had said that it would need to be ratified.

A: Our procedures are that Cabinet approves for signing of an agreement and then it is sent back for ratification or it can approve for both signing and ratification. I will have to check. If EAM said that then it must be correct.

Q: Have we committed to place orders for 10,000 MW to US?

A: The commitment to US is that we will place orders if they are commercially competitive which is the same as our commitment for anyone else because you can buy cheaper electricity from someone burning coal or something else. Even when the agreement is signed, it will still have to go through the commercial process - discussing with companies and working out the details - but no one will be disadvantaged.

Q: To clarify, after NSG waiver, can we go ahead?

A : The NSG is a waiver to the NSG member States to do business with us.

Q: Can France do it independently?

A: The question is not clear. Let's not confuse issues. The NSG gave a waiver to its members saying you can cooperate with India for the civilian uses of nuclear energy. So they are free, they can cooperate with India. If they want to do business with us, we will not say no.

Q: What about additional protocol ?

A: The additional protocol has got nothing to do with this. It is up to them. Why are we confusing issues here? The NSG has given a clearance to its members to do business with India. US is an NSG member and so are 44 others. If there are no more questions.

Thank you.



562. Fact Sheet on India-US Defence Cooperation.**Washington (D.C.), September 25, 2008.**

The 'New Framework in the India-US Defence Relationship' signed between Raksha Mantri and the US Secretary of Defence on June 28, 2005 charts a course for defence relations in the coming years as an element of the broader strategic partnership between India and the United States.

Under the New Framework, India and USA agreed to:

- a) Conduct joint and combined exercises and exchanges;
- b) Collaborate in multinational operations if it is in common interest;
- c) Strengthen capabilities of militaries to promote security and defeat terrorism;
- d) Promote regional and global peace and stability;
- e) Enhance capabilities to combat the proliferation of weapons of mass destruction;
- f) Increase opportunities for technology transfer, collaboration, co-production, and research and development
- g) Expand collaboration relating to missile defence;
- h) Strengthen abilities of the Armed Forces to respond quickly to disasters, including in combined operations;
- i) Conduct successful peacekeeping operations;
- j) Conduct and increase exchanges of intelligence

Under the New Framework, the institutionalized framework for cooperation was further strengthened with the establishment of Defence Procurement and Production Group and the Defence Joint Working Group, under the comprehensive bilateral mechanism of the Defence Policy Group.

The India-US Joint Declaration, issued by Prime Minister Manmohan Singh and President George W Bush in March 2006, welcomed increased bilateral cooperation in the defence area under the New Framework, evidenced by successful joint exercises, information sharing, and greater opportunities to jointly develop technologies and address security and humanitarian

issues. They reaffirmed commitment to protect free flow of commerce and safety of navigation, and agreed to conclude a Maritime Security Cooperation Framework to develop new avenues of maritime cooperation and to pursue cooperation in the prevention of trans-national crimes at sea such as piracy, armed robbery, smuggling and trafficking in arms and drugs, carry out search and rescue operations, combat maritime pollution, respond to natural disasters, address emergent threats and enhance cooperative capabilities, including through logistics support.

Exchange of Visits

The dialogue between the two countries on defence cooperation-related issues has been ongoing. It received further direction with the visit of US Secretary of Defense Robert Gates to India on February 26-27, 2008 and the visit of Raksha Mantri to USA from September 7-10, 2008 at the invitation of Secretary Gates.

Institutional Mechanisms for Dialogue

The Defence Policy Group gives policy level direction to defence cooperation, reviews all matters and resolves broader defence cooperation policy issues. Various institutional mechanisms under the DPG which coordinate and implement defence cooperation in specific areas include:

Defence Joint Working Group (DJWG) - this undertakes mid-year review of progress made in the fulfillment of decisions taken by the DPG. It also reviews matters, which need to be taken up by the DPG.

Senior Technology Security Group (STSG) - this is charged with undertaking review of technology security issues and also increase mutual understanding of each other's policies and systems in respect of technology security for defence-related equipment.

Defence Procurement and Production Group (DPPG) - this reviews opportunities for cooperation in defence acquisition, transfer of technology/ collaboration and defence related industries.

Joint Technical Group (JTG) - this look at potential for cooperation in defence research and development.

Military Cooperation Group (MCG) - reviews Services-related cooperation matters and inter-service coordination.

Service-to-Service Executive Steering Groups (ESGs) - these review service-to-service cooperation and report to the Military Cooperation Group.

Concluded Agreements

- a) Agreement for Security Measures for Protection of Classified Military Information signed on January 2002 (GSOMIA)
- b) Master Information Exchange Agreement (MIEA) to facilitate exchange of defence R&D and information, signed in February 2004
- c) Research Development Testing and Evaluation (RDT&E) Agreement signed in January 2006.

Other agreements are under negotiation.

Joint Exercises

Joint Exercises between the three Services have improved in scale and frequency since the signing of the New Framework.

Indian Army has been involved in joint exercises with the US Army on low intensity conflict in jungle terrain, counter terrorism and counter insurgency. Ex- Shatrujeet was recently held at California, USA from March 10-24, 2008. Ex- Yudh Abhyas 08 Brigade Command Post Exercise is scheduled to be held at Hawaii, USA from October 30-Nov 12, 2008. Ex- Vajra Prahar 08-1 was held at CIJW School, Vairengate from August 4-24, 2008 and Ex- Vajra Prahar 08-2 was held at Guam at USA from August 05-25, 2008.

The Indian Navy conducts the Malabar series of exercises with the US Navy involving contraband control operations, sea control operations, air defence exercises, sea replenishment including fuel transfer, cross-deck flying etc., In 2008, Ex- Malabar CY 08 is scheduled off Goa from October 24-28, 2008. The 3rd HABU NAG (EOTTX) was held from September 1-14, 2008 in Visakhapatnam.

The Indian Air Force participated in the multinational air exercise EX RED FLAG at the Nellis AFB, USA in August 2008. IAF participation included eight SU-30s and two IL-78 air-to-air refueller aircraft, one IL-76 transport aircraft and a ten member GARUD team. The contingent comprised a total of 247 personnel.

Industry Linkages

The AEROINDIA and annual DEFEXPO shows have seen very good participation from US companies in recent times, an indicator of their serious interest in the Indian defence market. Several major US defence corporations have established presence in India and are operating directly (Boeing, Lockheed Martin, GE, to name a few). India's revised Defence Procurement Policy, which came into effect on September 1, 2008 aims to make procurement more transparent, impartial and accountable. Recent changes in India's Offsets Credit Banking seek to promote indigenous defence industry while enabling foreign vendors to create offset programs in anticipation of future obligations.



563. Fact Sheet on India-US Energy Dialogue.

Washington (D. C.), September 25, 2008.

The India - U.S. Energy Dialogue led by Deputy Chairman of India's Planning Commission and Secretary, U.S. Department of Energy aims to promote increased trade and investment in the energy sector by working with the public and private sectors to further identify areas of cooperation and collaboration and build on the broad range of existing cooperation between India and the U.S. to mobilize secure, clean, reliable and affordable sources of energy. It consists of five working groups which exchange views and develop cooperative programs in oil and natural gas, coal, power and energy efficiency, new and renewable technologies, and civil nuclear energy.

The major initiatives under the Dialogue are:

- **The creation of a taskforce addressing integrated gasification combined cycle.** Coal is an important energy resource for both countries and this taskforce will address the use of coal in a clean and efficient manner.
- **Cooperation in second generation bio-fuels technology.** The purpose of the cooperation is to establish a framework of cooperation covering scientific, technical and policy aspects of production, conversion, utilization, distribution and marketing of second

generation, non-edible bio-fuels in a sustainable and environmentally friendly manner in accordance with national priorities and socio-economic development strategies and goals.

- **The creation of a coal bed methane and coal mine methane clearinghouse.** The clearinghouse will highlight specific project opportunities, facilitate international industry networking, and recommend market-oriented policies to the commercial utilization of Coal Bed Methane and Coal Mine Methane while reducing greenhouse gas emissions.
- **Cooperation in the areas of Clean Coal Technology.** R&D projects are being developed for Beneficiation and Recovery of Fine Coal, Coal Cleaning Plants Simulator and Dry Coal Beneficiation. Capacity building covering Modeling and Environmental Studies for development of underground coal gasification.
- **Cooperation in the area of gas hydrates.** While global estimates vary considerably, the energy content of methane occurring in hydrate form is immense, possibly exceeding the combined energy content of all other known fossil fuels. Joint collaborative research projects are providing valuable scientific information to both countries on commercialization of this resource.
- **The clean and efficient use of energy.** The Dialogue encompasses a variety of technical programs that will result in more efficient and economic use of energy in the industrial, transport, residential and commercial sectors.
- **Advancing development and deployment of renewable energy resources.** This collaboration includes resource assessments and information exchanges on solar and wind energy, distributed generation and integration with the electric power grid. India has suggested specific initiatives for cooperation.
- **Exchange of information regarding strategic petroleum stockpiles.** Technical exchanges regarding creation and methodology regarding use of strategic stocks in response to disruptions in commercial oils.



564. Fact Sheet on India - US High Technology Cooperation Group.

Washington (D. C.), September 25, 2008.

The High Technology Cooperation Group (HTCG), created in 2002, seeks to address two broad agendas: i) to promote strategic trade i.e access to dual use items through easing of controls on exports of such goods to India, this has to be accomplished while meeting the US concerns on valid end use, diversion and proliferation, and ii) to promote and facilitate bilateral high technology commerce in its broadest sense, inter alia, through steps to be taken by the two Governments to create an appropriate environment for successful high technology commerce in partnership with private sector.

High Technology Cooperation Group:

- Since the commencement of the HTCG dialogue in 2003, six plenary meetings have taken, alternatively in the USA and India. The VI High Technology Cooperation Group meeting took place in New Delhi in Feb 2008.
- The HTCG format involves active participation of the private sector of both sides and works through four working groups; one each on Nanotechnology, Defence and Strategic Trade, Information technology and Biotechnology and Life science.

High Technology Exports to India: The dialogue under the HTCG has led to easing of restrictions on high technology exports to India. High Technology imports from the US increased from US\$1.3 billion in 2003 to US\$ 8.06 billion in 2007. The licensed exports to India increased from US\$56 million in 2003 to US\$ 364.1 million in 2007 with the value of application denied declining from US\$ 11 million to about US\$ 6 million. Average processing time for licenses have come down from 39 days in 2004 to 33 days in 2007. Exports to India requiring a license today account for less than .02% of US exports to India (compared to 24% in 1999).

Defence and Strategic Trade

End - Use Visit Arrangement (EUVA): The EUVA Agreement signed between India and the US in 2004 to promote trust and confidence among the two partners, with a view to expand high technology trade while ensuring that national security concerns of the US including proliferation and diversion

of 'dual use' technology are adhered to, is being implemented to the satisfaction of the two sides.

Impact of the US President' Export Control Directives : The CII and the USIBC are jointly conducting a survey among select Industry on both sides to make an analysis of the impact of the US President's Export Control Directives announced in early 2008 on exports to India of High Technology products.

Awareness of new opportunities for high technology collaboration: The Industry partners in the HTCG process have been actively pursuing to explore and generate awareness of new opportunities for high technology collaboration in keeping with the role envisaged for the HTCG.

- With an objective to educate industry about India's defence procurement policy and procedures of the Ministry of Defence, Government of India, CII has been regularly organizing Defence Acquisition Management Courses since 2003.
- On 8th August 2008, CII co-ordinated the India-US DPPG Industry Round table meeting, wherein presentations on Defence Procurement Policy (DPP) 2008 and Offset Provisions were explained in details. Representatives of the US Administration had also made detailed presentation on the US Export Control rules and regulations.
- CII has been organising programmes at regular intervals on Life Cycle Cost (LCC) and procurement process for the benefit of Industry. An exclusive seminar on LCC and Project Management was organized on 5 October 2007 at New Delhi. CII will be organising a workshop on Life Cycle Cost towards mid October 2008 at New Delhi. The USIBC will be supporting this workshop by identifying resource personnel on LCC from US Industry to make presentations to the participants.
- With an objective to promote Small and Medium Enterprises engagement in defense sector, especially with the US Original Equipments Manufacturers (OEMs) CII will be organising structured Business-to-Business meetings during the Aero India show 2009 to be held in Bangalore in Feb 2009.

Biotechnology and Life Sciences

HTCG Outreach Programme: A meeting of the Biotechnology Working Group was held on the sidelines of the BIO 2008 in June 2008 in San Diego California. At the event FICCI made presentations on opportunities that exist in India for clinical trials, R&D and tie-ups between Small Medical Enterprises on both sides in the pharmaceutical sector. The US side made a presentation on the U.S. Experience with implementing Bayh-Dole Act with the objective of establishing a dialogue on Technology Transfer policies regarding publicly funded research and innovation.

Outcome of the BIO 2008 event:

Exploring possibilities of collaborations and tie-ups between US Universities, institutions including the National Institutes of Health (NIH) and industry and the National Institute of Pharmaceutical Education and Research (NIPER), India in the areas of human resource development and R&D in pharmaceuticals. This would also include exploring partnerships, public-public or public-private, in the setting up of six new NIPERs in India.

- During the HTCG meeting at Delhi on 28-29 February, 2008 and the visit of the Deputy Assistant Secretary, US Department of Commerce in August, 2008 possibilities of price negotiation for patented medicines and differential pricing for select medical devices were discussed at length. US side indicated they could suggest possible models in this regard which would be further discussed before a final view is taken.
- A delegation led by the Deputy Assistant Secretary, US Department of Commerce visited India during 23-27 Aug 2008 for strengthening cooperation in the field of biotechnology, pharmaceuticals and medical devices. A roundtable on Technology Transfer was organized by the Department of Commerce and USIBC on the occasion
- A new Department of Pharmaceuticals has been created in India in July, 2008 with a view to put greater focus on the pharmaceutical sector. During the visit of Deputy Assistant Secretary, US Department of Commerce to India in August, 2008 meetings were held with senior officials of this Department. It was suggested that US side may indicate such schemes where Government in US and other

developed countries play a supportive role for the pharmaceutical sector.

- Engagement between the Drugs Controller General of India (DCGI) and USFDA. DCGI and USFDA jointly held a workshop in India to train the trainers for strengthening clinical research regulation in the country.

US-India BioPharma Summit: A US-India Bio Pharma Summit 2008 was organized in Boston in June 2008 with a view to facilitate cross border investments, create industry and public-private-academic partnerships, open new opportunities and improve the regulatory framework to take the US-India Life Sciences and Healthcare business to a higher level of engagement.

BIO-ABLE Partnership event in 2009: The biggest industry organization in the world in the field of Biotechnology - US based BIO (Biotechnology Industry Organization) - has begun to engage substantively in this HTCG Working Group. As a direct result, they would be organizing a first-ever BIO Partnership event in Hyderabad in September 2009, with the collaboration of ABLE (Association of Biotechnology-Led Enterprises) which would be bringing together investors, venture capitalists and large as well as emerging pharma/bio companies from US and India.

Nano-technology

- A panel discussion on Initiating India US Nano-technology Projects was organized on 30th November, 2005 under HTCG in New Delhi.
- An Indian delegation from the Department of Science and Technology participated in the meeting of OECD Working Party on Manufactured Nano-materials (WPMN) as an observer country held in Paris in October 2007. The Indian delegation also engaged with the US delegation to further nano-technology collaboration under HTCG. India has again been invited by the USA to attend the next OECD WPMN meeting in Dec 2008 in Ankara as an observer.
- The first Indo- US Advanced Studies Institute on Nano scale Science and Engineering was organized at Chennai during January 10-18, 2008. The Institute was jointly sponsored by the Department of Science and Technology, GOI and The National Science Foundation,

USA. In total, 54 experts from both sides presented their work and actively participated in the institute. The US delegation members also visited IIT, Chennai, University of Madras and Kalapakkam.

Information Technology

Interaction between the IT industries and markets of the two countries is huge. 60% of Indian software and services exports are destined for the US (approximately US\$ 24bn in 2007). The IT Working Group under the HTCG is playing an important role in pushing this relationship forward.



565. Fact Sheet on India-US Economic Partnership.

Washington (D. C.) September 25, 2008.

The growing economic partnership between the US and India has been one of the pillars of the transformed bilateral relationship. The USA happens to be India's largest export destination and also one of the leading foreign investors in India. The complementarities between the two economies have made the two sides to seek a strong economic engagement to leverage the advantages available with each other.

Bilateral Trade and Investment: The India-US bilateral trade stood at US\$ 33.9¹ billion in 2007-08. During the year 2007-08, merchandise exports from India to US increased by 9.81% to US\$ 20.7 billion as compared to US\$ 18.8 billion in 2006-07 and merchandise exports from US to India increased by 12.57% to US \$ 13.2 billion in 2007-08 as compared to US\$11.7 billion in 2006-07. Indian IT and IT enabled services including R&D and Engineering services exports to the US were approximately US\$ 24 billion in 2007. The total FDI equity inflow to India from the US during the period April 2000- June 2008 was US\$ 5.4 billion. Trade and economic cooperation has emerged as an important pillar of India-US relations - evident in the rising bilateral trade volume and an enhanced interest to strengthen this trend.

On the basis of US Customs data, bilateral trade shows steady growth since 2004, as evident from the table below:

1 All trade figures as per DGCIS, Kolkata

Year/value in bn \$ (1) & annual rate of growth (2)	2004		2005		2006		2007		2008 (Jan-July)	
	1	2	1	2	1	2	1	2	1	2
India's exports to US	15.5	19.3	18.8	20.8	21.8	16.1	24.0	10.0	14.9	10.8
India's imports from US	6.1	22.7	8.0	30.3	10.1	25.9	17.6	75.0	10.9	25.8
Total trade	21.6	20.2	26.8	23.4	31.9	19.2	41.6	31.3	25.8	18.3

Source: US Bureau of Census

India is one of the faster growing export destination for US exports. In 2007, the growth rate was 75%. It has slowed down in the first six months of the current year but is still a healthy 26%. Our main imports from the U.S. are aircraft and aviation machinery, other machinery, precious stones and metals, organic chemicals, optical and medical instruments. In 2008, export of fertilizers from the US has increased significantly.

India's exports to United States, though still significantly larger than our imports, are growing at a much slower pace. India's major export products include gems and jewelry, textiles, organic chemicals and engineering goods. The rise in the value of rupee, hike in transport costs, competition from Bangladesh, Vietnam as well as some Latin American countries that have some duty advantages in textiles and apparel sector and the continuous bonding requirement imposed on shrimps since 2004 are the major factors contributing to the decline.

US-bound investment from India has increased significantly since 2002, growing by about 75% on average per year. The value in 2006 is estimated to be about \$2 billion and in 2007, the increase has been very rapid with announced Indian investments in US estimated at about \$13 billion. The trend seems set to continue in 2008 with deals reported upto May 31 totalling more than \$ 8 billion.

High level visits:

US Commerce Secretary Gutierrez visited India in February 2007 and US Trade Representative Ambassador Susan Schwab in April 2007.

Finance Minister, Commerce Minister and Deputy Chairman Planning Commission visited USA to attend the Indo-US Economic Dialogue and Indo-US CEOs forum meeting in September 2007.

US Treasury Secretary Mr. Henry Paulson visited Indian in October 2007 to attend the annual Indo-US Financial Economic Forum meeting.

Commerce and Industry Minister visited the USA for the Trade Policy Forum meeting in Chicago in February 2008. He again visited the US in May and June 2008 for WTO-related discussions.

Deputy Chairman Planning Commission visited USA for the Economic Dialogue meeting in April 2008.

Proposed Agreements:

- **Bilateral Investment Treaty:** After two rounds of exploratory talks on the proposed Bilateral Investment Treaty held in New Delhi in April 2008 and in Washington in June 2008, the two sides have decided to start formal negotiations. The dates for the same are being worked out. The treaty would be mutually beneficial as the US happens to be one of the largest foreign investors in India and Indian investments in the US are also growing at a fast rate.
- **Totalisation Agreement:** Two rounds of informal discussions on the Indo-US social security cooperation to pave the way for negotiating a Totalisation Agreement between the US Social Security Administration and the Indian Ministry of Overseas Indian Affairs have taken place. The two sides have agreed to meet early to start negotiations on a Totalisation Agreement. A formal request in this regard has been made to the US Government.
- **Bilateral Aviation Safety Agreement:** India has drawn up an action plan to fulfill the criteria for signing a Bilateral Aviation Safety Agreement with the USA. The Agreement will help the two sides to strengthen the ongoing partnership and would encourage US Aviation Companies to invest in India.

Institutional mechanisms: The two sides have established several bilateral mechanisms to take forward the economic partnership.

1. **Indo-US Economic Dialogue:** The Indo-US Economic Dialogue chaired by Deputy Chairman Planning on the Indian side and by Deputy National Security Advisor on the US side, met in Sept 2007 and in April 2008 and discussed ways to strengthen economic partnership. The next Economic Dialogue meeting would be held on 14 Oct 2008 in New York.
2. **Indo-US CEOs Forum:** The Indo-US CEOs forum was formed in 2006 to provide the two Governments with private sector inputs for revitalizing the economic partnership. The Indo-US CEOs forum has

submitted its second set of recommendations in April 2008 to both the Governments. Both Governments have prepared a list of feasible items based on the recommendations, which are being acted upon. The next Indo-US CEOs forum meeting would be held in New York on 14 October 2008.

3. **Trade Policy forum:** The India-US Trade Policy Forum set up in 2005. meets at the Ministerial and Senior Official level.

At the third Ministerial meeting of the Trade Policy Forum in June, 2006 in Washington the two sides agreed to create a senior-level Private Sector Advisory Group (PSAG) as an adjunct to the Trade Policy Forum that will provide strategic direction, input and support to the forum.

The fifth Ministerial level meeting of the India-USA Trade Policy Forum took place on 19 February 2008 at Chicago, USA. A range of issues were discussed including the Social Security Agreement and Bilateral Investment Treaty between the two countries and providing market access for items of interest to both sides.

The members of the PSAG also met on the sidelines of this Trade Policy Forum meeting and presented a 'Vision statement' to the Forum, which identifies key policy areas for engagement between the two countries and aims at furthering India-US economic partnership.

4. **Indo-US Commercial Dialogue:** The India-United States Commercial Dialogue agreement was signed in March 2000 at New Delhi. Interactions under this Dialogue have been taking place from time to time to sort out concerns of both sides on bilateral commercial issues. The validity of this Commercial Dialogue has since been extended up to March 2010. The 2008 Work Plans under the India-US Commercial Dialogue agreed to include (i) Entrepreneurship Work Plan & (ii) US-India Standards Programme.
5. **India-US Financial and Economic Forum:** The Indo-US Financial & Economic Forum set up under the aegis of March 2000 Joint Declaration made by the Indian Prime Minister and US President has been holding its meetings regularly. It provides for a general framework for facilitating regular discussion on issues pertaining to financial sector developments, investment and macroeconomic policies. The Forum has annual Cabinet level meetings at Finance Minister/ US Treasury Secretary level and sub-cabinet level discussions.

The fourth Cabinet level meeting was held on 30th October 2007 in New Delhi. Issues of mutual interest in areas such as Financial Services, Banking, Insurance, Pensions, Security & Corporate Bond Markets were discussed during the meeting. An Agreed Work Plan was worked out. The latest technical Financial and Economic Forum meeting was held in June 2008 in Washington.

6. **US-India Aviation Cooperation Programme (ACP):** The bilateral civil aviation cooperation is being supported by the US-India Aviation Cooperation Programme (ACP) a public - private partnership between the US Trade Development Agency (USTDA,) the US Federal Aviation Administration (FAA), US aviation companies and the Indian Ministry of Civil Aviation. It provides a platform for unified communication between the Government of India and US public and private sector entities.

An India-US Steering Committee has been set up to take action on the ACP. The first meeting of the Steering Committee was held in October, 2007. The US-India Steering Committee has set up Working Groups on Air Worthiness, Flight Standards and Airports and Environment. An Air Traffic Flow Management (ATFM) seminar would be held in New Delhi in October, 2008 which is one of the projects identified under the ACP.

The USA is the partner country at the 'India Aviation 2008' being planned to be held in October 2008 in Hyderabad.

7. **Indo-US Information and Communication Technology (ICT) Working Group:** The 6th Indo-US ICT Working Group held its meeting in Washington in June-July 2008. Bilateral issues concerning IT, ITES, E- Commerce and the broadcasting sector were discussed at the meeting.

Trade Missions and Business Events:

- High level trade Missions led by the Governor of Minnesota and the Governor of Utah visited India in Sept-Oct 2007.
- An Infrastructure Summit was organized by the CEOs forum in Mumbai in Oct 2007.
- Launch of Initiative- "Investing in America: The Indian Story"

- September 2007 - New York, USA by FICCI-US India Business Council (USIBC) with support of Ministry of Commerce and Industry, Government of India
- An Indo-US SME Summit: Leveraging Global Supply Chains and Integrating the SME Community was held in Chicago in February 2008.
- An Indo-US Biopharma Summit was organized in Boston in June 2008.
- A US pharma and medical devices delegation visited India in September 2008.
- A renewable energy delegation from the USA led by Mr. David Bohigan, Deputy Assistant Secretary, and Department of Commerce visited India in January 2008 and in September 2008.



566. Fact Sheet on India-US Educational Cooperation.**Washington (D.C.) September 25, 2008.**

Since the visit of Prime Minister Manmohan Singh to USA in March 2005, education has been identified as one of the areas of cooperation between the two knowledge societies. Under an agreement between the Governments of India and the United States of America in March 2000, an Indo-US Science and Technology Forum was established to promote science and educational cooperation and to catalyze collaborations in science, technology, engineering and biomedical research.

Although over 60% of all Indian international students prefer USA as their destination, less than 1% of all Americans students going abroad for studies chose India for study. In order to enhance mobility of students and teachers between India and other leading countries, the Government of India has taken many initiatives such as "Promotion of Indian Higher Education Abroad (PIHEAD)" program and awarding fellowships, including through the corporate sector. India has also tabled in the parliament, the "Foreign Educational Institutions Bill" under which any foreign university will be allowed up to 50% Foreign Direct Investment to set up its campus in India in partnership with Indian universities. Other recent initiatives include the teaching of Ayurveda (Indian system of Medicine) in US medical schools, Indo-US Cooperation on E-Learning (between DST, ISRO, 42 Technical Schools in India) with nearly 20 leading Universities in US and corporate partners.

Promoting India's higher education among US students

In recent years to promote India's higher education institutions among US students, direct enrollment at an Indian institution is offered through U.S. universities, providing them an opportunity to take courses with their Indian peers. The Indian Institutes of Technologies (IITs) have programs which are open to American students. Direct University level linkages between India and US, have allowed US students to benefit from a wide variety of academic exchanges and programs which allow them to obtain hands-on experience in international development, undertake comparative studies, tutorials, fieldwork, intensive language courses, summer programs, study contemporary India, its religion and modern history, philosophy, anthropology and avail of short-term "Study India Programs".

India - U.S. Fulbright Educational Exchange Program

On July 4, 2008, Foreign Secretary Shivshankar Menon and U.S. Ambassador to India David C. Mulford signed an historic new bilateral agreement, strengthening educational exchanges between the two countries. The Agreement supersedes the Fulbright Agreement revised in 1963 that has been operating since 1950 with U.S. funding. Under the new Agreement, the Government of India and the United States shall henceforth implement the scholarship programme as full partners and increase by 100% the total scholarship amount awarded annually - to US\$5 million.

The new Agreement provides for expansion of the existing programme with, for the first time, (i) a direct financial contribution by the Government of India. Under the new agreement, the binational U.S.-India Educational Foundation (USIEF) will expand the number of bilateral educational exchanges beginning next year, issuing "Fulbright-Nehru" scholarships honoring both the Senator J.W.Fulbright after whom the ongoing US program was named and India's first Prime Minister Jawaharlal Nehru who signed the 1950 Fulbright Agreement.

USIEF's programmes will continue to finance studies, research, instruction and other educational activities; visits and exchanges of students, trainees, teachers, instructors and professors; and other related educational and cultural programmes and activities.

The Foundation's programmes of activities, research and studies will complement the bilateral initiatives announced by the US and Indian Governments on July 18 2005 and March 2, 2006 in areas of agriculture, science and technology, sustainable development, clean and efficient energy, environment, climate change, democracy and capacity building in emerging democracies and global issues of common concern - among others - and create further awareness and understanding of India in the USA and vice versa, strengthening the 'knowledge' linkages between the people of the two countries.

Since its inception in 1950, USIEF has awarded approximately 8,200 Fulbright grants in almost every field of academic endeavor. The participants in the program have contributed substantially to strong India - U.S. academic relations and strengthened the people-to-people ties between our countries. Noted Fulbright scholars from India have included:

- a. C. Rangarajan, Chairman of 12th Finance Commission; former RBI Governor
- b. S. M. Krishna, Chief Minister of the State of Karnataka
- c. Tejendra Khanna, Lt. Governor, National Capital Territory of Delhi
- d. Girish Karnad, actor and playwright
- e. Meenakshi Gopinath, Principal, Lady Shri Ram College for Women

Fulbright scholarships were given for studies in India to the following US nationals:

- a. George A. Akerlof, Nobel Prize Winner in Economics
- b. Leonid Hurwicz, Nobel Prize Winner in Economics
- c. John R. Hubbard, U.S. Ambassador to India
- d. Nathan Glazer, Professor of Sociology and Education, Harvard University
- e. Barbara Crossette, U.N. Bureau Chief and Contributor, New York Times

Future Direction

Both India and USA are considering educational initiatives that would facilitate greater exchanges between scholars and researchers of the two countries, and strengthen people-to-people linkages. With this objective, both countries are looking forward to the India-US Education Initiative which will meet in October under the aegis of the CEO's forum, with participation of educators and the corporate leadership from both sides.



567. Fact Sheet on India - U.S. civil aviation cooperation**Washington (D. C.), September 25, 2008.**

The Partnership: The civil aviation sector is one of the fastest growing areas of Indo-US high technology and economic engagement. The Government of India and the Indian Industry seek technical, human resource, high technology and commercial support from the USA in its efforts to modernize the civil aviation Industry in India and to meet the challenges of its rapid expansion in terms of safety, customer demand, technology and communication support and air space management. Following the Open Skies Agreement between the countries in 2005, there has been a steady increase of air traffic between the two countries stimulating economic partnership and strengthening people to people contacts. Leading US aviation companies have established presence in India with a longer term strategy.

Umbrella Agreement on Civil Aviation: A Memorandum of Agreement ('Umbrella Agreement') between the Federal Aviation Authority (FAA) of USA and the Government of India was signed on 13th November, 2006 in New Delhi. The agreement provides for assistance by FAA to the Civil Aviation sector in India in developing and modernizing the civil aviation infrastructure in the managerial, operational and technical areas. The assistance essentially includes: providing technical and managerial expertise in developing, improving and operation of civil aviation infrastructure, standards, procedures, policies, training and equipment; providing training for civil aviation personnel; inspection and calibration of our civil aviation equipment and air navigation facility and assistance in airport certification in India among other things.

Salient features of the Open Skies Air Services Agreement with USA

- Multiple designation of airlines i.e. either side can designate any number of airlines.
- Unlimited frequency/capacity could be operated.
- Unrestricted points of call, i.e. airlines of either country can operate to any point in the territory of the other Contracting Party.
- Unlimited 5th freedom traffic rights through any intermediate point and to any beyond points could be exercised.

- No restriction on cargo flights i.e. either side can operate any number of freighter services to any airport in the other country.
- Traffic from one aircraft could be transferred to another aircraft at any point on the route.
- Airlines of both sides can code share with other airlines as well as domestic airlines of the other country.

The conclusion of this Agreement in April 2005 has boosted trade, tourism and business. Aircraft has emerged as the fastest growing component of US exports. Connectivity between the two countries has increased significantly with six new daily direct flights which have commenced since the signing of the Open Skies Agreement, another new daily flight (Jet Airways) is via Brussels. Air India began a new direct non-stop flight from New York to Delhi in February 2008. Kingfisher Airlines also plans to start flights including one linking Bangalore and San Francisco.

Bilateral Aviation Safety Agreement (BASA); The Directorate General of Civil Aviation (DGCA) and FAA have also signed a Memorandum of Consultations (MOC), concerning cooperation for a Bilateral Aviation Safety Agreement (BASA) on 13th November, 2006 under the Umbrella Agreement. As per the MOC the DGCA and FAA mutually affirm the intent to work cooperatively in areas leading towards a Bilateral Aviation Safety Agreement (BASA) for reciprocal airworthiness certification of civil aeronautical products and technical cooperation in a range of aviation safety areas.

Accordingly a BASA Action Plan has been drawn out, the main features of which are :

- (i) Identification of an Indian aeronautical product for certification
- (ii) Issuance of an Indian Technical Standard Order (ITSO) for the identified product- This has been accomplished by adopting FAA Technical Standard Order (TSO) and publishing DGCA ITSO to harmonise the design and test standards.
- (iii) Training of DGCA officers on certification procedures in USA/and by US experts in India - This has been partially accomplished by deputing three officers to FAA office in Los Angeles for familiarization of the certification processes.

- (iv) In parallel FAA has also agreed to consider co-certification of a major modification on HAL's Dhruv Helicopter to be taken up for converting Dhruv into "single pilot IFR version".

India-US Aviation Cooperation Programme: Recognizing the potential for further cooperation between the United States and India in the aviation sector, US Trade Development Agency (USTDA) initialed a Memorandum of Understanding (MOU) with Ministry of Civil Aviation at the India-US Aviation Partnership Summit held in New Delhi in April 2007 to establish the U.S.-India Aviation Cooperation Program (ACP). The ACP was signed subsequently in June 2007 during the visit of the Minister (Civil Aviation) to USA. The ACP consists of a public-private partnership between USTDA, the FAA and several U.S. aviation companies to provide a forum for unified communications between the Government of India and U.S. public and private sector entities in India. Under the ACP framework, USTDA, Federal Aviation Administration, Indian Ministry of Civil Aviation and other U.S. and Indian public sector entities will partner with U.S. industry in identifying and supporting India's civil aviation sector modernization priorities. The ACP will serve as a mechanism through which Indian aviation sector officials can work with U.S. civil aviation representatives to highlight specific areas for bilateral technical cooperation. Initially, the ACP is expected to focus on activities that support air traffic/air space management enhancements and the challenge of rapidly increasing aviation traffic in India. India is the second country with which such a programme has been formed.

To carry forward the mandate of the ACP, an India-US Steering Committee has been set up under which Working Groups on Air Worthiness, Flight Standards, Airports and Environment have been set up. The first meeting of the Steering Committee was held in October, 2007. The following projects have been identified under the ACP:

- Technical Training for Aerospace Industry
- Air Traffic Flow Management (ATFM) Seminar
- Aircraft Pilot Capacity Assessment
- Aircraft maintenance Engineer (AME) Capacity study
- Air Traffic Control Officer (ATCO) and communication, navigation and surveillance (CNS) Engineer capacity assessment.

India Aviation 2008: The USA is the partner country in the India Aviation 2008 show being planned to be held in October 2008. Leading global aviation companies along with a sizeable delegation from the US would be participating in the Show.



568. Fact Sheet on India-U.S Health Cooperation.

Washington (D. C.), September 25, 2008.

India and the US over the years have established a strong collaboration in the area of public health which extends to a wide range of issues - HIV, TB, Malaria, Polio, Maternal and Child health, Tobacco control, Environmental and occupational health, Vaccine development, Avian influenza and emerging and re-emerging infectious diseases. By working together, the two sides are: 1) developing new scientific knowledge; 2) creating new technology for the development of vaccines, drugs, diagnostic tools, and devices; and 3) working together to control, prevent, and eliminate diseases. The benefits from these collaborations flow back to both the American and Indian people, and through the good will generated on both sides, to Indo-American relations in general.

US Health Secretary visited India in Jan 2007 and reviewed bilateral health cooperation and exchanged ideas on developing science-based systems and standards to govern two-way trade.

The US Government through its Agency for International Development (USAID) and the U.S. Department of Health and Human Services (HHS) are working in partnership with the Government of India, through the Ministry of Health and Family Welfare and its nodal agency, the Indian Council of Medical Research (ICMR), academia and the industry, to support collaborations and programs that are designed to:

- Increase the capacity of Indian institutions and develop infrastructure;
- Provide training in biomedical research, biotechnology, and public health;
- Increase access to, the quality of, and demand for family health care;
- Nourish needy mothers and children;

- Control, prevent, and eliminate infectious diseases;
- Develop and share scientific knowledge;
- Develop and evaluate new vaccines, drugs, diagnostic tools, and devices;
- Strengthen quality assurance;
- Support improved policies and planning for maternal and child health, reproductive health, HIV/AIDS, and other infectious diseases;
- Help develop central and state policies for population, health and nutrition, and specific interventions, such as immunization;
- Promote stronger and sustainable private-public sector partnerships; and
- Improve evidence based decision making

Bilateral Agreements, Training and Capacity Building: The Indian Ministry of Health and Family Welfare and the US Department of Human and Health Services have signed 5 Joint Statements covering the areas of HIV/AIDS (16 projects), Maternal and Child and Human Development and Research (19 Projects), Environment and Occupational Health (6 projects), Emerging and Re-emerging Infectious Diseases and the International Centre of Excellence in Bio-medical Research. The Indo-US collaboration has successfully taken place for the last 30 years or so and has led to mutual benefits in terms of infrastructure strengthening, transfer of technology and several scientific publications.

Collaboration between National Institute for Pharmaceutical Education and Research (NIPER) and US Universities: India is in the process of setting up six new National Institute for Pharmaceutical Education and Research. The Department of Pharmaceutical seeks the support of the US Government to establish human resource collaboration between US Universities/ National Institutes of Health and NIPER.

International Partnership on Avian and Pandemic Influenza 2007: To strengthen international efforts to combat Avian and Pandemic Influenza and express the commitment of the Government of India in dealing with global health security, India successfully hosted the International Partnership on Avian and Pandemic Influenza in December, 2007. Representatives of 111 countries and 29 international

organizations participated. A Road Map that sets out the actions that a nation could implement for the establishment of achievable benchmarks by concerned government entities and other stakeholders was presented by India.

Collaboration between Regulatory authorities: As a follow up to the visit of Secretary Health, a delegation from US FDA visited India in April 2008 with the objective of establishing a bilateral cooperation programme with the Health Ministry. A delegation from the Health Ministry visited Washington in June 2008 and met with US FDA officials. India is in the process of strengthening its Drug Regulatory Framework, including through legislative amendment. The setting up of the Central Drug Authority in India will further strengthen the regulatory framework to the mutual advantage of both Indian and U.S. Pharmaceutical industries. The two Governments have been collaborating in the area of training on the regulation of medical devices, clinical research, pharmacovigilance, and e-governance. Indian health experts have received training at the US FDA. The US FDA plans to open offices in India in consultation with the Indian Authorities.

HIV/AIDS: India became a part of the US President' Emergency Plan for AIDS relief (PEPFAR) initiative in May, 2005. India has been receiving funds worth US\$ 30 million annually from the US Office of Global AIDS Coordinator (OGAC), USAID and Center for disease Control and Prevention (CDC), USA. The program focuses on four priority states: Tamil Nadu, Maharashtra, Andhra Pradesh, and Karnataka.

Influenza: HHS/CDC, the U.S. Department of Agriculture (USDA), and USAID collaborate with the Ministry of Health and Family Welfare and the Ministry of Agriculture institutions on pandemic preparedness, physician training, disease burden estimations, and training for laboratory detection of human and avian influenza. Several Indian professionals have received training at HHS/CDC. India has contributed to the global efforts toward ever greater preparedness for Avian and Pandemic Influenza by maintaining total transparency about outbreaks that have taken place so far, by taking immediate action to contain the outbreaks and by offering a unique tool for assessing national and international preparedness in the form of the road map developed at the New Delhi International Ministerial Conference on Avian and Pandemic preparedness in December, 2007. India believes it is important to expand global capacity for manufacturing influenza vaccine and is willing to collaborate in this regard.

Family Health, Maternal and Child Survival and Reproductive Health:

Through policy, advocacy and training, engaging the private sector, and demonstrating effective public private partnership (PPP) models, USAID is helping to improve nutrition and health through immunization and expanded access to family planning methods in three north Indian states. USAID partnered with the Government of India to improve evidence based decision making through efforts such as the National Family Health Survey. HHS/NIH is conducting collaborative biomedical research with the Ministry of Health & Family Welfare/Indian Council of Medical Research institutions, academic institutions, and hospitals on maternal, child, and reproductive health. Indian scientists are also working on these subjects in laboratories based in the US.

Polio: External assistance is being received from Donor Partners to eradicate Polio. CDC, USA has assisted India in the procurement of Oral Polio Vaccines upto the year 2006-07.

Tuberculosis: USAID and HHS/CDC collaborate with the Ministry of Health and Family welfare for improved implementation of the Directly Observed Treatment Short-course (DOTS) strategy to control tuberculosis (TB). The two sides are working to address emerging challenges related to TB-HIV co-infection and multi-drug resistant TB and provide technical assistance for infection control practices and improved public-private partnerships in TB control. The US National Institutes of Health is providing technical and financial support for an International Centre for Excellence in TB research in Chennai.

Vaccine Development: HHS/CDC and NIH are working with the Ministry of Science and Technology to develop vaccines against malaria and rotavirus. The technology for the rotavirus vaccine was transferred from the U.S. to Bharat Biotech International Limited, Hyderabad and is ready for phase III testing in India. The Indo-U.S. Vaccine Action Program (VAP), a 20-year-old bilateral collaboration supporting research on vaccines, immunology and related biomedical issues, was renewed in 2007.

Brain Research Program: India's National Brain Research Institute and NIH are involved in this program. The project promotes neuroscience and mental health research through targeted workshops to stimulate new joint research proposals.



569. Fact Sheet on India - U.S. Agricultural Knowledge Initiative.

Washington (D. C.). September 25, 2008.

The Joint Statement between Indian Prime Minister Dr. Manmohan Singh and US President George Bush on 18th July, 2005 included mention of launching of a India-US Knowledge Initiative on Agriculture (AKI) focused on promoting teaching, research, service and commercial linkages. Subsequently, a joint declaration for the AKI was signed on 12th November, 2005 by the Ministry of Agriculture of India and the US Department of Agriculture with the basic objective of re-energizing the India US partnership.

The key areas of cooperation, detailed work-plan and commensurate joint deliverables are finalized in the meetings of the Joint India-US AKI Board. The Board is co-chaired by the Secretary, Department of Agricultural Research and Education (DARE) and Director General, Indian Council of Agricultural Research (ICAR) from Government of India and the Administrator USDA/FAS from US side. Other members represent agricultural universities, Government and private sector. The AKI Board meets twice a year, alternatively, in India and USA. So far, six Board Meetings have been held; the last one on April 15-16, 2008 in New Delhi.

The four areas identified for cooperation in the Work Plan are - (i) Human Resources and Institutional Capacity Building (cross-cutting areas), (ii) Agri-processing and Marketing, (iii) Emerging Technologies, and (iv) Natural Resource Management. Under these main areas, the four focus areas are - (i) Education, learning resources, curriculum development and training, (ii) Food processing, use of by-products and bio-fuels, (iii) Biotechnology and (iv) Water Management. So far, 29 Indian scientists/faculty members have received training in USA under the India-US Borlaug Fellowship Program. Ten collaborative projects have been initiated, 14 joint workshops have been organized in India, and Indian scientists have participated in three workshops in the USA.

There are ten collaborative projects, eight are ongoing and two have been completed.

Biotechnology

- Pigeon pea Genomics Initiative
- Genetic Engineering for Abiotic Stress Tolerance in Crops.

Water Management:

- Water harvesting for groundwater re-charge and bio-drainage for salinity control.
- Sustainable Water Resource Management: U.S.-India Collaborative Research and Education
- On Farm Water Management for Rain-fed Agriculture on Benchmark Watersheds in Five Diverse Eco-Regions of India
- Information & Communications Technologies for Capacity Building Model in Water Management: U.S. India Collaborative Extension/ Outreach and Distance Education

Human Resources & Institutional Capacity Building

- Teaching and Learning Excellence: A Capacity Building Model
- Capacity Building for Library Professionals.
- Capacity Building for Intellectual Property Protection and Technology Licensing in Agriculture (Project completed)
- Capacity Building for Risk Analysis & Modeling to Promote Trade (Project completed)

Joint Workshops Organized in India

- Water Management, September, 2006, New Delhi
- Human Resource and Institutional Capacity Building, November 2006, GBPUAT, Pantnagar
- Curriculum Development in emerging areas of agriculture and rural development, January 2007, New Delhi
- Contract Farming: Methods and Experiences, May 2007 at New Delhi
- Strengthening of Indian Library and Information System, May 2007, New Delhi
- SPS Capacity Building and Science-based Risk Analysis and Modeling, July - August, 2007, Hyderabad
- Agribusiness and Food Industry in Developing Countries, August, 2007, Lucknow

- Capacity Building in the Avian Viral Diseases and Animal Biotechnological Applications on August 2007, Tamil Nadu.
- Four Cold Chain Workshops (Chennai, Mumbai, New Delhi, Kolkata)
- Harnessing the Benefits of Biotechnology, March, 2008 at New Delhi
- Sanitary and Phyto-sanitary (SPS) Regulations on July, 2008 at NASC Complex, New Delhi



570. Address by Prime Minister Dr Manmohan Singh to the Indian Community in USA.

New York, September 27, 2008.

Ambassador and Mrs. Sen,

Ladies and Gentlemen,

I extend my warm greetings to all of you. Soon we will be celebrating Id and then Dussehra and Diwali. So my best wishes to all of you for the coming season of festivals.

I am always delighted to be with members of the Indian community and the Indian American community. Your achievements fill my heart with pride. Your success in diverse spheres of human endeavour is a living proof that given a proper enabling environment, the people of Indian origin are second to none.

My wife and I feel happy and proud to be here today.

Ladies and Gentlemen,

Over three years ago, when I addressed the U.S. Congress, I said that some bilateral relations are based on principles and some are based on pragmatism. What is truly remarkable about the India-US relationship today is that it is based on the twin pillars of both principles and pragmatism.

We are both open societies and open economies. We are both multi-cultural, multi-ethnic, multi-religious and multi-lingual nations. Both our countries respect the rule of law and guarantee fundamental human rights.

This pluralism makes us both "argumentative societies" - to use my friend Amartya Sen's term. As an "argumentative" people we are bound to have

our differences and to voice them. That is what makes our relationship a lively one. The arguments that we have are arguments between friends, between equals, and not adversaries.

Ladies and Gentlemen,

The historic agreement on cooperation in the development of civil nuclear energy in India that President George Bush and I embarked upon is nearing fruition.

It is in no small measure due to the very supportive role the Indian American community and the friends of India in the US have played. I thank you all for this.

Thanks to the leadership of President Bush and the friendship of the people of the United States we are on the verge of securing a new status in the global nuclear order. India will be liberated from the constraints of technology denial of 34 years. It will add an important strategic pillar to our bilateral partnership. We will widen our clean energy options.

Ladies and Gentlemen,

As we strengthen the economic side of our partnership with the United States, it is inevitable that industry and business in both countries will seek cooperation in new areas such as biotechnology, nanotechnology, health care, space applications, etc. With the launch of the Chandrayaan Moon Mission, with two American instruments aboard, next month, we will cross another milestone.

The knowledge economy and the fields of education and business have been the life-blood of our bilateral relationship. We have decided to expand the opportunities for educational exchange between our two countries. We have jointly invested in doubling the funding for the U.S. - India Educational Foundation, which will now offer the Fulbright - Jawaharlal Nehru Scholarships and Grants to Indian and American students, teachers and scholars.

Friends,

The India-US partnership is also a result of a convergence of shared interests and common concerns. It is, therefore, not surprising that support for a strong India-US relationship cuts across party lines in both India and the US. The overall sentiment that emerges from our respective domestic debates is a strong positive endorsement of our strategic partnership.

We face common threats and challenges - of terrorism, energy security, proliferation, drugs, maritime security, climate change and environmental degradation.

We stand together in safeguarding our pluralistic and democratic polities from attacks that seek to destroy our cohesiveness and our prosperity.

Friends,

The Indian American community inspires people of Indian origin around the world with its leadership, its enterprise and creativity. You have among you Nobel Prize winners and Abel Prize winners; great writers and artists; business leaders and scientists. We are all inspired by the life and achievement of Sunita Williams and Kalpana Chawla; of Indira Nooyi and Vikram Pandit; of Jhumpa Lahiri and Mira Nair; of Srinivasa Varadhan and Sabeer Bhatia.

You have become the "brain bank" of the country of your adoption. I hope that you will also become the "brain bridge" between our two countries in frontier areas of technology as well as in trade and investment.

Our Government has created new opportunities to tap this vast reservoir of talent. We created a new Ministry of Overseas Indian Affairs and launched the Overseas Citizens of India scheme. I know that many of you want to see further improvement in the OCI scheme. We are working on it.

We are aware how fervently you choose to retain your Indian identity, your Indian connections and your Indian heritage, even as you integrate in societies where you live and contribute as good citizens of America.

Friends,

We have decided to open two additional consulates in Atlanta and Seattle by 2009. This will enhance our consular and cultural outreach.

Ladies and Gentlemen,

We have travelled a long distance to reach where we have reached today. We have moved forward as a dynamic and creative nation regaining our rightful place in the global community. The rise of India is a force of peace, development and stability in the world. However, we still have many hurdles to cross. I am confident that our country has the will and the ability to meet the challenge of change.

India's emergence as a major democratic power and an open economy has been made possible by the creativity, the enterprise, the energy and the talent of its free people. A people who now live on every continent of our planet. A people on whom the sun never sets!

I would like each one of you to be an active partner in this saga of adventure and enterprise, and build an India free from the fear of want and exploitation.

May God Bless You!



571. Media Briefing by Deputy Chairman, Planning Commission Dr. Montek Singh Ahluwalia about Prime Minister's meetings on September 26 during his stay in New York to attend the UN General Assembly Session.

New York, September 26, 2008.

Official Spokesperson : Please take your seats. A very good afternoon to you, notwithstanding this light rain outside. Welcome back to the Media Centre. We have Deputy Chairman of Planning Commission, Dr Montek Singh Ahluwalia here to talk to you about Prime Minister's meeting earlier in the day with Prime Minister of UK, Mr. Brown. Deputy Chairman has also agreed to take a few questions after his opening remarks. Thank you.

Deputy Chairman: Thank you very much. Well they had a fairly good meeting, about 40 minutes or so I think. PM Brown congratulated Prime Minister on his Birthday. Good way of beginning the meeting. Then they had a very fairly wide ranging discussion on a number of issues which obviously touched on things like Millennium Development Goals, quite an extensive discussion on the current turbulence in the international financial system and what can be done about it. They had a discussion also on the Doha Round prospects, what are the issues that might be holding our progress and then a general discussion on neighbourhood; Afghanistan, Pakistan etc. I think most of the discussion focused really on international sector issues and trade. Both PMs agreed that the international turbulence in the financial system is quite exceptional and many people in the market think that things may be more serious than many people are making out. I think they both agreed that this showed that there was a fundamental weakness in the system of multilateral surveillance. The globalization has

produced an integrated financial world around the world which does not have a single monetary authority that becomes responsible for taking care of global problems. PM Brown mentioned that International Monetary Fund (IMF) is the only institution that looks at these things but you know the circumstances today are quite different from what the IMF was supposed to deal with. I mean IMF lends to countries but today what you have is financial fragility which leads to weaknesses in financial institutions and maybe loss of market confidence in certain kinds of financial instruments.

So what is an appropriate way of handling that? We have to think about. PM Brown mentioned that in the aftermath of the East Asian crisis, there was a perception that better financial regulation and supervision was necessary and several mechanisms for international consultation were put in place including the financial stability forum. Our PM pointed out that earlier financial crisis used to take place in the periphery leaving the center largely unaffected. The difference this time is that the international crises is taking place at the centre of international system and many of these institutional mechanisms of inter-governmental consultation are not very effective in dealing with problems when they emerge at the very centre of the financial system. So the whole issue of what is the kind of international consultative process that needs to be put in place was discussed. Both Prime Ministers raised some questions. PM Brown mentioned that obviously the system must go beyond the G-8 and he felt sure that India will agree with that, of course, our PM agreed that it has to go beyond the G-8. PM Brown said well perhaps that this could be handled in G-20 where India is also a member. I think the question also came up that if you really need massive supply of liquidity then is there a case for setting up some kind of International Central Bank in which different governments actually contribute which could then act to provide liquidity because at present everybody agrees that there is a problem but the actions have to be taken by individual Governments even though the action of the individual Government will affect financial stability around the rest of the world.

I think an effort to shore up certain kinds of assets that will have the balance sheet of all institutions that hold those assets not just institutions in America. So these kinds of issues were discussed more in the form of raising questions which suggest that the present international financial architecture is really not adequate. Obviously there were no decisions taken but our PM assured the British PM that we would be happy to work with them in looking to what might be appropriate solutions. They spent a fair amount of time also on the Doha Round with both Prime Ministers emphasizing the

importance of getting the Doha Round successfully concluded. There was a brief discussion on what are the issues that might be holding up agreement. They touched on the question of the Special Safeguards Mechanism (SSM) which has been discussed. I think they also noted the point that although much of the international discussion the press has focused on the SSM issue where different countries have taken different position and there are some proposals which have recently been tabled by Australia, by the EU and by Brazil to which China, India and the US have yet to give a final reaction. But it was also pointed out that these were not the only issues that are several other issues including for example in agriculture, issues like the cotton subsidy which will become very controversial which really have not been discussed so far. I think they agreed to remain in touch on these issues so that if there are areas where our positions are narrowing it would be possible to come to a quick resolution. Prime Minister Brown apparently will be in touch with US President and they are obviously also concerned about this matter.

So I think it was a sharing of perceptions at Head of Government level on what is the status of the round and what are the issues that appear to be currently most immediate ones that need to be resolved. I think that is roughly the areas they covered and I will be happy to take any questions.

Q : What about any political issues that come out during the meeting, like terrorism or something?

A: They discussed the problems of terrorism. Our PM pointed out the extent to which terrorism is surfacing in our neighbourhood. It is a matter of obvious concern to us and PM Brown agreed that this is a major problem, and I think there is a shared perception on that basically. But we need to do something about it. There are lots of cross-border issues that also need to be addressed.

Q: If you could please qualify this a bit like you mean that the two PMs explored the possibility of an international bank that would safeguard the free supply of liquidity. How exactly it would be different from the World Bank, IMF etc?

A: A very good question. World Bank only lends to developing countries and it lends for development projects. So the World Bank is not relevant here. What is relevant here is the International Monetary Fund. Now the IMF, first of all, its total capability to lend is nowhere near adequate to plug a liquidity hole in the financial system. I don't know the numbers but you

know it is unlikely that the Fund can lend more than a total of 70-80 billion whereas the United States alone is talking of a rescue package of 700 billion and there are people saying that it may not be enough and US has taken the view that other countries, other major countries should take preemptive steps to shore up their banking system and if that were really done then it would really be on a scale of resources required much larger than the IMF. Second the IMF traditionally lends to Governments. So Governments borrow from the IMF, whereas in today's world financial instability is the result of private financial institutions running into either liquidity or insolvency problems. So the IMF, for example, if it were decided that a particular class of assets, as is the case here, real estate based assets have run into a serious dis-functioning of the market and to restore confidence it is necessary to buy these assets. The IMF just cannot do that. So even the IMF is not structured either to lend to banks or to intervene in financial markets in order to calm the fears of liquidity. So it is in that context that the question arose that either we leave it to individual central banks which are treasuries, I mean, at present, the US treasury and the federal reserves are engaged in getting through that process. A very major, one may call it a bail out plan and I know people don't like to use the term bail out, just say a financial rescue package. You can have a system where individual governments do whatever is necessary.

But at the moment there is no coordinated consultation mechanism that enables governments to say look that we will do this and you will do that and you do. One approach will be that you need better coordination so that coordinated action can be taken. And obviously if the action is coordinated it will increase the confidence level in financial system. The other approach might be that the form of coordination is not just consultation which enables sovereign governments to take the individual decisions in a coordinated manner but rather coordination in the form of action by a global authority. I mean, for example, if different governments are all going to pump x hundred billion dollars of liquidity they could just easily have an international institution run by them which pumps this liquidity in a more or less the same way, only thing is it will become much more transparent. The rules will become more global and those kind of issues and that will be a completely new idea. I don't think neither of them says this is what they think is necessary but it was clear that existing system is simply not geared to addressing this problem. I think our PM said that the world has become global and capital has become the most global because paper issued in one country can be held by banks in other countries so you have got a seamless system but you don't have international financial regulation.

egulation is being done by individual supervisors and the degree of supervision varies, the accounting rules vary and one of the new problems is that you know instability does not just come from the bank.

I mean in this country, for example, the investment banks which are not regulated have a huge amount of leverage so the amount of credit that goes through the investment banks is now much larger proportion relative to commercial banks than it was 10 years ago. In Britain they have introduced the financial supervision agency authority which does consolidated supervision of the financial system. In this country, in the United States that is not true. I mean the banking supervisors are different from the insurance supervisors are different from the security supervisors which is the same thing in India. So you know the whole question that comes up is what is the new architecture we want, which is the right model and how do we create a structure which is suited to a system dominated by the private sector. It is not just a question of government's borrowing in order to fix the problem.

Q: But the two leaders just wondered all that? What I mean they did not ask for it.

A: I don't think they are making a statement but they are exchanging views. One thing is very clear. I think both of them agreed that the existing international financial system is not serving the purpose. They are exploring alternatives. I mean these are not completely new ideas. For example, Jeffery Garton in the Financial Times today has a column where he says is this the time now that we had the new World Monetary Authority and the International Central Bank. So people are aware that new ideas are being tossed around and I think what they agreed was Premier Brown said that this has to be solved, methods of resolving the problem have to go beyond consultations in the G-8 and he asked the PM do you agree with that. Of course, the PM said I agree entirely it must include more countries than the G-8. Then he said that may be the G-20 which is a forum where India is represented, China is represented, Brazil is represented and lot of other countries. May be that is one forum but then they left it at that. What our PM said is that we would be happy to work with the British in exploring any concrete ideas that they may have.

Q: The two PMs you said discussed terrorism and also crossed border terrorism. Has PM Brown made any commitment about leaning on the Pakistani Government to ensure that the levels of cross border terrorism came down?

A: Well to be honest this is not my area and as the subject moved into it, for a brief moment I was not actually there. I think both agreed that this is not the occasion when assurances are being demanded but I think it was quite clear, I think it was a shared perception that it is necessary to bring this spread of terrorism, which seems to be coming out of Pakistan, under some control and I think beyond that both agreed that this is necessary. I don't think any assurances on that issue was made.

Q: Mr. Ahluwalia deviating a little bit, remaining on the same topic of financial crises which has hit the United States. Could you tell us what is the advice of PM to President Bush yesterday when they met because we were told that President looked forward to meeting him as a very calming and serene influence on even economic issues and other matters. Could you tell us a little bit what they have been. Do you think what he might have said to the President.

A: You have been given extensive briefing by FS yesterday and I am not sure that I can add to it. I wasn't there in the briefing but I don't think that PM was giving specific advice on how to handle the financial crises but I think he did express appreciation that the US Government is not adopting a hands off attitude. I think it is no longer a situation where the US Government is saying well that is the market and we must allow markets to function and it is a clear perception that there is a market failure and whenever there is a market failure the Governments have to intervene and they are intervening but of course the issue is of how much, how and in what manner because these are the issues going through the American legislative process. We did not take any specific position on that but my recollection is that the PM appreciated the fact that the US Government is as it were stepping in to bring about an early resolution of the crisis because it is in our view essential that that should be done, restoration of financial confidence is a pre-condition for healthy continuance of growth in the global economy and right now the financial sector is a major area of vulnerability. So we were really complementing, the PM was complementing the President for taking a very pro-active approach but not giving any specific advice on what to do.

Q: Referring to the Financial Times article today, in the same paper the German Finance Minister was commenting that the present financial crisis of the US is leading towards a multi-polar world. US will no more be a super power. That is a comment published today. What is your perception.

A: This is going well beyond what the PM and PM Brown discussed. I would be happy to give you my views and comment on another occasion

but this issue did not come up during the meeting with PM Brown.

Q: You have told that PM has not given any specific advice. Did Mr. Bush gave any advice on rising inflation in India.

A: I don't think. These kinds of specifics were actually not discussed. You know this was a very rich and broad based discussion in the meeting with PM Singh and President Bush. They were actually reviewing the entire gamut of Indo-US relations and the many many areas where cooperation has increased and of course, the prospects assuming that you have a successful outcome in the legislative process on the Nuclear deal and the new area of cooperation in that area also but not how to control inflation. I think we are reasonably confident that inflation will get under control.

Official Spokesperson: Last two questions please.

Q: Today is PM Manmohan Singh's birthday. Has he received a gift from PM Brown? If so, what it is.

A: I am not aware of that. He did receive greetings from PM Brown. JS (XP) will probably find out the truth of that and let you know. It was not while I was there.

Q: There is lot of talk about 123. In yesterday's meeting between Prime Minister and President Bush. Was there anything on the 126, the MMRCA?.

A: I don't think specific things like that were being discussed.

Thank you very much and enjoy yourselves.



**572. Remarks by External Affairs Minister Pranab Mukherjee
at Luncheon in honour of US Secretary of State Dr.
Condoleezza Rice.**

New Delhi, October 4, 2008.

Madam Secretary,

Hon'ble Cabinet Colleagues and my Colleagues in Parliament,

Ladies and Gentlemen,

I am delighted to welcome you all here. I am particularly happy that the Secretary of State of the United States of America, Dr. Condoleezza Rice, is here today with us.

Madam Secretary, you are a true friend of India. Under your stewardship as National Security Advisor and Secretary of State, we have transformed our relationship and deepened our strategic partnership. No Secretary of State of the United States has done more for this relationship than you have. You had conceptualized it even before taking office, and have seen your ideas implemented in action. This is a rare achievement in practical politics.

Madam Secretary, you come to India at a special moment. Our relations have never been better. And their prospects continue to improve. The road that we are embarked upon is one of engagement in all the various fields of human endeavour, bringing benefits to our peoples. The civil nuclear initiative which you have personally piloted through the US Congress is the most visible sign of this. We welcome the fact that the Agreement has been approved by the US Congress with overwhelming bipartisan support. This outcome would not been possible without the personal commitment of President Bush and your unremitting efforts. We are now in the last lap. We look forward to cooperating with the US in signing and bringing the 123 Agreement into effect, and moving on to the commercial arrangements.

The transformed India-US relationship that we have built includes cooperation in defence, in energy, in agriculture, in education and in high technology. We are also working together on global issues such as counter-terrorism and climate change. The US is today India's largest trading partner and our largest source of investment. As we attempt to build a knowledge society and economy in India, our links will only grow.

Madam Secretary,

As two democracies and open societies, we share values, bonds and friendships at all levels. It is the vision of President Bush and Prime Minister Manmohan Singh which has enabled the transformation of our relationship. From the leaders' level to the individual relationships between our peoples we find a natural synergy and sympathy. Indians are at home in the US and the Indian- American community constitutes a tangible link between us. So do the 84,000 Indian students in the US. It is in recognition of the importance of education to our future that we have recently agreed to expand and improve the Fulbright Nehru Scholarship Programme.

When I look to the future I am confident that our relations will continue to improve, not only because of the tremendous potential of our bilateral relationship but also because our relations have regional and global significance. I am sure that what we have done together in the last few years has not just laid a foundation but has actually built an edifice that our successors can expand and populate.

With these few words allow me Madam Secretary, to welcome you again to New Delhi. I look forward to our talks and wish you a pleasant and productive stay in India during the rest of your visit.



573. Joint Press Interaction of External Affairs Minister Pranab Mukherjee and US Secretary of State Dr. Condoleezza Rice.

New Delhi, October 4, 2008.

Minister of External Affairs (Mr. Pranab Mukherjee): Secretary Rice and I have just had very constructive and useful talks. It is always a pleasure to welcome a good friend and trusted partner to India. Under Secretary Rice's stewardship, India-US relations are today better than they have ever been before and have been transformed into a truly strategic partnership.

During our discussions we covered a wide range of subjects. We were both very satisfied with the status of our bilateral relationship and are convinced of its future potential. Today India and the US engage as partners across the entire range of human endeavour. The civil nuclear energy initiative is now in its last lap. We look forward to signing our 123 Agreement and bringing it into effect soon. I am grateful to Secretary Rice for all that she has done to make possible this landmark achievement and transformational event. It is this agreement which has opened the door for India to international nuclear commerce.

What India and the US are doing today has direct benefits for our peoples, and assists India's effort to develop. Whether it is energy, agricultural research, trade or high-technology, India's quest to build a knowledge society leads us to work very closely with US. Today the USA is India's largest trading partner, our largest source of investment and a major source of technology. As India grows and develops, our relationship with the US too will grow and develop.

India-US relations today have more than bilateral significance. We naturally also discussed the regional situation and global issues. Ours is a neighbourhood of several challenges. India seeks a peaceful periphery within which to develop. We have an interest in the peace, stability and prosperity of our neighbours, and will make our contribution to these outcomes.

Among the global issues that we discussed, we found commonalities of approach. We determined to continue working together on a wide range of issues, ranging from climate change to UN reform, including that of the UN Security Council.

As we looked back with satisfaction at the transformation of India-US relations, we are convinced of the future prospects of this relationship. The vision for this relationship laid down by Prime Minister Manmohan Singh and President Bush is one that serves the interests of our peoples, and those of the region and the world. India and the US, as two democracies with shared values, look forward to building this partnership based on principle and pragmatism in the years to come.

US Secretary of State (Dr Condoleezza Rice): Thank you very much, Minister Mukherjee, for hosting me here for the wonderful hospitality, for the wonderful lunch and the good company, but also the very substantive discussions that we have just finished. I look forward to seeing the Prime Minister a little bit later. Indeed President Bush very much enjoyed hosting him in Washington just nine days ago. I think it is fair to say that as I come here to Delhi and work with you, Minister, we both have a lot to be pleased about, particularly, that I think we are executing the vision of Prime Minister Singh and President Bush for closer and deeper relations between the United States and India.

We have, of course, just concluded the US-India Civil Nuclear Agreement. A lot of people have worked very hard - diplomats, and parliamentarians, and civil servants, and politicians. I think that everyone has worked to bring this into being. The negotiations have sometimes been tough along the way, but it is because it is such a historic agreement and a historic achievement. We have all persevered. The United States will stand by its commitment. I believe in that...(inaudible)... the unanimous support of the International Atomic Energy Agency, all 45 members of the Nuclear Suppliers Group, 298 members of our House of Representatives, and 86 members of our Senate, that is an enormous bipartisan margin. It shows that this India-US Civil Nuclear Cooperation Agreement has broad support - bipartisan support, and broad and deep support.

This gives a new platform for cooperation in energy matters. We all need to find ways to diversify our energy mix and we look very much forward to helping India to develop civil nuclear power. We believe that it is important that the IAEA, and in fact Dr. Al Baradei was an early supporter of this because it builds on India's very good proliferation behaviour to strengthen, we believe, the IAEA framework. We believe it is also very important for our technological cooperation as it moves forward.

But, of course, this relationship goes very much beyond the civil nuclear power agreement. It is a relationship that is seeing ever larger numbers of

travellers, of students, of scholars, of business people, and of families because, of course, the United States enjoys the tremendous energy, vitality and vibrancy of an Indian-American community that remains very committed to seeing a progress between the United States and India.

People are using these ties to gain new technologies, to innovate. Investment is flowing both ways creating jobs in both of our countries. Bilateral trade has set new records. Indeed, we have opened up new channels between our Governments as well, in trade and technology, in agriculture - one of the very earliest elements of cooperation between the United States of India - in education, in defence cooperation. I think it is fair to say that this is now one of the broadest relationships that the United States enjoys.

We are also putting this good relationship to use globally. We have had discussions today about Afghanistan and our joint desire to see Afghanistan peaceful and prosperous. We are working together on issues like climate change. Of course, as we look to transforming our economies we hope to work together increasingly to make certain that world trade prospers and continues so that our economies can continue to grow.

I think it is fair to say, Minister, that the last several years have indeed been banner years for US-India relations. As President Bush gets ready to end his Administration and to pass on to his successor strong relations around the world, I think that this will be one of the very strongest. I know that whoever becomes President of the United States will continue to build on the firm foundation that Prime Minister Singh and President Bush began in 2005.

Thank you very much.

Question (Ms Nidhi Razdan, New Delhi Television): I have a question for the Minister and for the Secretary of State.

Dr. Rice, we were all expecting the two of you to sign the 123 Agreement today. Can you tell us why it is taking so long for the President to sign it into law, what the procedure is now? Is it just a procedural delay or is there something else? Also, there are some concerns India has with the Bill that has been cleared in the US Congress. Would the President be addressing those concerns in his Signing Statement?

Mr. Mukherjee, technically India and the US could have signed this agreement even before the President's Signing Statement. Why did India choose not to do that?

US Secretary of State: Well, the President will sign the legislation very soon. He wants to sign the legislation very soon. There are administrative details that have to be worked through, for instance, just to give you an example, a Bill once it is passed on Capitol Hill has to be enrolled, it is called, it then has to be transmitted to the White House. I think you know that this has been a busy time for our Legislative Branch over the last several days. But indeed the President very soon looks forward to signing the legislation. Of course, the Administration has made it clear in a number of fora and will make clear again that the Hyde Act is completely consistent with the 123 Agreement that we have signed with India, and the 123 Agreement is consistent with the Hyde Act. The United States will keep its commitments to both.

Minister of External Affairs: So far as the signing is concerned, we have completed the process of legislations and the approval of legislation in the US Congress is available. After the signing of the President the process will be complete. After the process is complete we will be in a position to sign. A mutually convenient date for signing of the Agreement would be determined. I hope it will be signed shortly.

Question (Mr. Lachlan Carmichael, AFP News Agency): I wanted to ask Madam Secretary and Mr. Minister about the commitment that Madam Secretary made to one of the top Congressmen in the US to go to the NSG and ask the NSG to amend the rules demanding a ban on the transfer of reprocessing and enrichment technology to countries such as India that have not signed the NPT. How soon will you do that, and what will you do to achieve that? And how does Mr. Minister feel about that? I understand you are not so happy about that.

US Secretary of State: It is for criteria based approach for the NSG on this matter, ---not audible--- Indeed, this could now be a global issue. The United States has been seeking this for sometime. So, there is nothing new. Here it is just a matter of whether or not it is de-linked from other issues. But this has been the US policy for sometime.

Minister of External Affairs: So far as NSG clearance is concerned, it has enabled the NSG member countries to enter into civil nuclear cooperation trade with India. This is just an enabling provision. Thereafter, through the bilateral arrangements the details of implementing the Agreement will be finalized. In respect of the facilities for reprocessing, as and when we will enter into bilateral arrangements these issues will be addressed. As I mentioned, this is an enabling

provision. All aspects of the contract, bilateral contract, cannot be addressed in an enabling provision. The bar which prevailed, which did not allow the NSG members to enter into nuclear trade with India, has been removed with the approval of the India Specific Safeguards Agreement by the Board of Governors of IAEA, and clear clearance by NSG members. And how we will respond through the bilateral arrangements will depend on the contracting parties.

Question (Mr Manish Chand, Indo-Asian News Agency): My question is addressed to Madam Secretary of State. Madam, now that the 123 deal is almost done, what is the 456 in India-US relations? Also, what can India and the United States do together to deal with terrorism flowing from Pakistan and the surrounding region?

US Secretary of State: Let me be clear that 123 Agreement is done. It is a matter of signing that agreement. So, I do not want anyone to think that we have open issues. We, in fact, do not have open issues. These are administrative matters of signing agreements, just to be very clear.

In terms of the situation in Pakistan, we have had a very good discussion. The United States has encouraged the cooperation between Pakistan and India; encouraged dialogue between Pakistan and India which has taken place. My colleague, Foreign Minister Mukherjee was one of the first visitors to Pakistan after the new Government came into being there. I think we all have a stake in a successful civilian Government in Pakistan that can deal with Pakistan's considerable challenges, be they economic or political, but particularly in terms of terrorism. And Pakistan, more than anyone, has an interest in fighting terrorism as is witnessed by the fact that the great Benazir Bhutto was, of course, gunned down by these militants. So, we all have an interest. I do not think that there are any interest in conflict here. But to the degree that a good relationship between India and Pakistan is going to help, which I think it will, I have to say that I found both on the Pakistani side with the new Government and on the Indian side a full understanding of that and a willingness to pursue it.

Minister of External Affairs: I would just like to add to what Dr. Rice has already stated. We are having the Joint Anti Terror Mechanism to deal with these issues. Even during the recent discussion with President Zardari on the margin of the United Nations General Assembly, Dr. Manmohan Singh our Prime Minister and Mr. Zardari discussed the issues of tackling the problem of terrorism. We were assured by Pakistan President by reiterating that territories of Pakistan will not be used to carry on terrorist

activities against India. We do hope the Joint Anti Terror Mechanism which has been established will be made more effective to tackle this menace.

Question (Ms Suzanne, Reuters): This is a question for Secretary of State Rice. Madam Secretary, have you made any progress in getting North Korea to hand over their verification protocol for their nuclear programme? Is North Korea willing to consider handing it to China first and then being delisted from the US terrorism blacklist?

US Secretary of State: Suzanne, I do not have any update for you. I have spoken on it briefly with the Assistant Secretary Hill who was at that time in Pyongyang. I will talk with him on Monday when I return to Washington, and we can review the discussions that he had in North Korea. But one thing was very clear. The North Koreans have an obligation to give a verification protocol - and I would say it is to all six parties, of course or to all five parties - a verification protocol that gives confidence that we are able to verify the provisions of the declaration that North Korea made, and to begin to answer the substantial questions that that declaration raised. So, what we will be looking at is the verification protocol and what the North Koreans have said about it. But I do not have any specifics for you on the outcome of Assistant Secretary Hill's discussions. He himself has said that they were substantive. I am sure they were. We will see when he gets back, if they were productive.

Thank you.



574. Election of Senator Barack Obama as President of the United States of America and Congratulatory messages from India.

President Pratibha Devisingh Patil's message.

November 5, 2008.

"Excellency, please accept my heartiest congratulations on your election as the next President of the United States of America.

The people of India, who have closely followed the U.S. election process with unprecedented interest, see your election as a historic mandate of the people of the United States of America.

Our Governments have traditionally enjoyed warm and friendly relations based on our common traditions of democracy, rule of law and the affinities between our pluralistic, secular, multi-cultural and open societies.

India and the United States of America should build on the strong partnership that has been developed in recent years and strengthen our bilateral co-operation to the mutual benefit of our peoples - even as we work together to face the unprecedented common challenges at the global level relating to the changing climate, threats from the dark forces of terror, and energy, health and food security.

I wish you every success as you assume your responsibilities at the helm of your nation and invite you to visit India as soon as possible."

Statement of Official Spokesperson on the US Presidential Elections: November 5, 2008.

The world's oldest democracy has completed its traditional process of choosing its new President. The Government and the people of India congratulate Senator Barack Obama who has won the mandate of the American people.

President Mrs. Pratibha Devisingh Patil and Prime Minister Dr. Manmohan Singh have sent congratulatory messages to President-elect Senator Obama.

India and the US have traditionally enjoyed warm and friendly ties based on the foundation of strong bonds of people-to-people linkages, shared values and our commitment to the principles of democracy, pluralism and rule of law.

We look forward to strengthening the partnership between India and the USA and continuing the close engagement that we have developed in recent years both in bilateral cooperation and in addressing global issues of common concern.

Press Release of the Prime Minister's Office on the call by the US President-Elect Barack Obama to Prime Minister Dr. Manmohan Singh: November 12, 2008.

President-elect of the United States Mr. Barack Obama called the Prime Minister this morning. The Prime Minister congratulated him warmly and said that his historic victory was a source of inspiration for oppressed people all over the world.

President-elect Obama praised the Prime Minister's contribution to the progress of India both as Minister of Finance earlier and now as Prime Minister. He said that the US-India strategic relationship was a very important partnership and that the new administration wanted to work together with India on all important global issues.

The Prime Minister said that relations between India and the United States were very good but that we could not be satisfied with the status quo. The Prime Minister conveyed his best wishes for the success of the new administration in meeting the enormous challenges that face the world and invited the President-elect and Mrs. Obama to visit India. He said that a warm welcome awaited them. The President-elect said that he wished to make an early visit to India¹.



1 It may be recalled that in his initial reaction to the election of Mr. Barack Obama the Prime Minister on November 5 had said: "Your extraordinary journey to the White House will inspire people not only in your country but also around the world." United Progressive Alliance Chairperson Sonia Gandhi congratulated Mr. Obama on his historic election. Congress spokesman Manish Tewari described the victory as "epoch-making." He wanted Mr. Obama's presidency to be a "vehicle of hope" for the next four years for "the world and India too." The BJP said it was "happy" over the "historic win" of Obama and "the victory of democracy by a member of the American black community which never enjoyed or hoped to get power." BJP president Rajnath Singh said the victory of Mr. Obama "is a historic milestone in the evolution of a large multiethnic and pluralist U.S. society." He hoped Mr. Obama would succeed in introducing stability and establishing a new world order while injecting a new dynamism in Indo-U.S. relations. Communist Party of India (Marxist) general secretary Prakash Karat termed Mr. Obama's win a "significant event in the history of U.S." and noted that the hopes of the people of America were very high on what he would do. "He has promised change and let us see what he changes. Communist Party of India national secretary D. Raja pointed out that the rise of Mr. Obama from a deprived economic and social status to win the presidential election was a "significant event" in the U.S. history.

575. Press Release of the Prime Minister's Office on the call from the U. S. President-elect Mr. Barack Obama.

New Delhi, November 29, 2008.

U.S. President-elect Mr. Barack Obama called the Prime Minister this morning in connection with the Mumbai terror attacks. He expressed his deepest condolences on the tragedy.



576. Press Release of the Ministry of External Affairs on the visit of Foreign Secretary Shivshankar Menon to Washington D.C.

New Delhi, December 2, 2008

1. Foreign Secretary Mr. Shivshankar Menon was in Washington D.C. on December 1-2, 2008. He had meeting with Deputy Secretary of State Mr. John Negroponte, and extended discussions, including over lunch, with Under Secretary of State for Political Affairs Ambassador William Burns.
2. The meetings covered a range of bilateral issues including counter terrorism cooperation, anti-piracy coordination, the India-US civil nuclear agreement, defence trade, space cooperation and furthering economic and investment relations between the two countries¹.

1. During his meetings with the US officials, Mr. Menon was promised "full cooperation [with] and support" to India at various levels to deal with the consequences of the Mumbai terror attacks even as the two sides asserted that the perpetrators of the carnage be held accountable. "All the interlocutors expressed sympathy and support to the government and people of India in the context of the heinous terrorist attacks in Mumbai. Unequivocal condemnation of the incident and the need for the perpetrators to be held accountable was reiterated," the Indian Embassy told journalists in Washington after Foreign Secretary Shivshankar Menon met senior State Department officials. "It was also indicated that there would be full cooperation and support at various levels, including government, from the U.S. to India as it dealt with the consequences of the incident," an embassy statement said. Mr. Menon met Deputy Secretary of State John Negroponte and Under Secretary of State for Political Affairs William Burns. "The meetings covered a range of bilateral issues, including counter-terrorism cooperation,

3. Speaker of the House of Representatives Nancy Pelosi called Foreign Secretary to convey condolences. Foreign Secretary Mr. Menon also had meetings on the Hill, including with House Majority Leader Congressman Steny Hoyer; Chairman of the Senate Banking, Housing and Urban Affairs Committee Senator Christopher Dodd; Ranking Member of the Senate Foreign Relations Committee Senator Richard G. Lugar; and Ranking Minority Member for Subcommittee on Financial Institutions and Member, Senate Foreign Relations Committee, Senator Chuck Hagel. He also had a conversation with Senator John Kerry, the Chairman of the Sub Committee on Near East & Central & South Asia in the Senate Foreign Relations Committee.
4. There were meetings also with leaders of several think-tanks and influential opinion-makers.
5. In every conversation, support and commitment was articulated to the transformed relationship, and desire expressed to sustain the momentum through the present transition in US, and beyond. All the interlocutors expressed sympathy and support to the Government and people of India in the context of the heinous terrorist attacks in Mumbai. Unequivocal condemnation of the incident and the need for the perpetrators to be held accountable was reiterated. It was also indicated that there would be full cooperation and support at various levels, including government, from the US to India as it dealt with the consequences of the incident.
6. In meetings with several of the Senators, there were also discussions on the present international economic and financial situation, the new opportunities for cooperation following the successful conclusion of the Civil Nuclear Cooperation Agreement between India and the US, issues related to energy security, climate change etc.



anti-piracy coordination, India-U.S. civil nuclear agreement, defence trade, space cooperation and furthering economic and investment relations between the two countries," it said. Speaker of the House of Representatives Nancy Pelosi called the Foreign Secretary to offer her condolences over the tragedy in Mumbai.

577. Press Release of the Ministry of External Affairs on the visit of US Secretary of State Dr. Condoleezza Rice to offer the condolences of the U. S. Government on the killings of innocent citizens in a terrorist attack in Mumbai.

New Delhi, December 2, 2008.

Please see Document No.302

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578. Joint Press Conference by External Affairs Minister Pranab Mukherjee and US Secretary of State Dr. Condoleezza Rice.

New Delhi, December 3, 2008.

Please see Document No.305

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(ii) CENTRAL AND SOUTH AMERICA

579. Media Briefing by Official Spokesperson on the Visit of Foreign Ministers of Central American Association for Integration (SICA) countries.

New Delhi, June 10, 2008.

The External Affairs Minister has today been involved in extensive discussions followed by lunch with the visiting Foreign Ministers of SICA, which is the Central American Association for Integration, and I thought I should brief you on that. We have here the Foreign Minister of Costa Rica; the First Vice-Prime Minister and Foreign Minister of Panama; the Foreign Minister of Guatemala; the Foreign Minister of Nicaragua; Vice-Foreign Ministers of El Salvador, Honduras, and Dominican Republic; as well as a representative of the SICA Secretariat.

To give you a little background, the SICA system consists of the following eight countries: the ones that I named plus Belize. So, Belize, El Salvador, Honduras, Panama, Costa Rica, Guatemala, Nicaragua and the Dominican Republic, the last being an associate member.

Its main objective is to realize Central American integration; to deal with unfair trade practices, rules of origin, reduction of tariffs, customs union, integration of infrastructure; to build a sustainable development model etc. Also, as we were told during the discussion today, they are paying increasing attention to energize their institutions to increase the stability and security within the region. So, it is getting that dimension also.

India's relationship with the region is centuries old. As you know, in the 19th and early 20th century a large number of Indian workers went to the region particularly to work on railroad projects and to help build the Panama Canal. We hosted a 18 member delegation from SICA in February 2004 led by the Foreign Minister of El Salvador. That was really the big thing in the relationship with SICA. Thereafter, there was a clear expression of interest from both sides to build relations. There was a fruitful meeting with EAM in New York. The areas which were being worked out were essentially information technology, science and technology, drugs and pharmaceuticals, HRD, small and medium industries, and so on.

The then MoS, Shri Rao Inderjeet Singh, also visited SICA countries in 2005. And, as I said, the present External Affairs Minister met the Foreign Ministers of SICA in New York in October 2007. Then it was decided that this present meeting would be held in New Delhi.

During the discussions, there were several proposals made by External Affairs Minister, which I will briefly enumerate to you. We have already set up IT training centers in five SICA countries, namely, Panama, Guatemala, Nicaragua, El Salvador, and Honduras. Now we will be setting up IT centers in Belize, Costa Rica and the Dominican Republic.

In addition we had already offered lines of credit to the tune of 80 million dollars to all the SICA members with 10 million dollars for each country. Some of the countries have submitted concrete proposals. Today, EAM requested the others to also send in their requirements and projects for infrastructure investment and capacity building.

He also urged them to consider cooperation through investments from India in the automotive sector; pharmaceuticals, textiles and, of course, IT. EAM also proposed that the scholarships for SICA countries, which are 68 at the moment, could be raised to 100 if there is sufficient interest. He also offered to share expertise in agriculture, pharmaceuticals, small and medium industries, tourism, renewable energy, etc. The Exim Bank has agreed to extend a line of 10 million dollars separately. Trade stands at 537 million dollars and it was felt that both sides should strive to double this figure in the coming three years. These were the bilateral proposals. They were welcomed by the SICA countries.

In addition, in their interventions the SICA Foreign Ministers particularly focused on some areas of interest in which they wanted India to share expertise, particularly food security, and said that India's success in agriculture, etc., needs to be shared; the technical, technological aspects of our agricultural story need to be shared to build up food security. It was, therefore, decided to set up a Joint Technical Group with sufficient technical experts available to discuss this and other aspects of cooperation. This was, broadly speaking, the bilateral aspect.

They also signed agreements on diplomatic and official visas and Foreign Office Consultations. The details of that we can give you separately. There were five documents.

Thereafter there was an exchange on major international issues. This is interesting because there was a lot of commonality of views on UN Security Council reforms, Climate Change, Terrorism, Energy Security, Agriculture, Doha Round, nonproliferation, and nuclear disarmament. I am sure some of you would be interested in what happened on the UN Security Council. Yes, there was a general agreement that reform is essential. Just to recall,

some of the SICA countries - in particular El Salvador, Guatemala and Honduras - have already committed support to India's candidature for permanent seat on an expanded UN Security Council. And we certainly hope that others will do so.

This, of course, came up for discussion but there was a broader discussion on the UN Security Council, the need for reform of the UN, climate change, terrorism which is a matter of concern for that area also not only for India, and the possibilities of cooperation in international organizations, and the other areas that I mentioned to you.

This was followed by lunch hosted by External Affairs Minister during which they discussed regional issues. External Affairs Minister gave them an overview of our region and what were the developments going on in different countries of our immediate neighbourhood. The SICA Foreign Ministers talked about their region.

In the afternoon, they were all paying a call on the Prime Minister. That was SICA for you.

Question: Is there any investment of India in SICA countries?

Official Spokesperson: There is investment in pharmaceuticals, in IT, in automotive industry, but this needs to be encouraged and increased.

Question: What is the quantum of bilateral trade?

Official Spokesperson: It is 537 million dollars.

Question: And you would like to double it?

Official Spokesperson: Yes, over the next three years.

Question: On the Security Council, what did the other countries say?

Official Spokesperson: As I said, this is not the forum where they are going to commit support, etc. This was just mentioned in passing. We already know that these three countries had committed support. The other countries obviously are all looking at the decisions and are at various stages of making their decisions.

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579-A. Press Statement issued by the Ministry of External Affairs on India- SICA (Central American Association for Integration) Foreign Ministers' Meeting,

New Delhi, June 10, 2008.

At the invitation of the External Affairs Minister of India, First Vice President and Minister of External Relations of Panama, Minister of External Relations of Nicaragua, Minister of Foreign Affairs of Guatemala, Foreign Minister of Costa Rica, Vice Minister of Foreign Affairs of El Salvador, Vice Foreign Minister of Honduras, Deputy Minister of foreign Affairs of Dominican Republic and the SICA Secretariat Director met in New Delhi on 10 June, 2008 for the second India -SICA Foreign Minister's meeting.

India has already set up or is in the process of setting up IT training centres in five SICA countries. It will now be setting up IT training centres in three remaining SICA countries. India has also offered to increase the ITEC scholarships for SICA candidates from 68 to 100 slots and share expertise in priority areas such as agriculture, pharmaceuticals, SMEs, tourism, renewable energy, disaster management, distant education and supply of satellite imagery for developmental purposes. Line of Credit arrangements for US \$10 million commercial Line of Credit to the Central American Bank for Economic Integration (CABEI). In order to facilitate exchanges in these and other sectors of cooperation an India-SICA Joint Technical Committee is being constituted to prepare for the implementation of the issues discussed.

Participants agreed with India's suggestion that Ministers should meet every two years either in India or a SICA country and that they should continue to meet every year on the margins of the UN General Assembly.

SICA members expressed serious concern on the twin challenges of food security and energy security being faced by developing countries all SICA over the world. Indian side agreed to share its experiences with SICA countries on both these issues.

The Ministers had a detailed exchange of views on UN and UNSC reform, Climate Change, International Terrorism. Doha Round. Non-Proliferation and Nuclear Disarmament and other regional and international issues of mutual concern.

The visiting SICA Ministers called on Hon'ble Vice-President and Hon'ble Prime Minister of India, both of whom reiterated India's commitment to further strengthen India's bilateral interaction with Latin America and to enhance cooperation with SICA countries. Given the common challenges and problems faced by the both sides, India would be happy share its developmental experiences with SICA members. It will also be willing to participate in efforts for strengthening the agricultural economy of SICA members, and development, inter alia, of SMEs, pharmaceuticals and IT-related activities. SICA Ministers appreciated India's development partnership initiatives in the region and recognized the effective role it can play in complementing their efforts for upgrading the socio-economic infrastructure in their countries. The Ministers agreed that an India SICA business forum be set up.

On the sidelines of the India-SICA deliberations, three agreements for abolition of visas for diplomatic and official passport holders were signed between India & Honduras, India & El Salvador and India & Nicaragua. Memoranda of Understanding for holding Foreign Office Consultations with Costa Rica and Honduras were also signed.

SICA side has proposed that on an appropriate date, a Summit of SICA countries with India should be convened to discuss issues of mutual interest.

SICA side has asked for the help of India to convene an extraordinary session of the UN General Assembly to discuss the issues regarding the impact of the rising oil prices.



580. Media Briefing by Official Spokesperson on meeting of Parliamentary Consultative Committee on External Affairs relating to India's relations with Latin American countries.

New Delhi, June 20, 2008.

Official Spokesperson (Shri Navtej Sarna): Good evening.

Today the External Affairs Minister met the Consultative Committee of the Parliament on External Affairs and the hon'ble Members of Parliament and the External Affairs Minister discussed India-Latin America relations. The subjects of the Consultative Committee are decided at the previous meeting and they have had their discussion. So, I thought I would brief you on the broad points that were discussed.

External Affairs Minister briefed the hon'ble Members on the various important aspects of our growing relationship with Latin American countries. In the past, owing to geographical distances, language barriers and other such constraints, the relationship had not grown as fast as it could have. New substance has regularly been added over the last few years to this relationship. Distance is no longer a barrier. Besides that, there is an important political desire to enhance the bilateral relationships. In addition, of course, fundamental changes have taken place in the pattern of governance in Latin American countries. And these too have given a new impetus to the relationship which today is beginning to develop into a very substantive south-south cooperation paradigm.

The External Affairs Minister explained the commonalities between India and several Latin American countries - the multiculturalism, multilingualism, and multi-ethnicity, as well as common objectives of achieving inclusive growth through democratic systems. These incidentally are also the commonalities, etc., which hold one more grouping together, which also involves India and Latin America at least in two-thirds, that is the IBSA.

He also outlined to the hon'ble Members the high-level engagement that has characterized the relationship in recent years. President Lula of Brazil, for instance, visited India in January 2004, June 2007, and is expected to come again in October 2008 for the IBSA Summit. President Chavez of Venezuela and President Lagos of Chile were here in 2005. President Calderon of Mexico was here in September 2007. There are likely visits in the pipeline by Presidents of Colombia, Argentina and Chile. Also recently,

as we briefed you last week, we have held the India-SICA Foreign Ministers' Dialogue in Delhi.

From our side, you will recall that hon'ble President has visited Brazil, Mexico and Chile earlier this year. Prime Minister visited Cuba and Brazil in September 2006. External Affairs Minister visited Brazil in February this year and held discussions with Foreign Minister Celso Amorim. And the Minister of State Shri Anand Sharma has also been visiting Latin American countries over the last two-three years.

One significant aspect of the relationship, which gives it an added dimension, is the very substantive presence of the Indian diaspora, the Indian communities there, especially in the Caribbean and in Panama. Indian cultural centers have been set up in Georgetown, Paramaribo and Port-au-Spain. And distinguished persons of Indian origin have been given Pravasi Bharatiya Awards and other recognition.

On economic basis of the relationship, the Latin American continent is rich in natural resources and biodiversity. Countries like Brazil have vast tracts of unutilized arable land, and can be useful partners in our quest for oilseeds, lentils and other elements of food security. Peru and Bolivia, for instance, have abundant mineral resources, and can engage with us on that basis. Large wood and timber supplies are available in Latin America. Similarly, Indian companies like OVL, Reliance, Essar, are actively involved in oil and natural gas exploitation. Indian corporates are also very active in pharmaceuticals, health, agriculture, food processing and so on. Bilateral trade figures are 10.2 billion US dollars for the last year of April 2007 to February 2008. Clearly there are immense opportunities for expansion.

There are also common concerns: climate change, Doha round, food security, and energy security. So, all these give various elements. Diplomatic representation was also discussed. Seventeen missions from Latin America are presently in New Delhi and others are being opened. Costa Rica and Guatemala are due to open missions soon. Similarly, we have 13 Indian missions in the region and are expecting to open a mission in Guatemala.

These were the broad lines of the discussion at the Consultative Committee meeting. It was a very well attended meeting. What I could add is that after the discussion it was very clear that there is a very broad consensus amongst the hon'ble Members of Parliament who were present on the direction of the relationship between India and Latin America; the importance that exists, should be attached or has been attached in recent years to this relationship;

as well as the potential that exists for its enhancement. So, it is a very constructive, interactive meeting. So, we thought we should keep you briefed on that.

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581. Inaugural Address by External Affairs Minister Pranab Mukherjee at the 3rd Conference of Latin American Studies Council of Asia and Oceania [CELAO] on the subject of “Recent Developments in the Latin American Caribbean region, with special reference to India”.

New Delhi, December 3, 2008.

Prof. B. B. Bhattacharya, Vice Chancellor of the Jawaharlal Nehru University,

Prof. O.P. Mishra, Acting Vice Chancellor of the Indira Gandhi National Open University,

Prof. Won-Ho Kim, President of CELAO,

Ambassadors and Diplomatic Representatives,

Distinguished Professors and Scholars from all countries,

Ladies and Gentlemen!

At the outset, I would like to congratulate the Jawaharlal University and Indira Gandhi Open University, New Delhi for taking the initiative to organize the Third International Conference of the Latin American Studies Council of Asia and Oceania in New Delhi. We are meeting in the backdrop of the dastardly terror attacks in Mumbai on November 26, which led to a loss of about 200 lives and 300 injured, including 26 foreigners dead and 22 injured, and which were intended to create a sense of panic. The attacks are perhaps the most vicious in the history of independent India. Public opinion in India is demanding concrete action. We are determined to take the strongest possible measures to ensure that there is no repetition of such acts. In this context, we expect Pakistan to honour its solemn commitments not to permit the use of its territory for terrorism against India. We hope

that the Government of Pakistan will take immediate action. While Pakistan has said that it wants a leap forward in our bilateral relations, outrages such as the attack on Mumbai are intended to make this impossible.

We call on the international community to act unitedly with us to root out international terrorism, by tackling and countering this menace at its very source and genesis. Any ambiguity in our approach or weakening of our resolve will only send out a signal to terrorists that we are not serious about taking our fight with them to the logical end. In this context, we are grateful for the enormous outpouring of support and solidarity from the international community, including from countries of the Latin American region.

Ladies and Gentlemen,

1. Momentous changes are taking place in the Latin American and Caribbean region. The strong emphasis on people's participation in political governance mechanisms in Latin America and major business alliances being forged by these countries with global markets, are symbolic of the significant transformation which is gradually sweeping across this region. Increasingly, political leaders, foreign policy analysts, the business community and members of civil society will need to factor these developments into their analyses. It is very heartening therefore, that the wide galaxy of intellectuals and thinkers assembled here from all over the world, will focus on important themes such as integration in LAC countries, governance, business prospects, security and other related issues in their conference deliberations.
2. The LAC region is destined to play a very important role in the global economy. As we see it, the LAC region comprises 39 countries including dependent territories in the Caribbean, and accounts for a combined GDP of US\$ 3.44 trillion and a trade turnover of US\$ 1.65 trillion and a population of 562 million people. It also includes five of the world's most bio-diverse countries - Brazil, Colombia, Ecuador, Mexico, and Peru – as well as the single most biologically diverse area in the world – the eastern slope of the Andes.

Latin America is home to 40% of all the species found in tropical forests throughout the world. 40% of the plant life found in the Caribbean does not exist in any other part of the world. Apart from providing a social safety net for the Latin American population, this biodiversity has an important economic value. It is not surprising

that the equatorial rain forests of the Amazon and in countries like Suriname and Guyana, which contribute significantly in maintaining ecological balance and in combating climate change, are often called "the lungs of the world".

Latin America and the Caribbean countries are endowed with immense supplies of natural resources such as fresh water and arable land. The local population relies on such water resources not only for drinking water but also values them because of their utility in facilitating transportation, energy, food production, industry and recreation. Owing to its vast variety of rivers, various species of fish also flourish in the region. The Amazon basin alone is estimated to contain between 3000 and 9000 species. Given the burgeoning populations and dwindling land resources of developing countries in other parts of the world, there is excellent potential for collaborating with agriculturists in these countries for diversifying agricultural production and procurement operations.

Similarly, some of the richest mineral centres in the world are located in the LAC region. These countries are significant suppliers of copper, nickel, iron ore, hydrocarbons, bauxite and other important minerals which not only feed industries in developed countries but also in the developing world. Besides minerals, the LAC region also supplies large quantities of gems and semi-precious stones to world markets.

Located in the heart of such a unique habitat, it is only natural that these countries should be strenuously working for preserving the pristine beauty of the Amazon region and other such surroundings in the region. In this regard, as in the case of conserving fossil fuels through pioneering research and development of alternative energy resources like bio fuels and in addressing the essential needs of the poor through social programmes such as the Bolsa Familia in Brazil, these countries have set examples for others to follow.

3. Sustained by their rich and diverse cultural heritage, which goes back to the days of the Olmec, Maya, Aztec and Inca civilizations, Latin American and Caribbean citizens now seek greater self-expression and participation in their governance processes. The resurgence of democracy in this part of the world has many positive implications, not only for the LAC countries, but also for the rest of the world. First, within the LAC region itself, it enables governments

to tap into better, wider and more versatile talent. Secondly, being structured on the basis of well-established institutions and norms, LAC governments are now more accountable to their constituents. Their commitment is to the long-term welfare and prosperity of their citizens. Thirdly, it also ensures that the rights of all sections of society are suitably addressed. Fourthly, in the long-term, these democratic processes and institutions herald peace, stability and sound economic policies in these countries. Finally, owing to people's participation in governance mechanisms, all these countries now strive to achieve balanced and inclusive growth, while also collaborating with other developing countries. In doing so, they are better geared for implementing South-South cooperation initiatives.

4. At the international level, the environment of stability and security promoted because of democratic institutions has a positive effect on the cause of international peace and understanding.
5. The processes of regional integration in Latin America are another feature of great interest to us. In recent years, regional groupings such as the Andean Community, UNASUR, MERCOSUR, CARICOM are increasingly beginning to discuss and coordinate positions on important political and economic matters of mutual concern in international organizations. Of these groupings, the CARICOM countries have already established a common court of justice. The Central American countries, under SICA are also taking active steps to synchronize their developmental efforts. This was clear during my discussions with SICA Foreign Ministers in New Delhi in June 2008. Similarly, the ANDEAN Pact and MERCOSUR countries are also taking various steps for regional cooperation. Their efforts are, we understand, now increasingly being subsumed within the larger UNASUR grouping which was set up in 2004 and is supported by 12 LAC countries. At the Third UNASUR Summit held in Brasilia on 23 May, 2008, all participating Heads of Government signed the UNASUR Constitutive Treaty which stipulates establishment of a South American Community, modelled on the European Union and seeks to provide for a common currency, single market, parliament, free movement of people for 90 days, common passport and integrated development of infrastructure and energy. This is an initiative of much significance.
6. LAC countries are now also looking at regional governance and security issues. The recently-mooted proposal for creating the South

American Defence Council [CSD] under UNASUR, if implemented, could have lasting impact on regional security issues. At the UNASUR Summit held in Santiago in September 2008, the Summit Declaration made bold pronouncements on the need to uphold constitutional processes in Bolivia. Likewise, the Rio Group Summit held in Santo Domingo in March 2008 brokered peace and understanding among Ecuador, Venezuela, Nicaragua and Colombia. All such ongoing efforts indicate that LAC countries are now acutely sensitive to the need to unify their position on important issues of common concern. It is good that these discussions also focus on issues such as drug-trafficking and drug-related crimes and terrorism, as these could have a significant bearing on the economic security and prosperity of this region. I am glad to know that this learned assembly will also be examining these aspects during its deliberations in the session pertaining to LAC Security issues.

7. The rich cultural background of these countries provides a sound foundation for the diverse talent blossoming in LAC universities and academic centres today. The handsome haul of Nobel Prizes by intellectuals, scientists and academics of this region bears testimony to the significant contribution being made by these countries to the progress, peace and well-being of humanity. We have all been influenced by the legendary contribution of stalwarts like Octavio Paz, Gabriela Mistral, Pablo Neruda [for literature], Cesar Milstein and Bernardo A. Houssay [for physiology and medicine], Luis F. Leloir [for Chemistry] and Rigoberta Menchu, Alfonso Garcia Robles, Adolfo Perez Esquivel and Carlos de Saavedra Lamas [for international peace]. Equally important are the achievements of Maradona, Pele, Kaka in the world of football and of Anthony Nesty and Cesar Filho in the field of swimming. It is not surprising that in the recent Beijing Olympics, sportsmen from these countries walked away with as many as 16 gold, 24 silver and 28 bronze medals. Blessed with a particularly warm and festive spirit, the people of Latin America have made good friends in all parts of the world. Indeed it would be good if we could emulate their example and learn to play good football and dance a few steps of the Samba to ward off these stressful times!
8. In short, the time has come for the world and Latin America to re-discover each other. India has already embarked on this journey.

Our bilateral dialogue with these countries is progressing very well. Being endowed with diverse resources and lesser populations, the countries of the region are relatively more prosperous. However, the basic model of development, founded on inclusive growth, is the same. Based on these complementarities, India has initiated cooperation with these countries in fields as diverse as agriculture, S&T, hydrocarbons, mining, defence, space, ICT and infrastructure. Cooperation with these countries is being pursued through bilateral agreements and MoUs and through interaction between experts from both sides. With better air and maritime connectivity in future years, linkages between centres of excellence and academic institutions will also strengthen thus leading to a varied and multi-sectoral dialogue between the citizens of both sides. In the light of these developments, India has, to start with, already established a Strategic Partnership with Brazil and a Privileged Partnership with Mexico. A special dimension of our cooperation with this region pertains to the IBSA Trilateral Cooperation, which brings together three very large developing country democracies from three different continents, including Brazil from Latin America, which are determined to work together to mutual benefit and reinforce South-South cooperation.

9. Our economic and commercial linkages with this region are also being strengthened. In this new era of economic interdependence and globalization, Indian multinationals from the ICT, auto industry, infrastructure, iron & steel, banking, pharma, mining and other industries are fast investing in these markets and setting up active business operations in these countries. Our bilateral trade during April 2007- March 2008 was to the tune of US\$ 11.63 billion [imports- 6.5 billion and exports- US\$ 5.13 billion]. Indian companies, excluding those owned by Non-Resident or Overseas Indians, have either already invested or committed to invest US \$ 9.73 billion in LAC countries. Given the economic strengths of these countries, there are excellent opportunities for enhancing this relationship. The process has already begun. Indian Business Conclaves are being held in Latin America by apex Indian chambers of commerce and industry. Trade missions are also being organized and increased participation in trade events is being encouraged. Government of India's FOCUS LAC programme, which commenced in 1998, has been extended. Trade and investment missions from these countries are also being organized. The trade agreements signed with the

MERCOSUR group of countries and individually with Chile will promote such initiatives. Bilateral Investment Promotion and Protection Agreements and Avoidance of Double Taxation Agreements have been signed with some countries and are being processed with others.

10. At the political level too, our interaction with Latin America is proceeding very well. In recent years, we have had the privilege of receiving the Presidents of Brazil, Mexico, Chile and Venezuela. From our side, our Prime Minister has visited Cuba and Brazil in late 2006. Hon'ble President of India, visited Brazil, Mexico and Chile in April 2008. I myself visited Brazil in February 2008. My colleague, Mr. Anand Sharma, Minister of State for External Affairs, has also been visiting LAC countries for holding dialogue with their dignitaries. On 10 June 2008, I hosted the second India-SICA Foreign Ministers' Meeting in New Delhi]. I also met with some of my colleagues from these countries on the sidelines of the UNGA meetings in September-October 2008. Only a few weeks ago, we received the Foreign Minister of Ecuador with whom I had fruitful discussions. We look forward to receiving the Presidents of Chile and Argentina in India early next year. Colombian President Alvaro Uribe, and Ecuadorian President Rafael Correa too are expected to visit India in the second half of 2009. Interaction with the LAC is also being pursued at other levels, through the mechanism of Joint Commission meetings, Foreign Office Consultations and Joint Working Groups.
11. As part of its commitment to promoting South-South cooperation, India has been participating in capacity-building and development partnership initiatives in these countries. Indian Lines of Credit are being extended to some of these countries for developmental projects. Disaster relief assistance is also periodically extended to them. Under the Indian Technical Economic Cooperation, scholarships are being extended to candidates from these countries for pursuing short-term training courses in various disciplines. Indian experts are also being deputed under ITEC for providing guidance in key sectors. Similarly, our government is also funding establishment and running of IT centers in some of these countries.
12. At this critical juncture, when the financial crisis in the developed world has impacted the world economy, such South-South cooperation between India and LAC, within the LAC countries and

between LAC nations and developing countries in other parts of the world, needs to be intensified. By cooperating with each other in economic development projects and for upgrading their infrastructure, our economies will be providing vital business opportunities to each other. Such cooperation has many benefits. It will help keep our economies growing, check recessionary trends, make technology and talent available at economical costs, upgrade infrastructure and other key facilities and prepare our economies for fuller international economic engagement when this difficult economic phase ends.

The rationale for such cooperation is also reinforced by the common challenges we face. Despite our varying cultures and backgrounds, our countries face similar developmental problems. We all seek to provide equal and fair opportunity for the poorest of the poor in our countries to fulfill their aspirations. To address these challenges, we must continue to unitedly position ourselves during the deliberations of the WTO and other such bodies. We must also actively continue to collaborate with each other on issues such as Climate Change, International Terrorism, reform of the United Nations, restructuring of the international financial architecture and other such critical matters.

13. I am confident that from the deliberations of this distinguished and learned gathering, we will benefit by receiving concrete proposals that will help strengthen and diversify India's growing engagement with Latin America.
14. I now formally declare this Conference open and wish participating scholars all success in their deliberations.

Thank you.



BRAZIL

582. Extract from the Media Briefing of Official Spokesperson relevant to the visit of External Affairs Minister to Brazil.

New Delhi, February 15, 2008.

The visit to Brazil is from 16-18 February, 2008. In addition to meeting his counterpart Mr Celso Amorim, he will also be calling on the President of Brazil and will also meet with the President of the Brazilian Lower House of Parliament. Some agreements are expected to be signed during the visit which we will keep you briefed on.

In recent years, there have been several high-level contacts between the two countries. President Lula visited India as Chief Guest on our Republic Day in 2004. Prime Minister visited Brazil in September 2006 and President Lula paid a State Visit to India in June 2007. Brazilian Foreign Minister, Celso Amorim also visited India in April, June and July 2007.

The relationship has several important aspects. It has been upgraded to a 'Strategic Partnership' since Prime Minister's visit in September 2006,

Under the Focus LAC programme, India has been encouraging companies to strengthen economic-commercial linkages with Brazilian partners and other LAC partner. In 2007, total trade transacted with Brazil was to the tune of approx. US \$ 3.1 billion. Other areas of interest are Agriculture, Human Resource Development, S&T, Health, Renewable and Non-Renewable Energy, Trade and Commerce, Standardization, Power, Infrastructure and so on.

Besides the purely bilateral aspects, the visit you would be aware has IBSA connotations. India will host the third IBSA Summit later this year. India and Brazil have also been working closely with each other in various multilateral fora including the UN, WTO, G20 and other such groupings. Both countries support each other for permanent membership on an expanded UN Security Council.



583. Briefing points by Official Spokesperson on the visit of External Affairs Minister to Brazil.**New Delhi, February 19, 2008.**

- EAM, Shri Pranab Mukherjee, visited Brazil from February 16-18, 2008 at the invitation of Brazilian Foreign Minister, Celso Amorim. During the visit, the first by an EAM to Brazil in five years, he called on President Luiz Inacio Lula da Silva as well as the President of the Chamber of Deputies, the Lower House of the Brazilian Congress. He also held extensive discussions with Minister Amorim.
- EAM conveyed greetings from our President and Prime Minister to President Lula reiterating that India was looking forward to welcoming him for the Third IBSA Summit which is to be hosted by India in New Delhi later this year. President Lula expressed happiness that the first lady President of India, Smt. Pratibha Patil, had chosen Brazil for her first visit abroad which, apart from its political symbolism, reflected the desire of the two countries to continue their dialogue at the highest political level with the objective of consolidating and diversifying their strategic partnership. Minister Amorim said that the visit of our President was a matter of great honour to Brazil.
- President of the Chamber of Deputies, Arlindo Chinaglia, renewed his invitation to Hon'ble Speaker of Lok Sabha to visit Brazil. EAM stated that India and Brazil, as two large democracies, should activate their Parliamentary Friendship Group and encourage frequent interaction between parliamentarians and democratic institutions.
- Arlindo Chinaglia informed EAM that the India-Mercosur PTA was ready to be voted by a Plenary Session of the Chamber of Deputies. He reassured that the PTA, which would send a strong signal to the business communities of the two sides, would be taken up for voting in the near future. In a special gesture, Chinaglia invited EAM to briefly attend a Plenary Session of the Chamber of Deputies.
- The bilateral discussions between the two Foreign Ministers covered a wide range of bilateral, regional and international issues of mutual interest. The talks focused on ways and means of reinforcing the bilateral strategic partnership by encouraging greater interaction in diverse areas including trade and investment, science and technology, education and culture.

- The two Ministers signed three MoUs on Infrastructure, Combating Hunger & Poverty Alleviation and Cooperation in Sports & Youth Affairs which will impart added momentum to the multifaceted bilateral engagement of India and Brazil. They agreed that there was an urgent need to energise the CEOs Forum which was set up in June last year during the visit of President Lula to India. The forthcoming visit of Minister of Development, Industry & Foreign Trade, Miguel Jorge to India next month, accompanied by a high-level business delegation, would provide an opportunity to discuss ways and means of enhancing bilateral trade and investment flows.
- Speaking at a Press Conference, following the signing ceremony, EAM reiterated that the unity of purpose of India and Brazil, which has long characterized their coordination on global issues in the international fora, was stronger than ever before. EAM also referred to the exciting partnership in the trilateral framework of IBSA which brought together three large democracies from three continents with similar developmental aspirations. He added that India attached great importance to the unique group which was engaged in unprecedented transformational diplomacy. EAM reiterated that India greatly valued its bilateral engagement with Brazil and was committed to strengthening the relationship in a cross-sectoral manner.
- Foreign Minister Amorim hosted a luncheon in honour of EAM.
- While in Brasilia, EAM also presided over a meeting of the Indian Heads of Missions in Latin America and Canada on February 17, 2008.



584. Briefing by Secretary (West) Ministry of External Affairs Nalin Surie before the start of President's State visits to Brazil, Mexico and Chile.

New Delhi, April 11, 2008.

Official Spokesperson (Shri Navtej Sarna): Good afternoon everybody. We welcome here Shri Nalin Surie, Secretary (West) in the External Affairs Ministry to brief you on the forthcoming visit of the President to Brazil, Mexico and Chile. I think most of the people present here are part of the travelling press. So, I will request you to identify yourself after the Secretary has made his opening remarks if you have any questions and we will take them.

Secretary (West) (Shri Nalin Surie): Thank you Navtej and thank you all for coming this afternoon. I have a short statement which I thought I will share with you and then if you have any questions I would be happy to answer them. For those of you who are traveling with us, we will see a lot of each other. I hope we can satisfy your demands and curiosity as we go along.

Rashtrapatiji is paying her first State Visit abroad since assuming office last July to Brazil, Mexico and Chile. These visits are in response to invitations from the Presidents of these three very friendly countries. The Hon'ble President will be received with State honours in all three countries. Her programme is a busy one and she will, in addition to meetings with her counterparts, address the Parliaments in Brazil & Mexico, interact with members of the judiciary, the Indian community and address business meetings. An Indian business delegation will be accompanying the Hon'ble President to all three countries.

The fact that the Hon'ble President has chosen to pay her first State Visit to Latin America is reflective of the importance that India attaches to further strengthening its partnerships with countries of that dynamic continent. In the past, the problems of connectivity have acted as an obstacle to greater interaction between India and Latin America. However, while physical connectivity remains an impediment, trade and economic interaction is growing rapidly. This is not only because of the greater global interest and outreach of Indian public and private sector companies but also because of the new dynamics of South-South cooperation.

India's relations with all the three countries that are being visited have been dynamically developing over the last few years.

Brazil is the largest country in Latin America and our biggest trade partner. India and Brazil have entered into a Strategic Partnership. We are also working together in IBSA and are both among the outreach countries that are associated with the G-8. President Lula visited India in June 2007 and was the Chief Guest at India's Republic Day in January, 2004. Prime Minister Manmohan Singh had visited Brazil in September, 2006.

Mexico is the largest trading country in Latin America and the second largest country in the continent. Mexico, like India and Brazil, is one of the outreach countries associated with the G-8.

You will all recall that President Calderon of Mexico paid a State Visit to India in September last. This was his first State Visit to Asia after having assumed the Presidency of Mexico. During his visit, India and Mexico entered into a Privileged Partnership. Mexico is home to ancient civilizations and we have had fruitful interaction in the past. Our green revolution of the 1960s benefited from the development of agricultural research in that country. The economic underpinning of our relationship is evolving well.

Chile-India trade relations predate our independence. Today Chile is one of the most open and liberal economies in the region. Our relations have been developing particularly well since the milestone visit of President Ricardo Lagos in January, 2005. India has a preferential trade arrangement with Chile and our trade and economic relations are growing rapidly.

Rashtrapatiji's visit to Latin America will cover three of our most important partners in the region. All three are flourishing democracies, developing countries and countries with which our interaction is growing rapidly. Apart from our bilateral relations, we also share similar world views and positions on critical issues before the international community today, such as climate change, the Doha Development Round, the fight against terrorism, reform of the United Nations and the need for greater South-South cooperation.

In all three countries we expect to sign a number of agreements.

Rashtrapatiji's visit to Brazil, Mexico and Chile is a reflection of government's ongoing efforts to strengthen and consolidate relations with our traditional partners all over the globe. Her visit is expected to provide further momentum to the ongoing development and diversification of relations with all three countries.

Thank you.

Question: What are our trade figures with these three countries?

Secretary (West): With Brazil our trade last year was \$ 3.2 billion, with Mexico it was about \$ 2 billion and with Chile about \$ 2.4 billion. With Brazil, as you know, we have a trade target of \$ 10 billion by 2010 and with Mexico \$ 5 billion by 2010. These were targets agreed to when the two Presidents were in India last year.

Question: Our involvement with Africa has begun producing results. The Conclave and the Summit were two outstanding examples of cooperation between India and Africa and now the trade has crossed \$ 30 billion and slated to reach finally \$ 50 billion by the time next Summit takes place in Africa. Are we thinking of doing a similar thing with Latin America, namely conclaves, India and South America summits of the kind we have just concluded?

Secretary (West): We already have conclaves with Latin America. As I mentioned in my opening remarks, the President will be accompanied by business delegations to all three countries. This is not the normal tendency, as you know, but we are now bringing a change into that. We have a growing partnership with Latin America. How it evolves, we will see. But the determination to interact much more with Latin America is very clearly there.

* * * *

Question: I would like to take you back to what Venkat asked. Is there a so-called institutionalized mechanism in the pipeline in the works, for an India-Latin America summit?

Secretary (West): As I said to you, this is a relationship which is evolving. I cannot answer that question because I do not have an answer to give you. We are redefining and reinvigorating our partnership with all the Latin American countries. We will see where it takes us.

Question: Is it in the works?

Secretary (West): I am not at liberty to answer that question frankly.

Question: Will the defence PSU officials be also a part of the delegation?

Secretary (West): Not as far as I know. No, they are not in the list which we have.

Question: How big is the business delegation? Is there any Minister accompanying the President?

Secretary (West): Yes, there will be a Minister accompanying the President. There will also be several Members of Parliament accompanying the President. I think Minister Muttemwar is accompanying the President. I am not very clear on the names of Members of Parliament but there were three of them. We will give you the names.

Question: How big is the business delegation?

Secretary (West): I will just try and give you a name. We have a very interesting development this time. Both Brazil and Mexico will also have a SEWA complement. But in Chile we have, excluding the CII people, eleven business persons; in Brazil we have a similar number; and in Mexico we have about the same number.

Question: A couple of days ago a far-reaching agreement was signed in Caracas, Venezuela between Minister Deora and Venezuela for joint venture in oil exploitation. How does the Indian Government see this agreement and the prospect of having more agreements in this field with Venezuela? How do you see it?

Secretary (West): This is not the first agreement we have with Venezuela in the oil sector. Our relationship with Venezuela and with other countries of Latin America in so far as hydrocarbons are concerned is an old one. We have arrangements with many countries - Venezuela, Brazil, Columbia, Peru, etc. It is not new. So, what Mr. Deora signed is another agreement as part of ongoing arrangements with Venezuela. We also have, for instance, Reliance has been buying oil from Mexico for many years. It is not a new relationship. It is an old relationship as far as this sector is concerned.

Official Spokesperson: If I may add, there was a specific Press Release issued on that two days ago which you can take.

Question: You mentioned about the business delegation. I just want to know what broad sectors this ...

Secretary (West): As far as Chile is concerned, we have, for instance, Essar Steel, Bajaj Auto, UP Hotels, Jindal Steel, SEWA, NIIT, etc. We have a very good spread of the IT companies already in almost all the Latin American countries. In Brazil again, it is Bajaj Autos, UP Hotels, United Phosphorous, Ruchi Soya, Aditya Birla Group, Essar Steel, Mehtas Intra Limited, SEWA, Raj Industries. In Mexico, we have by and large the same group as we have in Brazil. In Mexico, we also have the CII participating in

the India-Mexico follow-up of the WEF on Latin America, which is special India-Mexico follow-up, which is being done by Pro-Mexico which is the trade body of the Mexican Government.

Question: Do we have any figures about our total investment in South America and the Indian companies investing in South America? In Africa now we have 30 billion dollars and also the Mittals and the Tatas and a lot of them. Is there any figure which we can use?

Secretary (West): We have several. I can tell you which companies are doing what. Companies are not really forthcoming on the precise investments which they make. Let me give you an example. Let us take Brazil. We have TCS, the Cellofarm, Zidus Cadilla, Glenmarc, Torrent, BEML, Mahindras, IRCON, Vijay Pharmaceuticals, Vijay Electricals, Pidilite, Bajaj, Hindustan, Rajshri, Renuka Sugars, Raj Industries. Brazilian investments in India are Marco Polo and Tata Motors. The Delhi Buses which you see are all part of this new joint venture. Geddof has invested, the Brazilian steel firm. CVRD has set up an office in India. Mexico, for instance, we have the huge Lakshmi Mittal investment, we have Videocon, we have Ranbaxy and Claris Life Sciences, Dr. Reddy's, NIIT, Sasken Communications, TCS, Infosys, Aditya Birla Group, Reliance - they are all there. In Chile, it is relatively less because Chile is also a smaller market as you know. With Chile, the focus basically is on information technology right now. But we have Indian companies which are looking at mining in Chile now. So, there is a fair amount of investment going into all three countries. More important is a lot of employment generation is being done by our companies in these countries.

Official Spokesperson: Thank you.



585. Address by President Shrimati Pratibha Devisingh Patil to the Indian Community in Sao Paulo.

Sao Paulo, April 14, 2008.

Dear friends,

I am very happy to be in Brazil as I undertake my first overseas visit as the President of the Republic of India. It is only fitting that the visit to Brazil should begin from the large metropolis of Sao Paulo which enjoys the honour of being the economic and commercial capital of Brazil. Also, I am pleased that my first engagement overseas is an interaction with the Indian community.

Both India and Brazil are large democracies and major countries in their respective regions. The emergence of our two countries as leading players in the global arena has been propelled by their large and qualified manpower resources, big land mass, vibrant trillion dollar economies and the spirit of entrepreneurship that permeates our societies. Our warm and friendly ties have been bolstered by our shared perceptions and endeavours.

The friendship between India and Brazil goes back in time. The Portuguese presence in Goa as well as in Brazil, during the 17th and 18th centuries, provided a common historical bond which facilitated interaction at the popular level. This is reflected in the food, linguistic vocabulary and the folk music traditions of our two countries. India and Brazil share folk traditions such as the stories of Panchatantra, and Poikal Kudhirai of Southern India and Boi-Bumba of Northern Brazil. Indian philosophy has influenced Brazilian intellectual tradition and is reflected in the works of philosophers such as Farias Brito, and poets Cruz e Souza and Cecilia Meireles.

Sao Paulo is unique as it has the world's only university of Yoga. The footprint of Yoga schools is visible all over Brazil. It is also interesting that two Brazilian floats participated in Goa's Carnival this year depicting Portuguese exploration of Brazil.

I am also told that nearly 80% of Brazilian cattle stock derives its origin from India's Nellore variety, which is known in Brazil as Zebu. The year 2006 marked the 100th anniversary of the import of first cow from India into North-East Brazil.

I understand that the Indian community in Brazil, though limited in numbers, has done well. Sao Paulo remains the favourite destination of the Indian community. I appreciate your contributions and I am happy that you have made India proud. You are not only our Ambassadors in a distant country but are also contributing to the building of bridges of understanding between the two countries.

Most of you have not only been able to assimilate yourselves in the Brazilian way of life but are also maintaining close cultural and economic connection with India. It is important that you provide a place in your lives and hearts to both the country of your origin as well as the country of adoption.

The Indian Diaspora estimated at about 25 million is emerging as a major economic, social and cultural force. In recognition of this, the Government of India every year celebrates the Pravasi Bharatiya Divas in order to honour and acknowledge the contributions made by the overseas Indian community. We have established an Overseas Indian Facilitation Centre, which can be your window to invest in and benefit from India. Work has begun on establishing a "Diaspora Knowledge Network" - an electronic platform to facilitate transformation of ideas into community action in India. An "India Development Foundation" is also on the anvil which would allow you to contribute to social development causes in India.

I wish you success in your endeavours and seek your continued contribution to the development of India-Brazil relations.



586. Speech by the President Shrimati Pratibha Devisingh Patil at the meeting of the Federation of Industry of the State of Sao Paulo (FIESP).

Sao Paulo, April 14, 2008.

**Mr. Paulo Skaf, President of Federation of Industry of the State of Sao Paulo,
Business Representatives from Brazil and India,**

Ladies and Gentlemen.

Good morning. It is a pleasure to be here.

No other country could have been a better destination to start my first official visit after taking over the Presidency of India last July than this beautiful country. And, I am particularly pleased that I am starting my visit to this great country by addressing the business communities of our two nations and that too in Sao Paulo, known as the business and economic capital of Brazil.

Ladies and Gentlemen, I am pleased that FIESP has taken the initiative to organize this meeting. The Confederation of Indian Industry also needs to be complimented for mounting a group of enterprising Indian businessmen who are here in Brazil in search of business opportunities. This meeting today, between FIESP and CII, is an unique gathering of businesspersons representing two populous, democratic and fast growing economies of the world.

The Indian economy has sustained high growth rates for several years now. Our macro-economic fundamentals are strong. Domestic savings and investment rates are high and growing. Labour as well as capital have become more efficient over the years. We are thus confident that we will have high growth rates of over 9% in the next 2 to 3 decades.

Both India and Brazil are large and growing economies with enormous opportunities for further rapid growth. Our natural synergies and economic complementarities can be exploited to mutual benefit. Your meeting today is an expression of the confidence that there are concrete opportunities for business and economic cooperation between India and Brazil. Over the past few years, our captains of industry have shown increasing confidence in each other and I am confident that you will also break new ground and define new frontiers of collaboration.

Ladies and Gentlemen, our bilateral trade with Brazil has almost trebled over the last three years to US \$ 3.12 billion in 2007. It is encouraging that it was US \$ 600 million in the first two months of this year. We are determined to achieve the trade target of US \$ 10 billion by 2010 set during the visit of President Lula to India last June. This is the challenge before you.

I understand the two-way investment process is also gaining ground. At least eighteen Indian pharmaceutical companies have opened their offices or production facilities in Brazil. While Tata Consultancy Services (TCS) are providing jobs to at least 2000 Brazilians in Brazil, the other two major IT companies, Satyam and Wipro have major plans for expansion in Brazil. A major Indian oil company, OVL, has already invested close to US \$ 750 million in Brazil. On the other hand, Marcopolo, Stefanini, WEG and Gerdau have investment in India. CVRD and Embraer have either set up offices or have representatives in India. These are just some of the examples of breaking new ground in economic cooperation between us¹.

I spoke earlier of synergies and complementarities. India has strengths in services, IT, pharma, auto components and agricultural equipment to name

1 An AFP report from Rio de Janeiro spoke of various possibilities of India-Brazil economic relations, among them being Tata's tie-up with Marcopolo for 600 green buses in Delhi, leading aircraft manufacturer Embraer's talks with Indian firms for joint ventures in production, ONGC Videsh's holding in Brazilian Petrobras oil company, expansion of Bajaj scooters in Brazil etc. It said that some of these were in the process of being tied-up between India and Brazil. Another possibility which was in the air was demand for Tata's newest wonder, the small Nano car. Later during her visit to Brazil, the President of the State of Sao Paulo Federation of Industry in his 'restricted' meeting with President Ms. Patil admitted feeling 'embarrassed' about just \$3.2 billion business with India, which actually offered a much larger potential. (The State of Sao Paulo represents 42 per cent of Brazil's GDP and is considered a commercial hub of Latin America.) Media reports quoted official sources to say that in the one-on-one meeting, Ms. Patil focussed on synergised trade relations between the two countries. She emphasised on the agriculture sector, particularly in post-harvest technology and agri-businesses and livestock. Eighty-five per cent of Brazilian cattle are of Indian origin because it was felt that tropical cows were more suitable to the country than European ones. Secretary (West) Nalin Surie said the country had a lot to learn from Brazil in agriculture and agri-business. "The discussions are a good beginning. The President has taken the initiative for underpinning economic cooperation," he said. Mr. Skaf, President of the Sao Paulo Federation of Industry identified areas of bilateral interests as IT, science and technology, automobile, including fuel, and food and energy security. "It is the suggestion of Brazilian President Luiz Inacio Lula da Silva that President Patil should meet the FIESP delegation during her trip to Brazil," said Indian Ambassador Hardeep Singh Puri. The Indian side was impressed with the FIESP running a comprehensive educational programme. Of the 15,000 employees under FIESP, 10,000 were professional teachers and educational professionals who teach 1.2 million students.

a few. Our requirements in infrastrure are huge. Brazil has strengths in the latter including agriculture. I would, therefore, urge you to to exploit these obvious complementarities that exist between our two countries for mutual benefit.

Ladies and Gentlemen, I would like to assure you that both our Governments are committed to put in place an enabling environment for greater bilater trade, investment and economic interaction. Several bilateral understandings and agreements are already in place to address different sectoral aspects which impact on our economic cooperation. More are being finalized. I urge you all to grasp the many profitable opportunities that beckon and which will make our partnership even stronger.

I would like to conclude by thanking the Federation of Industry of the State of Sao Paulo for organizing this event.

Thank you.



**587. Address by President Shrimati Pratibha Devisingh Patil
to the Senate of the National Congress of Brazil.**

Brasilia, April 15, 2008.

Honourable Members of the Senate,

Ladies and Gentlemen,

I am deeply honoured by the opportunity to address this august House which epitomises the aspirations of the people of Brazil. The honour you have bestowed upon me is a manifestation of the historical, warm and cordial relations between our two friendly countries.

I am delighted to be here in the modern and meticulously planned city of Brasilia built around the placid waters of Lake Paranoa. I am impressed by the architecture of your beautiful city. The impressive building of the Congress of Brazil is itself a landmark.

Ladies and Gentlemen,

India is the world's largest democracy with an electorate of more than 670 million. The roots of democracy in India are firm, deep and abiding. In spite of the many challenges faced by us since our Independence in 1947, the people of India have always had an unwavering faith in the ideals of democracy. India has held 14 nationwide General Elections since its Independence and each election has been followed by a peaceful governmental transition. The verdict of the people of India has always been respected.

The democratic experience in India is remarkable because democracy has been carried to the grassroots level right down to more than six hundred thousand villages. India's nearly two hundred and fifty thousand elected institutions of local self government bring together nearly 2.3 million representatives of whom around 1.2 million are women. In today's world, this is undoubtedly the largest expression of popular will in running the affairs of a country.

India is proud of its democratic heritage drawing sustenance from its cultural ethos of tolerance, respect for different view points and a ready acceptance of diversity. India's commitment to democracy is linked with its commitment to the values of pluralism and liberalism. Multi-culturalism is deeply rooted in India's heritage and civilization. The scale of the socio-political experiment

in India to build a modern state is historically unprecedented. Our success validates our conviction in diversity, multi-culturalism and democracy. The Father of the Nation, Mahatma Gandhi, was clear that freedom from the British colonial rule would mean very little unless the people of India were empowered with democracy. India believes that the democratic ideal is a common heritage of mankind.

As in Brazil, the primary challenge facing India is one of economic development. Both of our countries are determined to improve the conditions of life for our people and this can be done only by pursuing rapid and socially inclusive economic growth. However, we have chosen to work towards this goal within the framework of democracy. The task of economic development, never an easy one, is particularly challenging when it is to be realized in a democratic polity. However, our commitment to economic growth, social development and democracy is firm and resolute.

Today, India is a trillion dollar economy, just like Brazil, and is growing close to 9 percent per annum. India has the fourth largest GDP in terms of purchasing power. The private sector is confident, competitive, and eager to integrate itself globally. The entrepreneurial energy has manifested itself in the form of dynamism across a wide range of sectors of economic activity.

This has been the result of sustained efforts of national and regional institutions, which provide the underpinning of economic development. It is also the result of economic reforms, which have greatly increased competitiveness of India's goods and services. Economic analysts today agree that India, like Brazil, has the potential to emerge as one of the top economies of the world over the coming decades. The fact that this progress has drawn on, and in turn strengthened our democracy, is an achievement of which we can justly be proud of.

The unprecedented economic transformations taking place in India and Brazil open areas of immense potential for bilateral cooperation. Bilateral trade has grown from a mere US\$ 500 million in 2000 to US\$ 3.12 billion in 2007. I believe that this impressive performance is an indicator of future growth. We are now looking at a target of US\$ 10 billion in two-way trade by 2010 which appears eminently achievable.

The growing trade flows between our two countries will undoubtedly get a further boost with the ratification and implementation of the India-Mercosur Preferential Trade Agreement. India looks forward to the early ratification by this august House of the Preferential Trade Agreement which was signed

during the landmark visit of President Lula to India in January 2004. The proposed widening and deepening of the PTA and its envisaged expansion into an India-Mercosur-SACU Free Trade Agreement will enable our business communities to forge wider and stronger economic linkages.

The perceptible upsurge in investment flows between our two countries compliments the burgeoning trade ties. While Brazil has the presence of Indian companies such as Tata Consultancy Services, Satyam Computers, Ranbaxy and Cellofarm which are providing employment to several thousand Brazilians, India houses Brazilian companies such as Marcopolo and Stefanini. ONGC Videsh Limited and Petrobras have an active bilateral partnership. Happily, the interest of India in sectors such as sugar, ethanol, iron ore and railways in Brazil is mirrored by Brazil's interest in the avionics, food processing and infrastructure sectors of India.

Ladies & Gentlemen,

The multifaceted strategic partnership between India and Brazil is built upon a strong institutional architecture whose bricks are the 37 agreements signed over the last four years. These agreements cover a wide range of areas including defence, space, science & technology, trade, industry, agriculture, tourism and culture. These would be further deepened and diversified when we sign additional agreements tomorrow. Our Governments can derive satisfaction from the fact that they have created an enabling environment for our bilateral ties to flourish and prosper.

I am convinced that the new dynamics of India-Brazil relationship augur well for the prosperity and well-being of our peoples. However, it is important for us to make concerted efforts to bring our peoples together. The geographical distance needs to be transcended by providing improved air connectivity for which the major players in the Civil Aviation sector, both public and private, in India and Brazil need to take the necessary initiative. Tourism flows between the two countries should be encouraged as also exchanges between students, academic communities and intellectuals. We also need to build cultural bridges between our people so that the existing information deficit between our two countries can be overcome. The two Governments have already decided to organize cultural festivals on a reciprocal basis later this year. Our bilateral partnership should move from a partnership between the governments to the next higher level of a partnership between our peoples.

I believe that our strategic partnership is founded on convergence of world

views and shared vision of a new multi-polar world order. We have closely coordinated our positions in the multilateral fora and are working together within the framework of G-4 to pursue our rightful and long overdue permanent membership of the UN Security Council. Our mutual interests provide a sound basis for a growing partnership which would serve the global quest to realize a peaceful, secure, prosperous, stable and equitable world order¹.

Mahatma Gandhi said and I quote, "Democracy must in essence mean the common good of all". The essence thus of Gandhiji's political philosophy was the empowerment of every individual. Both India and Brazil are engaged in a historical struggle to empower all their citizens irrespective of class, creed or community. Our democracy is about protecting the dignity and self-respect of our citizens and assuring them a peaceful and prosperous life. Both our countries are determined to succeed in this vital task in which our Parliaments have a crucial role to play.



1 The consensus that emerged between the two countries after the delegation level talks was that India and Brazil would move away from seeking a consensus to begin negotiations with countries opposing their permanent membership in the United Nations Security Council. "It has been over a decade. We should move away from hiding behind consensus," Secretary (West), External Affairs, Nalin Surie told journalists accompanying the President on a two-week-long state visit to Latin American countries. Agreeing with Mr. Surie, Under-Secretary-General of Political Affairs at Brazil's Foreign Ministry, Roberto Jaguaribe, said "the negotiations will include finalisation through vote. [If need be] vote will decide." Mr. Jaguaribe said, "When the process started Japan and Germany, members of the G-4 group, were clear about what they wanted. India became the obvious candidate and Brazil is almost there." G-4 is an alliance between India, Germany, Japan and Brazil for supporting one another's claim for a permanent seat in the UNSC. According to him, the process, as part of the United Nations reforms, was taking too long. "The process has been dragging too long. Even without the structured changes, we need to move forward. The world is changing very fast but the multi-lateral agencies not so fast." Both officials pointed to the success of their efforts in that they both participated in the finalisation process of the World Trade Organisation, "which is basically a New York-based process." "There were indications about the negotiation process starting after the [presidential] elections in the United States. We have to see what position the U.S. will take. What will be the stand of the African group. Both India and Brazil have a stake," they said. The importance of the UNSC issue came forth in Ms. Patil's address to the Brazilian Parliament on the 15th April. Brazilian Senate President Garibaldi Alves Filho said the reforms of the United Nations would not be complete until the Security Council became more democratic, legitimate and representative by incorporating countries from all regions, including the developing world, as permanent members.

588. Speech of President Shrimati Pratibha Devisingh Patil at the luncheon meeting in her honour on the occasion of the State visit to Brazil.

Brasilia, April 16, 2008.

Your Excellency President Luiz Inacio Lula da Silva and

Madam Marisa Let ' a Lula da Silva,

Ladies and Gentlemen,

Good Morning,

I am overwhelmed by the warm hospitality with which we have been received by the Government and the people of Brazil. We are delighted and honoured to be in your beautiful country.

My visit to Brazil is the first overseas visit undertaken by me as President of India. This is a natural corollary to the growing strategic partnership between our two countries.

India and Brazil which have always cooperated closely in different multilateral fora are now engaged in the process of adding content and substance to our multifaceted relationship at the bilateral level. My talks today with President Lula have reinforced my conviction that our two nations have converging long-term political, economic, social and strategic interests. We have a common commitment to plural democratic governance and to the rule of law. We have a commitment to improve the lives of our people, to eradicate hunger, ignorance and disease. The Zero Hunger programme launched by President Lula is a remarkable step and reminds me of Gandhiji's call to wipe every tear from every eye. Our cultures are characterized by a tradition of tolerance and ethnic diversity. Our shared values provide a strong foundation to our growing ties. We are, thus, natural partners who share great similarities of views on many of the important global issues.

A significant result of the high trajectory being enjoyed by our bilateral relationship are the 37 agreements signed by us since the landmark visit to India by President Lula in January 2004 and the equally important visits by Prime Minister Dr. Manmohan Singh in September 2006 and again by President Lula to India in June 2007. Today, we have signed additional agreements to further broad-base our ties and strengthen our partnership.

It is gratifying that the dynamism of the bilateral political and official exchanges has been captured by the business communities of both countries, imbued as they are with abundant entrepreneurial spirit. Our economic complementarities and synergies need to be purposefully developed to mutual benefit.

Our bilateral trade turnover in 2007 was US\$ 3.12 billion. Our target is to achieve the level of US\$ 10 billion by 2010. The high-level CEOs Forum co-chaired by Mr. Rata Tata on the Indian side and by Mr. Jose Sergio Gabrielli on the Brazilian side is engaged in drawing up a blueprint for enhancing trade and investment flows. Intense activity in the market place has led to the forging of close cooperation between ONGC Videsh Limited and Petrobras, expanding operations of Indian IT and pharmaceutical majors in Brazil and the establishment of the world's largest bus body plant by Marcopolo in the Karnataka State of India. An early ratification of the India-Mercosur Preferential Trade Agreement would undeniably facilitate the strengthening of our economic and commercial linkages.

Opportunities beckon in other areas of endeavour including agriculture, food processing, defence, energy, space, science & technology, agricultural research, education and culture. We must strive to transcend the geographical distance by improving air connectivity which would not only help us bridge the existing information gap but also serve to bring our peoples together. We should encourage our air carriers, both in the public and private sectors, to tap into the growing and lucrative civil aviation market. The cultural festivals to be organized by India and Brazil during 2008 would contribute in a major way to enhancing the mutual awareness of our respective cultures and ways of life.

India and Brazil stand for greater inclusiveness in global multilateral institutions. We believe that international relations must be democratized. Reform of the UN, particularly the UN Security Council, needs to be expedited in order to make the Council more democratic and reflective of contemporary reality. India and Brazil which are already working in close cooperation within the framework of IBSA have the potential to act as a bridge between the developed and developing countries and to act as catalysts for taking South-South Cooperation to greater heights.

Although realists claim that there are no permanent friendships but only permanent interests in the world order, India and Brazil have managed to defy the dictum by remaining permanent friends at various multilateral fora

in the international arena. Our two countries are now assiduously engaged in the process of broadbasing our relationship and giving substance to our strategic partnership.

Excellencies,

Ladies and Gentlemen,

It gives me great pleasure to invite you to join me in raising a toast to the:

- health and happiness of His Excellency President Luiz Inacio Lula da Silva of the Federative Republic of Brazil and Madam Marisa Let?a Lula da Silva,
- prosperity and progress of our two peoples, and
- to the continued growth of our strategic partnership.
- to friendship between India and Brazil



CHILE

589. Statement to the Press by President Shrimati Pratibha Devisingh Patil on arrival in Santiago.

Santiago, April 21, 2008.

I am delighted to be in this beautiful country on my very first State Visit abroad after assuming the office of the President of the Republic of India. My visit here has been a rewarding experience.

On behalf of my delegation, I would like to thank President Bachelet, the Government and people of Chile for the warmth of their hospitality. During my talks with her, we reviewed the full gamut of our relations. We are in agreement that there is excellent scope for intensifying the level of our engagement.

The four agreements signed earlier today on civil aviation, Science and Technology, sports and research in the Antarctica will help further diversify the institutional structure of our cooperation and give further impetus to developing our ties.

India and Chile share many complementarities. Our common commitment to inclusive economic development through pluralistic democratic governance makes us natural partners.

Our bilateral trade is growing well and there are many more opportunities to diversify our trade and investment basket.

Given the strong credentials of both our economies and the growing outreach of our business houses, the time is now opportune for a substantial intensification of our economic engagement.

As you know, my delegation is accompanied by a separate business delegation which is looking for concrete partnerships in Chile.

My discussions with President Bachelet, covering the ongoing processes of socio-economic development in our respective countries as well as the entire gamut of our bilateral relations and our cooperation on multilateral issues were meaningful and constructive, and were held in a very warm and friendly atmosphere.

We exchanged views on the special programmes that we have in our countries for the poor and the marginalized sections of society and for the empowerment of women and the girl child. These are causes that have a fundamental bearing on the future development of our societies.

I availed of the opportunity to compliment President Bachelet on the distinction of being the first executive woman President of this great country. Her commitment to democracy and social justice stands out. I have conveyed an invitation for her to visit India and I am very pleased that she has accepted.

I am confident that my visit to Chile will contribute meaningfully to the further enhancement of our bilateral relations and our cooperation on international issues. I would like to take this opportunity to convey to the friendly people of Chile, greetings and good wishes from the people of India.



590. Acceptance Speech of President Shrimati Pratibha Devisingh Patil at the ceremony conferring the Doctorate *Honoris Causa* on her by the University of Chile.

Santiago, Chile, 22nd April 2008

Rector of the University of Chile,

Members of the Diplomatic Corps,

Ladies and Gentlemen.

I deem it a privilege to have the opportunity to visit the University of Chile which was founded as far back as 1843 and is acknowledged for its excellence not only in Latin America but all over the world. To all the present and past scholars of this institution, I convey my greetings.

In my country, we attach great importance to knowledge and wisdom and have deep respect for teachers. We, in India, celebrate 5th September as Teachers' Day throughout India, to mark the birth anniversary of Dr. Radhakrishnan, the second President of India and a great intellectual and an educationalist of exceptional stature.

I am, therefore, deeply honoured by your decision to confer on me the distinction of a Doctorate *honoris causa*.

Pandit Jawaharlal Nehru, the first Prime Minister of India used to say, and I quote "Universities are temples of learning and if universities are doing well the nation is doing well". How true this is. A university is home for scholars, intellectuals, academicians, and scientists - who through their scholarly pursuits and imparting of knowledge, have contributed to the progress of societies and nations. A University is also home for students who define the future. It is here that the minds of the youth are moulded, ideas are born and the contours of the future, shaped. The role of Universities in the socio-economic development of a country in today's knowledge-based and technology-driven world has increased immensely. The biggest challenge for Universities is how to prepare the youth for the opportunities and challenges of a globalised world that is constantly changing and ever evolving. Education must give to the students the ability to analyse, the capacity to think, to act with humility and be individuals willing to contribute to nation building as well as to preserving the planet for the future generations and working for the welfare of humankind.

I am glad to learn that the University of Chile carries about 40% of all scientific and technological research at the national level. This is, indeed, a remarkable contribution. Science and Technology profoundly influences the course of human civilization. Inventions and innovations help make our economies modern, more productive and competitive. Cutting-edge technology plays a critical role in agriculture, communications, biotechnology, pharmaceuticals, automobile and other manufacturing industries. I believe that Universities have a critical role to play in updating the knowledge base of our societies and economies.

Ladies and Gentlemen,

Another aspect I would like to highlight is the need to provide emphasis on the education of women. From an early stage, mothers can deeply influence their children to develop respect for knowledge and learning. The University of Chile has been a pioneer in this respect. It was the first to open its doors to women students in this country when in 1877 the first woman entered the hallowed portals of this University. Today, about 130 years later as the first woman President of India, I am honoured to accept a Doctorate honoris causa from this University - a pioneer in women's education, whose patron is Her Excellency President Michelle Bachelet, the first woman President of Chile and herself an alumni of this prestigious institution.

There has been some progress on gender equality issues worldwide but our objectives and targets are still very distant. The talent of women, nearly half of the world's population, remains largely untapped. Provision of education and medical care facilities along with economic opportunities is fundamental for the empowerment and progress of women. Unleashing their dynamism is fundamental for the development not only of any democracy but also for inclusive and equitable socio-economic development of any nation state. These are challenges that are not limited to India but are shared by Chilean society. We watch with admiration efforts in this country to promote greater social equity and harmony side by side with rapid economic progress.

My visit to Chile commenced yesterday with salutations at the Plaza de la India to Mahatma Gandhi - the Father of Nation of India, to Pandit Jawahar Lal Nehru - the first Prime Minister of India, and to Rabindra Nath Tagore - the great poet laureate of India. The values and principles these great leaders of India expounded - truth, non-violence, democracy, humaneness, and compassion have been guiding the destiny of independent India. India is a country of diverse languages, culture, customs and faiths. Yet we live in harmony and seek progress, within a democratic framework.

With its 670 million electorate, India is the largest democracy of the world. Its adherence to a democratic way of life has been consistent since its independence. Moreover, the endeavour has been to take democracy right down to the grassroots. Today, we have a network of about 2.3 million elected representatives in institutions of local self government, out of this 1.2 million are women. This is by far the largest number of elected representatives in history or anywhere in the contemporary world. India is proud of its democratic heritage and believes that the democratic ideal is a common heritage of mankind.

We are also proud of the manner in which the Indian economy has grown. Our objective is to sustain a high growth rate over the next two to three decades to ensure that our determination to eradicate poverty is guaranteed success. As we strive for growth, we seek inclusive growth and social justice.

On the global platform also, India seeks an equitable world order, with a greater voice for the developing countries. It is in our common interest to work together on critical issues on the international agenda such as development, climate change, the fight against terrorism, multilateral trade negotiations and reform of the United Nations, in particular its Security Council.

Developing countries have their unique problems and challenges. These have to be understood from their perspective. Co-operation among them constitutes an important principle of global co-operation. Promoting interaction between the academic institutions of the developing world is an aspect of South-South cooperation, which should be especially encouraged.

Ladies and Gentlemen,

Educational cooperation between India and Chile holds tremendous potential and would benefit the people of both our countries. I invite Chilean universities, think tanks and major academic centers to consider collaborations with their Indian counterparts. We need greater academic interaction in S&T, in humanities, in engineering, in medicine, in ayurveda and the knowledge sectors such as nano-technology, bio-technology and information technology.

My visit to Chile, I hope, will serve to bring awareness and amplify the foundation of our mutual interest in each other's countries and release the latent potential for cooperation between India and Chile including in the fields of science and technology, culture and education.

I would be remiss if I did not take this opportunity to convey a special word

of thanks and appreciation to Rector Victor Paz Vera. He has shown great leadership in making this University into one of Chile's most innovative, secular and leading edge institution while maintaining its reputation for academic excellence. You have inherited a proud tradition and are carrying it forward with aplomb and distinction.

Before I conclude, I would once again wish to thank the patron of this University Dr. Michelle Bachelet, the University and the Chilean people who have bestowed this special honour on me.

Con mis mejores deseos para la Universidad.

Muchas Gracias!



**591. Speech by President Shrimati Pratibha Devisingh Patil
at the Banquet in honour of the President of Chile
Ms. Michelle Bachelet.**

Santiago, April 22, 2008.

Your Excellency

President Michelle Bachelet,

Distinguished Guests,

Ladies and Gentlemen,

As we prepare to leave for India tomorrow morning, we carry back fond memories of the wonderful moments shared with you all during the last three days. I would like to express my deep appreciation for the warm hospitality and the kind courtesies extended to my delegation. These have far exceeded the norms of diplomatic nicety.

The recognition given to me by Congress, the University of Chile and the City of Santiago are, indeed an honour for my country. I express my gratitude for the same.

During my stay in this dynamic, outward looking and progressive country, I have met distinguished Parliamentarians, members of the judiciary academics, students, political leaders and representatives of industry.

The tributes paid by them to India's great leaders such as Mahatma Gandhi, Rabindranath Tagore, Jawaharlal Nehru and Smt. Indira Gandhi, are an honour for us in India. The philosophy of non-violence, peace and welfare of the entire humanity expounded by them finds deep resonance here. Based on this, I am confident that our two countries will strengthen their partnership to build a better world and an equitable global order. Following my interactions, I am also further assured that the prospects of deepening our cooperation are indeed very promising.

Our dialogue on bilateral, regional and international issues has been most fruitful. We share the perception that we should strengthen our interaction to include the entire spectrum of opportunities and challenges that encompass our relations.

During my visit, we have agreed to diversify our cooperation in civil aviation, science and technology, sports and research in the Antarctica. We must work towards early implementation of these and other existing agreements between us.

In recent years, both our economies have registered strong growth. We must use this momentum and build on our synergies. Our bilateral trade has grown well and our efforts must be to diversify it.

The investment partnership needs to be given special emphasis. Some Indian companies are actively looking at opportunities in Chile. We hope that in coming years, we will see more Chilean investment in India, especially in the infrastructure sector.

India and Chile are in the process of discovering each other's cultural heritage and traditions. It will be our effort to strengthen our cultural ties and encourage exchanges in education and tourism, as well as promote contacts between our youth.

Our cooperation on critical international issues will also continue to strengthen. We are determined to work together on issues such as UN reform, the fight against terrorism, on Climate Change and on the Doha Development Round.

Excellency, I am deeply touched by the affection and warmth with which my delegation and I have been received in this beautiful country. As two women Presidents, I believe we have established a close personal rapport and an empathy that is based on shared experiences, concerns and values.

I am deeply struck by your personal commitment to work for the betterment and empowerment of the people of Chile especially the under-privileged and the women. Your lovely and lively personality is impressive. I keenly look forward to receiving you in India next year on mutually convenient dates.

Muchas Gracias por todos su hospitalidad (Thank you for your hospitality)



COLOMBIA

592. Press Release issued by the Ministry of Petroleum and Natural Gas on the meetings of Minister of Petroleum and Natural Gas Murli Deora with his Iranian and Colombian counterparts in Madrid.

New Delhi, July 1, 2008.

Please see Document No.436.



593. Press Release of the Ministry of Petroleum and Natural Gas on the signing of Memorandum of Understanding with Colombia for Cooperation in Hydrocarbon Sector.

New Delhi, September 5, 2008.

India and Colombia have signed a Memorandum of Understanding (MoU), here today, for cooperation in hydrocarbon sector. Shri Murli Deora, Minister for Petroleum & Natural Gas, Government of India and Mr. Hernan Martinez Torres, the visiting Minister of Energy & Mines, Government of Colombia inked the MoU. Shri Deora informed that the MoU provides an umbrella framework to facilitate and enhance bilateral cooperation in this sector. The two sides have agreed to cooperate in the entire spectrum of hydrocarbon sector particularly in the areas of exploration and production of oil and gas, exchange of training and human resource development, and exchange of visits of professionals and technicians. He also said, "we will be setting up a Joint Working Group in the hydrocarbon sector for enhancing cooperation between our two friendly countries."

Shri Deora, further, underlined that despite geographical distance, India and Colombia are partners in pursuance of energy security. ONGC Videsh Limited has a producing asset in Colombia as a joint venture with a Chinese company Sinopec. This asset has current crude oil production of 25,000 barrels per day. ONGC Videsh Limited also has three offshore exploration blocks in Colombia. OVL is the operator in two of these blocks. He added, "we are exploring opportunities for participation in implementing enhanced oil recovery (EOR) and improved oil recovery (IOR) projects in the existing fields of Colombia."

Mr. Hernan Martinez Torres stated that the MoU between Colombia and India is significant, pointing out to tremendous potential for Colombia's association with India in energy sector. This is first of a series of MoUs with Indian authorities which could be concluded between the two countries, he said, adding that similar MoU was considered in mining sector in a meeting yesterday. Mr. Martinez stressed that the today's MoU signing was initiation of an excellent process of cooperation between India and Colombia.

Earlier, the two Minister led respective delegations during bilateral discussions. They reviewed the existing cooperation and discussed new areas of cooperation like greater participation of Indian entities in the exploration and production in Colombia, projects for improved/enhanced

oil recovery from existing fields, training oil & gas sector technologists of Colombia in the excellent state-of-art facilities with Indian oil sector PSUs, production and blending of bio-fuels, etc.

Colombia, the fifth-largest hydrocarbon rich country in South America had 1.54 billion barrels of proven crude oil reserves (Oil and Gas Journal 2005). The country produces nearly 525 thousand barrels per day of oil. Colombia produced 830,000 bbl/d in 1999, and it is believed that with extensive exploration and new discoveries the production of oil in Colombia can be enhanced. ONGC Videsh Ltd. of India, recognizing the hydrocarbon potential of Colombia set up its first operation in 2006, through Joint acquisition of oil producing assets along with Sinopec of China. In addition, ONGC Videsh Ltd. has also acquired three deep water offshore exploration blocks RC 8, 9 & 10 on the Caribbean side of Colombia. ONGC Videsh Ltd. currently has operation in 17 countries and its oil and gas production was nearly 8.8 MMTOE from its international projects.

Besides the two Ministers, Petroleum Secretary Shri R.S. Pandey, CMD ONGC Shri R.S. Sharma, CMD GAIL Mr. U.D. Choubey, CMD OIL Shri M.R. Pasricha and CMD EIL Shri Mukesh Rohatagi from Indian side and Dr. Jose Armando Zamora, Director General, National Hydrocarbon Agency of Colombia and Colombian Ambassador to India from Colombian side were present on the occasion.



CUBA

594. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Rajeev Shukla on Agenda Item 51- Necessity of Ending the Economic, Commercial and Financial Embargo imposed by the United States of America against Cuba at the UN General Assembly.

New York, October 29, 2008.

Please See Document No.739.



ECUADOR

595. Joint Press Communique on the occasion of the visit of Ecuadorian Minister of Foreign Affairs, Trade and Integration Ms. Maria Isabel Salvador Crespo.

New Delhi, November 17, 2008.

1. The Minister of Foreign Affairs, Trade and Integration, of the Republic of Ecuador, H.E. Ms. Maria Isabel Salvador Crespo, paid an official visit to India on 16-17 November, 2008, at the invitation of the H.E. Mr. Pranab Mukherjee, Minister of External Affairs, Government of India.
2. Discussions between the Ministers were held in an atmosphere of warmth, reflective of the traditional friendship between the two countries.
3. The Minister of External Affairs of India noted that the visit of the Foreign Minister of Ecuador, which built on the bilateral visits and exchanges held between the Foreign Ministries of the two countries in 2006, 2007 and 2008, provided a useful opportunity for continuing dialogue between them on various issues of mutual interest and to strengthen bilateral cooperation.
4. The Ministers expressed satisfaction at the healthy growth of bilateral trade in the recent past. They agreed, however, that the opportunities are plentiful and that there was need to be more ambitious in the further development of bilateral trade. They also agreed that bilateral economic cooperation and mutual investment need to be pursued further. In this context, it was agreed that it would be desirable that the two sides negotiate an Agreement on Bilateral Investment Protection and Promotion followed by an Agreement on Avoidance of Double Taxation. The Indian side appreciated the decision of the Ecuador government to open a Commercial Section in their Embassy in Delhi.
5. The Indian side expressed appreciation at the decision of the Ecuador government to allow visa-free entry into Ecuador for Indian and other foreign nationals for a stay upto 90 days for business and tourism purposes. Both sides expressed satisfaction at the formal implementation of visa exemption arrangements for holders of

diplomatic and official passports of both countries as notified through exchange of documents at the Foreign Office Consultations held in New Delhi in July 2008.

6. The Ecuadorian side appreciated the assistance being provided by India for short term training of Ecuadorian students in different disciplines under the Indian Technical Economic Programme. It also thanked India for its offer to set up an Information Technology Centre in Ecuador. It was agreed that the necessary agreement to implement this project would be finalized at an early date.
7. Both sides expressed satisfaction at the signing of an MoU on Agricultural Research and Education and of the Cultural Exchange Programme for 2009-11 during the visit. While the former agreement would facilitate interaction between agricultural scientists and research institutions in key agricultural sectors, the latter would strengthen cultural and people to people linkages between the two countries.
8. India expressed appreciation for the decision of Ecuador to purchase seven Advanced Light Helicopters from HAL India. It also welcomed the decision of Ecuador to appoint a Defence Attache in New Delhi. Both sides agreed to actively pursue finalization of the MoU on Defence Cooperation which is currently under consideration by both sides. In this context, they welcomed the proposed visit of the Defence Minister of Ecuador to India in February 2009 in response to the invitation received from the Indian side.
9. Both sides agreed that there is immense potential for strengthening cooperation in the Hydrocarbons and Energy sector including Non-Conventional Energy. Both sides agreed to promote and develop cooperation through exchange of experts and finalization of necessary agreements in hydrocarbons and mining for expediting operations by public and private sector entities in both countries.
10. The two sides noted that the Summit of G-20 countries was held in Washington on 15 November, 2008 against the backdrop of the financial crisis that emanated in the United States and Europe. Both sides agreed that in any new international financial architecture that is drawn up, there is need to ensure greater inclusivity, that growth prospects of developing countries do not suffer and protectionist tendencies are avoided.

11. The two sides agreed that the scourge of international terrorism needs coordinated action by all countries. There can be no justification for terrorism for which both countries have zero tolerance. There should be greater coordination on counter terrorism within the UN system. Both sides agreed to work together for the early conclusion of the Comprehensive Convention against International Terrorism (CCIT) which would provide a legal basis for the fight against terrorism.
12. Both sides reviewed developments on the food security front in the wake of discussions held at the Food and Agricultural Organization (FAO) in Rome in June, 2008. Greater international efforts are required to address this challenge. UN system entities need to give greater attention to an optimum mix of policies that support agriculture, promote balanced and sustainable use of renewable energy, including through a balanced use of biofuels that do not focus solely on foodgrains as a fuel source, as well as by ensuring the transfer of technologies to developing countries.
13. Both sides discussed the state of negotiations in WTO on the Doha Development Round. India and Ecuador are already cooperating on this issue within the framework of G-20. Both sides believe strongly in a rule-based, transparent and fair multilateral trade regime. Developed countries will need to address the market distortions created by their provision of substantial subsidies to agriculture. The final outcome of the negotiations must be faithful to the developmental mandate of this Round and must reflect a clear balance between market opening and the developmental needs of the majority of its membership.
14. Both sides expressed satisfaction that the UN is currently focusing on the issue of Climate Change. However, Climate Change should not become an excuse to add a greater burden or impose conditionalities on developing countries. Negotiations on Climate Change issues must be based on the principle of common but differentiated responsibilities and respective capabilities.
15. India thanked Ecuador for the support reiterated by it for India's claim for permanent membership on an expanded Security Council. Indian side also expressed appreciation for Ecuador's support for the India Specific Safeguards Agreement in the IAEA Board of Governors meeting in August 2008.

16. The Indian side welcomed the desire of the President of the Republic of Ecuador to undertake a State visit to India in 2009. It was agreed that dates would be settled through diplomatic channels.
17. The two sides reiterated their commitment to South-South Cooperation and to strengthen the Non-Aligned Movement. The leadership role played by India in NAM was appreciated.
18. The Minister of Foreign Affairs, Trade & Integration, Government of Ecuador thanked the Minister of External Affairs, Government of India for the hospitality extended to her delegation and invited him to visit Ecuador. The invitation was accepted with pleasure.



GUYANA

596. Press Release issued by the Ministry of External Affairs on the visit of Minister of State Anand Sharma to Guyana.

New Delhi, May 16, 2008.

Shri Anand Sharma, Minister of State for External Affairs paid an official visit to Guyana on 13-15 May, 2008. He held extensive discussions on bilateral, regional and international issues of mutual concern with the topmost leadership of the Government of Guyana, including the President, the Prime Minister and the Foreign Minister of Guyana. He also co-chaired the 4th India-Guyana Joint Commission Meeting.

2. The talks with President Jagdeo as well as with Prime Minister Hinds were marked by a high degree of convergence on international issues like comprehensive systemic reforms of UN agencies, redesigning international financial institutions, climate change and WTO Doha Development Round. President Jagdeo reiterated Guyana's strong and principled support to India's candidature for permanent membership of UNSC.
3. The President underlined the great importance that Guyana attached to the visit and sought India's active cooperation in transforming Guyana's agriculture and information technology sectors with strong

participation from India's private sector. India has extended a fresh Line of Credit of US \$ 50 million to facilitate greater economic interaction between Guyana and India. India has also agreed to cooperate with Guyana in crop diversification and agricultural research as well as in mining, renewable energy and pharmaceuticals.



MEXICO

597. Statement to the press by President Shrimati Pratibha Devisingh Patil after her meeting with President Calderon of Mexico.

Mexico City, April 17, 2008.

Good Morning. It is an honour to be here in Mexico

Our two countries are ancient civilizations that have had very useful and productive contact in the past. We remember with great appreciation the important role that Mexican wheat played in India's 'Green Revolution' in the 1960s.

My visit to this beautiful country is in response to an invitation conveyed to me by President Calderon when he paid a State Visit to India in September last year. The importance that our two countries attach to our bilateral relations was underlined during his visit by our decision to enter into a 'Privileged Partnership'. My current visit is in pursuance of this new partnership and I am confident that our cooperation in coming months and years will significantly develop and diversify.

I have had extended discussions with President Calderon, on the state of our bilateral relations and our cooperation in international fora. As two vibrant democracies that are multi-ethnic, multi-lingual and multi-cultural, we face similar situations and challenges. It is, therefore, no surprise that our points of view, objectives and approaches are similar on most issues.

The trade and economic aspect of our partnership provides a critical underpinning to the overall edifice of our relations. We have agreed that

bilateral trade and investment needs to grow. This is a challenge that we have placed before our businessmen and industrialists. The opportunities are enormous and we will, no doubt, achieve further success in this endeavour.

A number of useful agreements have been signed earlier today. These will help develop our cooperation in practical terms.

Regular interaction at the highest political level is an important component of our evolving Privileged Partnership. I have invited President Calderon and Madam Margarita Zavala de Calderon to pay an official visit to India.

Before I conclude, I must thank President Calderon, the Government and people of Mexico for the friendship and very warm hospitality that my delegation has received since our arrival. We feel completely at home in Mexico. I would also like to take this opportunity to convey, greetings and best wishes from the people of India to the people of Mexico, *y deseo paz, prosperidad y exito para Mexico.* (and I wish peace, prosperity and success to Mexico)



598. Speech by President Shrimati Pratibha Devisingh Patil at the Banquet hosted by President of the United Mexico States Felipe de Jesus Calderon.

Mexico City, April 17, 2008.

Your Excellency President Felipe de Jesus Calderon,

Madam Margarita Zavala de Calderon,

Ladies & Gentlemen,

I am delighted to be here in Mexico, a country that India has historically considered a friend. Our freedom fighters took refuge in your land. Indians gratefully remember the contribution of Mexico's 'Sonara' variety of wheat to our Green Revolution decades ago. The first Ambassador of Mexico to India and Nobel Laureate Octavio Paz is a respected figure in my country. The first Indian Ambassador to Mexico was Mrs. Vijaya Lakshmi Pandit, sister of the first Prime Minister of India. Mexico's cultural richness, the struggle for freedom and the sacrifices of its leaders like Father Miguel

Hidalgo and Father Jose Morelos find deep resonance in India. Mexico, like India, is a cradle of ancient civilizations, including those of the Mayan and the Aztec.

Excellency, during your landmark visit to India last September, we rightly elevated the relationship between our two countries to the status of a 'Privileged Partnership'. It is a partnership that is based not just on our commonalities in the past, but on the vision that we share for the future for our bilateral relations and also for the world.

During your visit last year, we had the first meeting of the High Level Group on Trade, Investment and Economic Cooperation and I am glad to note that the Group will meet again in June this year. It is important that they draw up a roadmap for the rapid development of our trade and economic relationship.

I am glad to note that Indian investments into Mexico have been growing steadily. We encourage this trend and look forward to similar enthusiasm on the part of Mexican investors to enter the Indian market. There are tremendous opportunities in the areas of infrastructure and tourism, just to mention two of the potential areas that can be exploited by Mexican entrepreneurs. We welcome investments being made by Mexican companies in India.

Last year, when you chose India to be the first country to be visited in Asia, we were delighted. As the largest democracy in the world, we have great admiration for the vibrancy of Mexico's democracy. The democratic yearnings of our two countries, our faith in non-violence and dialogue; the pluralistic and secular credentials of our polities make us natural allies in facing the global challenges of today. We have had cooperation in the past in international fora, be it the UN or the WTO, and on issues like Climate Change, the Doha trade negotiations and the fight against terrorism. It is critical that our two countries continue to display even greater harmony in the coming days. Mexico is the largest Spanish speaking country in the world with enviable democratic credentials, and India is the largest democracy in the world. Our voices will no doubt be heard with respect when we speak in harmony.

Excellency, tomorrow I will visit the Pyramids in Teotihuacan. They stand as sentinels of your ancient civilization and rich heritage. I will also have the opportunity of visiting the sacred Basilica of Guadalupe, a symbol of the confluence of tradition and faith with modernity. Ours are both ancient

civilizations. We must, therefore, encourage greater cultural interaction and exchange between us to learn from each others' past.

Tomorrow, I will also be paying tribute to the memory of India's Father of the Nation, and the apostle of non-violence, Mahatma Gandhi, at his statue near the Anthropology Museum. This is a signal of the esteem in Mexico for Mahatma Gandhi and his values. We convey our appreciation for this.

Excellency, let me take this opportunity to thank you and your Government for the warm hospitality that my delegation and I have received since our arrival.

May I now request all present to join me in a toast to:

- the good health and well-being of the President of the United Mexican States and Madam Margarita Zavala de Calderon,
- the prosperity and well-being of the people of Mexico, and
- *Por la amistad entre India y Mexico.* (to the friendship between India and Mexico)



**599. Speech of President Shrimati Pratibha Devisingh Patil
at the function at the Mahatma Gandhi Statue.**

Mexico City, April 18, 2008.

Children and Students,

Organizers of this event

Ladies and Gentlemen,

I am deeply honoured to be here this morning to offer tribute to the memory of Father of our Nation, Mahatma Gandhi, whose philosophy of non-violence resonates all over the world.

The Mahatma Gandhi was born in India, he belonged to the whole world. More than 70 statues of Gandhiji have been installed in every nook and corner of the world. The philosophy of Mahatma Gandhi is a source of inspiration for those who think they are weak and powerless.

By installing his statue at such a prominent location in this huge metropolis, the people of Mexico have specially honoured his memory and the values he stood for. This is a gesture that will be deeply appreciated by all those are committed to peace in the world.

I am glad to see young children in the ceremony. The future belongs to them, and it is our responsibility to inculcate in them values of tolerance and compassion.

The principles of truth and non-violence to which Gandhiji was committed transcend time and regional boundaries. They are as appropriate in India as they are in Mexico. They are as appropriate today as they were during the lifetime of Gandhiji. The decision of the United Nations last year to declare 2nd October, the Birth anniversary of Gandhiji, as the International Day of Non-Violence is an acknowledgement of the universality and need for adherence to the noble path of peace, truth and tolerance shown by Mahatma Gandhiji.

I would also like to convey my appreciation to those of you, who, observed the first International Non-Violence Day at this venue on 2nd October last year with great dignity and serenity. Thank you.



600. Statement of President Shrimati Pratibha Devisingh Patil at the business meeting hosted by Mexican Business Council for Foreign Trade, Investment and Technology (COMCE) and India - Mexico Business Council (IMBC).

Mexico City, April 18, 2008.

Senor Valentin D. Morodo, President of the Mexican Business Council for Foreign Trade, Investment and Technology,

Senor Jose Luis Uriegas, President of the India-Mexico Business Chamber,

Ladies and Gentlemen,

I am delighted to be in your midst today. Economic and commercial relations between India and Mexico provide an important underpinning to our bilateral relations. I am happy that in recent years bilateral trade has grown steadily. It crossed US\$2 billion last year. But this is just the beginning. We need to do much more.

Businesspersons and entrepreneurs of the two countries need to explore ways to fully exploit the real potential. There is general agreement on both sides that there are extensive synergies in our economies. Both of us enjoy near and offshore advantages to the larger markets of North America and Asia. While Mexico has an extended market into NAFTA and Latin America, India is a huge market in itself, not to speak of the extension to South and South East Asia and Africa. There are areas where Indian technology has proved its competence, such as IT, pharmaceuticals and non-conventional Energy. Mexican competence is visible in fields like food processing, energy, high yield crops and housing. It is for businesses on both sides to identify and exploit new complementarities to mutual benefit. I am glad that an MoU has been signed between COMSE and CII.

I am happy to note that Indian companies such as Mittal Steel, Tata Consultancy Services, Infosys, Ranbaxy, Reddy Labs and Solara have invested in Mexico. Other companies are looking for opportunities and possibilities of investment. Being a developing country, India recognizes the importance of the social dimension of foreign investment. I am happy to have learnt that Indian investments are being welcomed from this

perspective in Mexico. For economic interaction between the two countries to be sustainable, it is important that its benefits percolate to the people and transform their lives for the better. I am confident that Indian and Mexican businesses will meet these expectations.

Likewise, I encourage Mexican investors to explore the Indian market. It offers an attractive combination of demand, availability of high quality management and technical manpower as well as cheap unskilled labour, transparent legal system, a huge capacity to profitably and productively absorb capital.

We have a long journey ahead of us. Governments can only play a coordinating role and help create a conducive political and economic environment. But you are the actual players on the field. The Governments have already declared their intention by elevating the bilateral ties to a 'Privileged Partnership'. They have also set the target for trade at US \$ 5 billion by the year 2010. A Bilateral Investment & Protection Agreement and the Double Taxation Avoidance Agreement are already in place. An Air Services Agreement has been signed providing the framework for connectivity through air services, both in passenger and cargo segments. The institutional infrastructure is thus in place.

Similarly, the Governments have liberalized visa regimes considerably, especially for business travel.

The Business Council can also exchange views on any remaining irritants in economic cooperation and bring those to the knowledge of the Governments. The India-Mexico High Level Group on Trade, Investment and Economic Cooperation is scheduled to meet again in June this year. Your suggestions and recommendations will be valuable inputs into that Group's efforts to define the course of future economic engagement between our two countries.

I thank the Mexican Business Council for Foreign Trade, Investment and Technology and India-Mexico Business Chamber for organizing this event and for extending an invitation to me. It is always rewarding to interact with key business players.

I congratulate all the participants, both from India and Mexico, and wish them success in their every endeavours.

The MoU signed between COMCE and CII for enhancing trade and business relationship and investment will help in providing regular mechanisms for business interactions.

I am confident that the MoU will lead to a significant growth in commercial activities between the two countries.

Muchas Gracias. (Thank You.)



SURINAME

601. Press Release of the Ministry of External Affairs on the visit of Minister of State Anand Sharma to Suriname.

New Delhi, May 17, 2008.

Shri Anand Sharma, Minister of State for External Affairs, visited Suriname from 15-17 May, 2008. He was accompanied by a business delegation comprising of senior representatives of public and private sector companies and financial institutions from India.

On 15th May, 2008, Shri Anand Sharma held extensive discussions with the President of Suriname Mr. Runaldo Ronald Venetiaan and Foreign Minister Mrs. Lygia Kraag-Keteldijk. Shri Sharma also called on the Speaker of Surinamese Parliament Mr. Paul S. Somohardjo. During Shri Sharma's meeting with President Venetiaan, both leaders recalled the close and cordial ties shared between the two countries historically. India and Suriname have been co-operating closely on various multilateral issues of mutual concern and Suriname has always supported India's position on U.N. Security Council reforms including India's claim to permanent membership of the expanded UNSC. President Venetiaan conveyed Suriname's appreciation for the assistance provided by India in Suriname's developmental efforts especially in energy, infrastructure, agriculture, capacity building and human resource development.

Later, in the evening, Shri Anand Sharma addressed India-Suriname Business Seminar attended by over 200 leading businessmen of Suriname and two cabinet ministers, in which he not only highlighted India's economic and technological achievements but also emphasised that India was willing

to share its experience and capabilities with other developing countries in the true spirit of South-South Cooperation.

On 16th May, 2008, Shri Anand Sharma, Minister of State for External Affairs, co-chaired the 4th Session of the India-Suriname Joint Commission with Surinamese Foreign Minister Mrs. Kraag- Keteldijk. After the Joint Commission Meeting attended by 13 Ministers of Suriname's Cabinet, Shri Anand Sharma announced Government of India Credit Lines worth US \$ 55 million out of which projects worth over US \$ 25 million have already been identified. A fresh amount of US \$ 30 million has been earmarked for the new projects to be submitted by the Government of Suriname. As a special gesture, Shri Anand Sharma announced that India would fund and set up an IT Centre in Suriname as a gift.

On this occasion, an MOU was signed between an Indian company-Foods Fats and Fertilizers Ltd. and Ministry of Agriculture of Suriname for allotment of 40,000 hectares of land in Suriname for cultivation of oil-palm. Another Agreement was signed between the Ministry of Finance of the Government of Suriname and EXIM Bank of India for a Line of Credit of US \$ 10.6 million as a part of the above assistance package for the purchase of Chetak Helicopters, Coastal Communications Network and other high technology equipment, which underlines appreciation for quality and competitiveness of Indian technology in South American region.

Government of Suriname sought India's help in health, pharmaceuticals, ICT, E-governance, education, professional training, rural development, environment, energy, technological development, communications, port development, public sector reforms, internal security, agriculture, animal-husbandry, dairy, aqua-culture, agro-forestry and many other high technology areas which is a reflection of India's growing profile in the region as a technological super-power.

As a result of the visit, India and Suriname also agreed to cooperate in mining, banking, financial services, renewable energy and infrastructure development. Suriname is rich in natural resources like bauxite, gold, manganese, iron ore, kaolin and diamonds apart from forestry and agriculture.



VENEZUELA

602. Press Release of the Ministry of Petroleum and Natural Gas on the signing of a landmark Agreement between ONGC Videsh Limited (OVL) and Petroleos De Venezuela S. A. (PDVSA) for oil sector cooperation.

New Delhi, April 9, 2008.

ONGC Videsh Limited (OVL) and Petroleos De Venezuela S.A. (PDVSA) signed in Caracas, Venezuela on April 8, 2008 (India time late night yesterday) a Joint Venture agreement for the San Cristobal Field in Junin, Orinoco Region of Venezuela. This JV agreement was concluded at an impressive ceremony in the presence of Mr. Murli Deora, Minister of Petroleum & Natural Gas of India and Mr. Rafael Ramirez Carreno, Minister of Energy and Petroleum of Venezuela. OVL is a 100% subsidiary of India's leading national oil company ONGC. Under this joint venture, OVL will have a participating interest of 40%, while PDVSA retains the remaining 60% in the San Cristobal Field in Junin, Orinoco Region of Venezuela. They will jointly develop the field from its current production level of 20,000 bbl per day to 40,000 bbl per day. Government of India has recently approved OVL's participation in the project with an investment of US\$ 356 million.

Speaking on the occasion Mr. Deora described the event as a historic milestone in growing cooperation between India and Venezuela in the hydrocarbon sector. He expressed hope that this JV will pave way for more such mutually beneficial projects between the two countries. Today's signing fructifies the consistent efforts on part of India's Ministry of Petroleum & Natural Gas to take forward relations between India and Venezuela. It may be mentioned that during the visit of President Hugo Chavez to New Delhi in March 5, 2005, an Agreement for Cooperation in the hydrocarbon sector was signed between India and Venezuela. Further, to strengthen the cooperation between OVL and PDVSA, a Memorandum of Understanding (MOU) was also signed the same day to jointly develop oil & gas exploration and production projects.

San Cristobal project is located in the Zuata Subdivision of prolific Orinoco Heavy Oil belt, in the Junin Norte Block in eastern Venezuela. The Orinoco heavy oil belt holds one of the largest known accumulations of heavy oil in the world, covering an area of about 54,000 square km, 600 km in length in E-W and about 90 km width in N-S. Oficina formation (Middle Miocene) is the main reservoir, which occurs between a depth of 600 and 1,100 m.

This Joint Venture will also explore the potential of discovering more hydrocarbons in the unexplored area of the project. In addition, the JV will

also explore employing Enhanced Oil Recovery (EOR) techniques to improve oil recovery rate in the field. The EOR techniques have been successfully commercialized by ONGC in its western heavy field in India.

Venezuela is one of the largest oil producing countries in the world, with about 87 billion barrels of proven conventional oil reserves (OPEC 2006). In addition, it has a huge non-conventional oil deposits (heavy oil). Most of these deposits are located in the Orinoco oil belt.

The participation of OVL in the San Cristobal project is expected to open more avenues for bilateral cooperation. OVL has also entered into a Technological Cooperation Agreement with PDVSA CVP for joint research and training activities. Under this Agreement ONGC has trained a batch of drilling engineers from PDVSA through a customized 25-week long course. This, for the first time, covered the deep sea operations of ONGC. The training was imparted at ONGC's premier training institute at Dehradun.

Earlier Shri Deora had an important bilateral meeting with his counterpart from Venezuela. The meeting lasted for more than an hour, in which the two Ministers discussed possibilities of further cooperation in upstream activities, refinery projects, gas transportation and distribution, technical services including providing training to more oil & gas personnel of Venezuela, etc. Petroleum Secretary Shri M S Srinivasan, Ambassador of India to Venezuela Shri Y. K. Sinha, CMD ONGC Shri R S Sharma and MD OVL Shri R S Butola also attended from Indian side.



603. Press Release of the Ministry of External Affairs on the visit of Minister of State Anand Sharma to Venezuela.

New Delhi, May 21, 2008.

Minister of State for External Affairs, Shri Anand Sharma paid a bilateral visit to Venezuela from 18-20 May, 2008. President Chavez had undertaken a state visit to India in March 2005. In April 2008, Minister of Petroleum and Natural Gas visited Venezuela for signing a Joint Venture agreement on the San Cristobal oil field.

2. During the visit, MOS(AS) had detailed one to one discussions with President Chavez who expressed high regard for our Prime Minister, President and Smt. Sonia Gandhi. He also enthusiastically conveyed Venezuela's desire to diversify ongoing bilateral relations with India.

A road map for enhancing strategic and enduring cooperation between both countries in a variety of sectors such as agriculture, energy and renewable energy, infrastructure and transfer of technology was discussed. Venezuelan Ministers of Foreign Affairs, Energy and Petroleum, Light Industries and Commerce and Science & Technology were also present during the meeting. After discussions, both sides agreed to convene the next India-Venezuela Joint Commission meeting in New Delhi later this year.

4. Earlier, MOS(AS) had detailed discussions with Foreign Minister, Nicolas Maduro. During their talks, both Ministers reviewed various regional and global issues of mutual concern such as setting up of alternative financial and monetary architecture mechanism through institutions such as the Bank of South, regional development initiatives such as UNASUR and other such matters. Maduro greatly appreciated India's varied achievements in science and technology, evolving economic and political status in the world and eminent credentials for working with like minded developing countries in building a world without hegemony and distortions.
5. Gamut of bilateral relations was reviewed in a luncheon meeting where Venezuelan Ministers of Culture, S & T, Education and Higher Education and Vice-Ministers of Light Industries and Commerce and Tourism also participated in the discussion. Venezuelan side thanked India for its offer to set-up an IT Centre of Excellence in Venezuela. They expressed keenness in stepping up cooperation in agriculture and agricultural research, S&T, ICT, pharmaceuticals and generic medicines, infrastructure and transfer of technology.
6. Besides meetings with local dignitaries MOS(AS) also interacted with a cross section of the non-resident and community of Indian origin in Venezuela.



INDIA'S FOREIGN RELATIONS - 2008
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EUROPE

ALBANIA

604. Press Release of the Ministry of External Affairs on the visit of the Albanian Foreign Minister Lulzim Basha.

New Delhi, December 20, 2008.

At the invitation of the External Affairs Minister of India, Mr. Pranab Mukherjee, the Foreign Minister of the Republic of Albania, H.E. Mr. Lulzim Basha, accompanied by Mrs. Basha, visited India from 17-20 December 2008. This was the first ever visit by a Foreign Minister from either side. Mr. Basha was also accompanied by senior officials, a business delegation and media persons.

During the delegation level talks on 19 December 2008, the two Ministers discussed enhancement of bilateral relations in diverse fields and exchanged views on regional and international issues of mutual interest. Foreign Minister Basha conveyed that Albania fully shared India's sense of outrage at the Mumbai attacks and considered terrorism as a common challenge for the international community.

Mr. Basha held an interactive session at the Institute of Defence Studies and Analyses in New Delhi on 18 December 2008. Before coming to New Delhi, he also visited Kolkata where he had a meeting with the Chief Minister of West Bengal and visited Mother Teresa Memorial House. It would be recalled that President Rexhep Meidani visited Kolkata to attend her funeral service in September 1997.

The Albanian Foreign Minister and the business delegation also had a meeting with the Indian businessmen, organized by the Confederation of Indian Industry in Kolkata.

Democratic and multi - ethnic Albania is home to one of the fastest growing economies in Europe and keen on developing multifaceted ties with India including in the spheres of IT and HRD, which is fully reciprocated by India. Albania had also wholeheartedly supported India's Civil Nuclear cooperation initiative at the IAEA meeting earlier this year.

Foreign Minister Basha extended an invitation to EAM to visit Albania which was accepted with great pleasure. The visiting dignitary also inaugurated the Albanian Embassy in New Delhi.



BELGIUM

605. Speech by President Smt. Pratibha Devisingh Patil at the Banquet in honour of the King of Belgium Albert II.

New Delhi, November 4, 2008.

Your Majesty, Her Majesty Queen Paola,

Ladies and Gentlemen,

On behalf of the Government and people of India, it gives me great pleasure to warmly welcome Your Majesty, Her Majesty Queen Paola, and your delegation to India. We appreciate the special affinity of the Belgian Royal Family towards India. We recall Your Majesty's visit to India twenty-five years ago in 1983 as Crown Prince of Belgium leading a trade delegation; and, of Crown Prince Philippe's visits in 1995, 1998 and 2005. These visits have brought our two countries closer.

India, of course, is no stranger to Belgium. The ties between India and Belgium go back to the year 1723 when traders from Belgium under the flag of the Ostend Company established settlements in East and South India. More than 36,000 Indian soldiers laid down their lives for the freedom and independence of Belgium during World War I in the Fields of Flanders in 1914 and 1915; their memory is honoured by Indian participation in ceremonies organized alongside the Armistice Day celebrations in November every year. Our first Prime Minister, Pandit Jawaharlal Nehru, visited Belgium in 1926 where he attended the Congress of Oppressed Nationalities in Brussels, as an official delegate of the Indian National Congress. Mahatma Gandhi is honoured by a statue installed in Brussels and a road is named after him in Antwerp.

In the contemporary world, there is much that India and Belgium share in common. Democracy, rule of law, freedom of speech, independent judiciary, free press and protection of human rights are fundamental values to which our two societies are wedded. Indeed, these are the values that also bind the countries of the European Union. In addition, India and Belgium are federal states, which respect and promote the rights and freedom of the various communities, peoples and regions that comprise them. These shared values provide a strong foundation to our ties.

I am happy that our two countries have been expanding and deepening their partnership. Belgium is the third largest trading partner for India within

the EU. Our bilateral trade crossed 8 billion Euros in 2007. It is gratifying to know that the Indian community in Belgium is contributing to the Belgian economy through its skills in the diamond industry. It is noteworthy that Indian investment in Belgium has exceeded Belgium investment in India in the recent past. I hope that the Belgian companies will also actively consider taking advantage of the growing Indian economy, and its attraction as a destination for investments.

The visit of Prime Minister Guy Verhofstadt to India in November 2006 played a significant role in further deepening and diversifying our relationship. The landmark agreement on Social Security was signed during that visit. Our links in the civil aviation sector have been strengthened and three cities in India are directly linked to Brussels which has now become an international hub for one of our major airlines.

Your Majesty's visit to India comes at a time when India is at the cross roads of history. I hope that what you see and experience this time will give you a glimpse of a new and dynamic India, the boundless energy and creativity of our people, their friendly disposition and their march towards prosperity.

Your Majesty, we are confident that your visit will rejuvenate our relations by opening new vistas of opportunities, particularly in the economic and educational sectors.

Excellencies, Ladies and Gentlemen, may I request you to join me in a toast:

- to the health of His Majesty King Albert II, the King of the Belgians;
- to the health of Her Majesty Queen Paola, the Queen of the Belgians;
- to the progress and prosperity of the friendly people of Belgium; and
- to friendship and cooperation between India and Belgium.



BULGARIA

606. Press Release of the Ministry of Home Affairs on India - Bulgaria bilateral consultations on security related issues.

New Delhi, June 11, 2008.

India and Bulgaria held wide ranging discussions on various security related bilateral issues, here today. The Indian delegation was headed by the Union Home Secretary, Shri Madhukar Gupta, while the Bulgarian side was led by their Deputy Minister of Interior, Shri Goran Yonov.

The talks were aimed at reviewing the initiatives and progress outlined under the Agreement on Cooperation in Combating Organized Crime, International Terrorism and Illegal Trafficking in Narcotic Drugs and Psychotropic Substances, the two countries had signed in 1994, as also for developing newer areas of cooperation on issues of mutual concern.

During the talks, both sides expressed satisfaction at the evolving ties in matters of mutual concern pertaining to security, organized crime, international terrorism and illicit drug trafficking. It was appreciated that the framework provided by the 1994 Agreement between India and Bulgaria was acquiring substantive content and detailed agency-to-agency contact has been identified/worked out with Indian agencies concerned. Both sides also agreed to move ahead with detailed proposals for mutually beneficial capacity building programmes.

Yesterday, the Bulgarian delegation had separate subject-specific interactions with officials of the Intelligence Bureau, Central Bureau of Investigation and the Narcotics Control Bureau.

Shri Goran Yonov is also scheduled to call on Union Minister of Home Affairs, Shri Shivraj V Patil and the Minister of State for Law and Justice Mr. K. Venkatapathy. The Bulgarian delegation is on a visit to India from June 10-13, 2008.



CZECH REPUBLIC

607. Press Release issued by the Ministry of External Affairs on the visit of Minister of State Anand Sharma to Czech Republic.

New Delhi, September 9, 2008.

Minister of State for External Affairs H.E. Mr. Anand Sharma visited Czech Republic from September 7-9, 2008. He held substantive discussions with Foreign Minister H.E. Mr. Karel Schwarzenberg as well as Deputy Minister H.E. Ms. Helena Bambošová. He also called on Senate President H.E. Mr. Přemysl Sobotka and Deputy Prime Minister H.E. Mr. Alexandr Vondra.

2. During the visit, the two sides reviewed growing bilateral relations in diverse fields, including political, economic and culture. The Indian side expressed their hope that under Czech Presidency of EU, India-EU relations will strengthen further.
3. The two sides also discussed UN reforms, and stressed the need to bring the discussions to speedy conclusions. The Czech side reiterated their support for Indian candidature for permanent membership of UNSC. They also discussed the problem of international terrorism. In this context they agreed on the need for urgent conclusion and implementation of Comprehensive Convention on International Terrorism. They discussed the evolving situation in Afghanistan, where India as well as Czech Republic are engaged in development efforts.
4. They expressed satisfaction at fast growth of bilateral trade and investment. The two way trade between the two countries has expanded more than four times in four years. This is expected to cross US\$ 1 billion mark this year. During the same period, India EU trade has more than doubled to reach Euro 57 billion last year. They also mentioned the growing investment relationship between India and the Czech Republic.
5. The two sides agreed to continue discussions on matters of mutual interest during Czech Presidency.



DENMARK

608. Arrangement Between The Government of the Republic of India and The Government of the Kingdom of Denmark on Gainful Employment for Family Members of a Diplomatic Mission or Consular Post.

New Delhi, February 6, 2008.

The Government of the **Republic of India** and the Government of the **Kingdom of Denmark**: ("hereinafter referred to as Parties");

Noting the difficulties encountered by members of the family forming part of the household of a member of a diplomatic mission or consular post who wish to engage in a gainful occupation;

Realising that many members of such households, in particular spouses, may wish to work in the State where the member of a diplomatic mission or consular post is assigned to duty;

Desirous of facilitating the engagement of such family members in a gainful occupation in the receiving State;

Have agreed as follows:

1. Authorization to engage in gainful occupation

- a) The members of the family forming part of the household of a member of a diplomatic mission or consular post of the sending State shall be authorized, on a reciprocal basis, to engage in gainful occupation in the receiving State in accordance with the provisions of the laws and regulations of the receiving State.
- b) The receiving State shall retain the right to withhold authorization for employment in areas where national security interests are concerned **or if an authorization would be in contradiction to national law.**
- c) Any authorization to engage in gainful occupation in the receiving State shall, in principle, be valid only during the tenure of the member of a diplomatic mission or consular post in the receiving State.

2. Definitions

For the purposes of this Arrangement.

- a) "A member of a diplomatic mission or consular post" means any officer or employee of the sending State who is not a national of or a permanent resident in the receiving State and who is assigned to official duty in the receiving State in a diplomatic mission, consular post or mission to an international organization;
- b) "A member of the family" means the spouse (including common law partners) of a member of a diplomatic mission or consular post and any minor child or step child, or unmarried dependent child or step child up to the age of 21, or under 25 years of age if he/she is in full-time attendance at a post secondary educational institution, or any unmarried children who is physically or mentally disabled.

3. Procedures

- a) A request for authorization to engage in gainful occupation shall be sent on behalf of the member of the family by the diplomatic mission of the sending State to the Ministry of Foreign Affairs of the receiving State.
- b) The procedures followed shall be applied in a way which enables the member of the family to engage in gainful occupation as soon as possible and any requirements relating to work permits and similar formalities shall be favourably applied.

4. Civil and administrative privileges and immunities

In the case of members of the family who enjoy immunity from the civil and administrative jurisdiction of the receiving State in accordance with the Vienna Convention on Diplomatic Relations or under any other applicable international instrument, such immunity shall not apply in respect of any act or omission arising from the gainful occupation and falling within the civil or administrative jurisdiction of the receiving State.

5. Criminal immunity

In the case of members of family who enjoy immunity from the criminal jurisdiction of the receiving State in accordance with the Vienna Convention on Diplomatic Relations, 1961 or under any other applicable international instrument:

- a) The provisions concerning immunity from the criminal jurisdiction of the receiving State shall continue to apply in respect of any act carried out in the course of the gainful occupation.

- b) However, in the case of serious offences, upon the request of the receiving State the sending State shall give serious consideration to waiving the immunity of the member of the family concerned from the criminal jurisdiction of the receiving State.
- c) The sending State shall also give due considerations to waiving the immunity of the member of the family from the execution of a sentence.

6. Fiscal, social security and currency exchange regimes

In accordance with the Vienna Convention on Diplomatic Relations or under any other applicable international instrument, members of the family will be subject to the fiscal, social security and currency regimes of the receiving State for all matters connected with their gainful occupation in that State.

6. Settlement of disputes

Any differences or disputes regarding the interpretation or application of this Arrangement shall be settled through mutual consultations.

8. Amendment. This arrangement can be modified at any time by mutual consent between the Parties.

9. Entry into force, duration, and termination

This arrangement shall enter into operation on signature and shall continue in operation until terminated by either party by providing six months notice in writing.

In witness whereof the undersigned, being duly authorised by their respective Governments, have signed this Arrangement.

Done at New Delhi on the 6th day of February, 2008 in three originals in the Hindi English and Danish languages, all texts being equally authentic. In the event of any dispute or divergence of interpretation in relation to this Arrangement the English text shall prevail.

For the Government
of the Republic of India

For the Government
of the Kingdom of Denmark



609. Agreement between the Government of the Republic of India and the Government of the Kingdom of Denmark regarding the Establishment of a Joint Commission for Cooperation.

New Delhi, February 6, 2008.

The Government of the **Republic of India** and the **Government of the Kingdom of Denmark** (referred to as the Parties").

Recognizing the strong cooperation that already exists between India and Denmark and the shared wish to further expand and diversify this cooperation.

Desiring to strengthen the ties between our two nations and the friendly relations between the Indian and the Danish peoples.

Determined to facilitate mutually beneficial cooperation between India - and Denmark in areas of common interest.

Working on the basis of shared democratic values and a commitment to furtherance of human rights, fundamental freedoms and the rule of law and a shared vision of peace and security.

Hereby agree on the following:

Article - 1
Establishment of a Joint Commission

An Indo-Danish Joint Commission will be established to provide impetus to and develop the deepening and strengthening of ties between India and Denmark in all fields of mutual interest. They include the political, economic commercial, scientific, research and technological, energy, environmental, consular, educational and cultural fields, as well as any other fields the Parties may consider appropriate. Within its areas of competence, the Commission may submit mutually agreed recommendations or proposals to the respective Governments.

Article - 2
Composition of the Joint Commission

The Minister for (of) External Affairs of India and the Minister for Foreign Affairs of Denmark, or their nominees, will be co-chairs for the Joint

Commission, with the assistance of experts from the public or private sector as appropriate.

Article - 3 Objectives

The tasks of the Joint Commission may include more specifically:

- a) **Political field:** Exchanges of views and where deemed appropriate concrete Cooperation on bilateral and international issues of mutual interest, such as the fight against terrorism, regional and multilateral issues, democracy and human rights, security policy, development policy and the fight against illegal migration, including human trafficking and readmission issues. Consultations between the Ministry of External Affairs of India and the Ministry of Foreign Affairs of Denmark will take place as previously.
- b) **Economic and Commercial field:** Enhanced cooperation with the aim of stimulating trade and investments between India and Denmark, while taking into consideration the international obligations of both Parties. Such cooperation may include: Initiatives to enhance bilateral trade and investment, including in knowledge-based industries; encourage close cooperation between the private sectors in the two countries, for instance by promoting links between business organizations and joint ventures; cooperation on maritime transport; increased dialogue on international trade and investments issues; increased dialogue on bilateral and global economic and financial issues and strengthening of cooperation in this field.
- c) **Science and Technology:** Strengthening the scientific and technological cooperation to increase capabilities on both sides and take advantage of commercial opportunities between the Parties, as also foreseen in the Memorandum of Understanding for Cooperation in the field of Biotechnology. Specific cooperation may include: Forming of partnerships, exchange of scientific information; encourage links and networks between scientists and between research institutions; cooperation on R&D activities, for instance joint execution of scientific research and development projects; exchange visits by scientists, training programmes; joint seminars and workshops. Priority areas for bilateral cooperation are: biotechnology, information technology, telecommunications and nanotechnology as well as the commercial applications of high technology like bio-and nanotechnology, agriculture and agro-industry and health research.

- d) **Environment:** Promoting cooperation on environment, for instance through: Launching of common research projects; knowledge sharing through technology transfer and capacity building. Specific cooperation areas may include: Sustainable management of natural resources; environmental science, environment management and protection, natural resources management, biological diversity etc.
- e) **Energy:** Promoting cooperation on energy and climate change, for instance through: Launching of common research projects; knowledge sharing through technology transfer and capacity building including for energy planning and energy efficiency. Specific cooperation areas may include: Sustainable management of natural resources; alternative and clean energy technologies, energy efficiency, natural resources management, mitigation of and adaptation to climate change, the Clean Development Mechanism, sustainable development and sustainable security energy etc.
- f) **Education and Culture:** Recommend priorities and programmes to facilitate interchange in the education, information and cultural fields. Initiatives may include: Forming of networks and long term partnerships between leading Indian and Danish academic and research centers; increased exchange of scientists in higher education; more scholarships; distance/virtual learning projects and networks; cooperation on preservation of cultural heritage; strengthening of cultural linkages across the cultural spectrum, covering for instance museums/libraries, fine arts and performing arts as well as sports.

Article - 4 Functions

- a) The Joint Commission may appoint sub-committees or ad hoc working groups within specific cooperation areas. The Joint Commission will determine the tasks and terms of reference of the working groups.
- b) The Joint Commission will meet regularly, at a time to be decided through diplomatic channels. The location will be alternating between India and Denmark.

Article - 5 Decisions and Procedures

- a) An agenda is to be agreed upon prior to each meeting
- b) The Joint Commission will determine its working procedures, with due regard to the provisions of this Agreement

- c) All procedural and administrative matters that are not provided for herein will be determined by the Joint Commission upon consent of the Parties.

Article - 6
Expenses

- a) Any administrative expenses related to meetings of the Joint Commission and/ or its ad-hoc working groups will be borne by the country in which the meeting is held. Each Party will bear the expenses of its own participation in meetings of the Joint Commission and its ad-hoc working groups.

Article - 7
Final Clauses

- a) The Agreement shall enter into force upon signature. It shall continue to be in force, unless either Party terminates the Agreement by giving six months prior notice in writing. The termination of the Agreement shall not affect the completion of any project undertaken in terms of this Agreement prior to its termination, unless the parties agree otherwise.
- b) The Agreement may be amended by mutual consent.
- c) Any difference between the Parties shall be settled through mutual consultation and negotiation.
- d) When the Agreement enters into force, the "Protocol on Consultations between the Ministry of External Affairs of India and the Ministry of Foreign Affairs of Denmark", signed in New Delhi on 6 September 1995, is no longer valid.

For the Government of
the Republic of India

For the Government of the
Kingdom of Denmark



610. Memorandum of Understanding between India and Denmark for Cooperation in the field of Renewable Energy.

New Delhi, February 6, 2008.

Having identified new and renewable energy as a common area of interest.

Desiring to establish New and Renewable Energy Cooperation between Danish and India entities with the aim of developing new and renewable energy technologies.

Have reached the following understanding:

Working Group

In order to coordinate the above-mentioned activities and decide upon project proposal related to design and development of various new and renewable energy technologies, the Parties intend to establish a "Joint Committee" with the objectives of:

- Identifying areas of mutual interest and cooperation for development of new and renewable energy technologies, systems, sub-systems, devices, components, etc.
- Monitoring and evaluating cooperation activities

The parties will designate one main representative each to the Joint Committee. For the aforesaid activities, the Joint Committee shall to the extent possible conduct its work through electronic communication, but meet alternately in India and Denmark, when that is deemed necessary.

The Joint Committee can co-opt other members from scientific institutions, research centres, universities or any other entity, as and when considered essential.

The present Memorandum of Understanding can be amended by the Parties through mutual consultation. The amendments shall be enclosed with the present Memorandum of Understanding and shall form an integral part of it thereof.

Entry Into Force, Duration and Termination

The Memorandum of Understanding will enter into force on the date of signing and shall remain in force unless revoked by the consent of the parties.

Either of the Parties may terminate the present Memorandum of Understanding by giving the other party a written notice, ninety days in advance of its decision to terminate the Memorandum of Understanding. Termination will not affect activities covered by collaborative contract between the executive agencies and already underway at the time of termination.

The undersigned being duly authorized thereto have signed this Memorandum of Understanding.

Signed at New Delhi on 6th of February, 2008 in two originals each in English and Hindi language, both texts being equally authentic. In case of any divergence in interpretation, the English text shall prevail.

Joint Secretary
(For the Ministry of New and
Renewable Energy of the
Republic of India)

Ambassador
(For the Ministry of Climate and
Energy of the Kingdom of
Denmark)



FRANCE

611. Press Release of the Ministry of External Affairs on the State Visit of the French President Nicolas Sarkozy.

New Delhi, January 24, 2008.

The President of the French Republic H.E. Mr. Nicolas Sarkozy is paying a State Visit to India on 25 & 26 January 2008 at the invitation of the President H.E. Smt. Pratibha Devisingh Patil. This will be his first visit to India after assuming office in May, 2007. He will be the Guest of Honour at the Republic Day Parade. President Sarkozy is accompanied by a high level Ministerial and business delegation.

India and France have traditionally enjoyed warm and friendly relations with regular exchange of visits at the highest level. The two countries have Strategic Partnership and made substantial progress in expanding and deepening cooperation in diverse areas including political, defence, trade, economic, science & technology, culture and education.

Bilateral trade more than doubled in the last three years and stood at US\$ 6.23 billion in 2006-2007. France is the eighth largest investor in India with total investment commitments of US\$ 1.76 billion during the period 1991-2007. Major sectors attracting French investment and technology transfer have been fuels, chemicals, cement and gypsum products, glass, food processing, electric equipment, industrial machinery and transportation industry. French investments are expected to expand in coming years. India's IT, pharmaceuticals and other industries have been enhancing their presence in France.

There is an active exchange of experts taking place in key high-technology areas of research, under the aegis of Agreement for Cooperation in Science and Technology and specific agreements between specialized Indian Ministries or organizations and their French counterparts. Scientific and Technological Cooperation includes important areas like water technology including ground water research, pharmacology, nano-technology, neurosciences etc. Cooperation in medical research is also an important element of the scientific and technical collaboration, and is undertaken through collaborated arrangements of ICMR for India and INSERM-the French medical research body.

Indian culture enjoys a wide and discerning audience among the French population. In 2007, a number of important events were held in France during the 60th Anniversary of India's independence. These events spanned the entire diversity of the Indian art, music, dance and literature. Popular Indian cinema is finding new appreciation in France. The Paris Book Fair Salon du Livre held in March, 2007, had India as the Country of Honour. For the first time outside India, an exhibition of art and artifacts from the Gupta period was held at the prestigious Grand Palais from April-July, 2007. Similarly, important events to highlight French culture have also been organised in India, such as the first ever Picasso exhibition.

India provides the services of an Indian professor of Sanskrit at the Sorbonne University of Paris, and offers, on average, 16 one-year scholarships to French students wanting to specialize in India studies, including two scholarships for the study of Hindi. France actively promotes educational exchanges and offers scholarships for studying French language, hotel management, public administration, fine arts, mass communication etc. The French Government has been taking an active interest to attract a greater number of Indian students for higher studies in France, and organized "Higher Education in France" fairs in India in 1998, 1999 and 2003 and 2007.

The French President's visit is expected to provide fresh impetus to bilateral relations. After the conclusion of the bilateral talks, a Joint Statement will be issued which would provide a strategic roadmap not only for our future cooperation but also for our strategic partnership in the promotion of shared and cherished values in the global arena. Several agreements/MoUs in the fields of defence, railways, science and technology including neurosciences and education are likely to be signed during the visit.



612. Briefing by Official Spokesperson on the State visit of French President Nicolas Sarkozy.

New Delhi, January 24, 2008.

Official Spokesperson (Shri Navtej Sarna) : Good afternoon. The state visit of President of France His Excellency Mr. Nicolas Sarkozy on 25th and 26th of January, as you know, begins tomorrow morning. He comes at the invitation of President Shrimati Pratibha Patil. This will be his first visit to India after assuming office in May 2007. He will be the Guest of Honour at the Republic Day Parade. President Sarkozy is accompanied by a high level Ministerial and business delegation.

I will give you some background on the relationship. India and France have traditionally enjoyed warm and friendly relations with regular exchange of visits at the highest level. The two countries have strategic partnership and have made substantial progress in expanding and deepening cooperation in diverse areas including political, defence, trade, economic areas, science and technology, culture and education.

Bilateral trade has more than doubled in the last three years. It currently stands at US \$ 6.23 billion. That is 2006-07 figures. France is the eighth largest investor in India with total investment commitments of US \$ 1.76 billion during the period 1991 to 2007. Major sectors for French investment and technology transfer have been fuels, chemicals, cement, gypsum products, glass, food-processing industries, electric equipment, industrial machinery and the transportation industry. The French investments are

expected to enhance in the coming years. As far as Indian industries are concerned, Indian IT industry, pharmaceuticals and other related industries have been enhancing their presence in France.

An active exchange of experts has been taking place in key high technology areas of research. This happens under the aegis of the Cooperation in Science and Technology Agreement as well as specific agreements between Indian and French organizations. Particular areas in science and technology which both countries are working on include water technology - that includes ground water research - pharmacology, nanotechnology, neurosciences and so on. Cooperation in medical research is also an important aspect of the bilateral relationship. This is taking place through collaborated arrangements of ICMR in India and INSERM, which is the French medical research body.

Indian culture enjoys a wide popular appeal among the French population. A number of events took place in 2007 during the 60th Anniversary of India's Independence in France. They spanned the entire diversity of Indian art, music, dance and literature. Popular Indian cinema is finding new appreciation in France. The Paris Book Fair, Salon du Louvre, held in March 2007 had India as the country of honour. For the first time outside India, exhibition of arts and artifacts from the Gupta period was held at the prestigious Grand Palais from April to July 2007.

Similarly, important events of French culture have been organized in India such as the first ever Picasso exhibition. In other cultural matters, India provides an Indian Professor of Sanskrit at the Sorbonne, University of Paris, and offers on an average sixteen one-year scholarships to French students wanting to specialize in Indian studies, including two scholarships for the study of Hindi. France similarly promotes exchanges and offers scholarships for studying the French language, hotel management, public administration, fine arts, mass communications, etc. The French Government has taken an active interest in promoting higher studies by Indian students in France.

The visit of the French President is expected to provide a fresh impetus to bilateral relations. We would expect that a joint statement is issued after the bilateral talks which will provide a strategic roadmap for our future cooperation and also for strategic partnership in several areas of shared

interest. We would also expect that a number of agreements and MoUs¹ will be signed after the talks. While you will get the specific names, etc., later, these are expected to be in the areas of defence, railways, science and technology including neurosciences, and education.

We will keep you briefed after the visit. A joint press conference is expected to be there for which you have already got the advisory.

Question: Do we know for sure whether Ms. Carla Bruni is coming or not?

Official Spokesperson: As far as the delegation list that we have received, her name is not there.

Question: But you are not ruling it out....

Official Spokesperson: I can only tell you on what we have received. I do not want to get into anything else.

Question: Will the French President visit Agra?

Official Spokesperson: So I understand.

Question: Will the issue of ban on wearing turbans in Government schools in France be taken up?

Official Spokesperson: There are going to be bilateral talks between the Prime Minister and President Sarkozy; there are going to be delegation level talks; and there are going to be calls by other Ministers, etc. I cannot tell you today which of the issues is going to be taken up by whom, when, for how long, etc. So, give us a chance. We will tell you when it is over.

1 On the eve of the visit media quoting informed sources speculated that while India and France had successfully negotiated an agreement on civil nuclear cooperation, it was unlikely to be signed during the visit. The media reports said France had agreed with India's explanation that it would wait for a safeguards agreement with the International Atomic Energy Agency (IAEA) and a special exemption by the Nuclear Suppliers Group (NSG). The Chennai based daily *the Hindu* quoting informed sources referred to the joint India-France statement in 2005, which noted the possibility of civil nuclear cooperation, said on January 22: "The ambition of Mr. Sarkozy is to go one step further and make everything possible for the day when an India-specific safeguards agreement is finalised by the IAEA and special status given by the NSG.....India is a non-proliferating State and needs additional sources of energy because it has a high growth rate. Since India is not going to change its stance [of not signing the Nuclear Non-Proliferation Treaty], special status for it is necessary so that it is in compliance with the IAEA rules and recognised by the NSG." The same report said 'Mr. Sarkozy will discuss with Dr. Singh regional issues such as the West Asia peace process, Iran, Pakistan and, possibly, cooperation between the two countries in Africa where India's presence has increased. France will also reiterate its support for India's inclusion in the United Nations Security Council and the G-8.....In the area of strategic partnership, France is ready to share with India, "in accordance with international agreements," technology and know-how in sensitive areas such as space, civil nuclear energy and military.'

Question: Have we made any statement in the past on this issue?

Official Spokesperson: I think if you look back you will see that we have made statements and this is a matter which has been discussed earlier.

Question: Can you confirm if the Indian Government at any level has told the French Government not to give Taslima Nasreen the award of Simone de Beauvoir during President Sarkozy's visit to India?

Official Spokesperson: I cannot say anything to you on that. This is not an issue which I think I should be speaking on.

Question: But at least we have indicated it to them diplomatically....

Official Spokesperson: I have no information.

Question: Does the defence agreement relate to upgradation of ... (inaudible)...

Official Spokesperson: I know that there is expected to be an agreement/MoU in the area of defence. What it is I can tell you once we know. Guesswork does not help.

Question: There are reports that a nuclear agreement will either be signed or talked about. What is the position?

Official Spokesperson: I have not even seen the reports.

Question: Is any fresh investment going to be announced by the French Government in India? Will that be discussed in the meeting so that it could be enhanced later?

Official Spokesperson: I do not think these are Government investments. Whether they are interested in enhancing investments in India or the other way round is a possible issue that may be discussed.

Question: Is Lakshmi Mittal going to be a part of the business delegation?

Official Spokesperson: We do not have a list of the business delegation yet. When we get that we will certainly share it with you. It is not a problem. Normally the business events are done by FICCI and CII together. So, it is possible that they may already have information on who all are coming.

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Thank you.



613. Prime Minister's Statement at the Joint Press interaction with French President Nicolas Sarkozy.

New Delhi, January 25, 2008.

Your Excellency Mr. Nicolas Sarkozy,

Ladies and Gentlemen of the press,

We are deeply honoured to have President Sarkozy as the Chief Guest for our Republic Day celebrations.

President Sarkozy and I have just concluded very productive and wide-ranging discussions. We have reaffirmed our strong mutual desire to further strengthen our strategic partnership. This partnership is of long-standing, and rests on shared values, and similar approaches to regional and global issues.

We have agreed to consolidate our multi-faceted cooperation in the areas of trade and investment, technology transfer, space, defence, civil nuclear energy, culture and education. The initiatives that we have taken reflect our mutual strengths and the growing potential of our countries to contribute to each others development and national priorities.

We have agreed to intensify business to business contacts, and establish an Indian Cultural Centre in Paris. President Sarkozy indicated to me his intention to facilitate the travel of a larger number of Indian students to France for higher studies.

In the area of defence cooperation, we have agreed to go beyond a buyer - seller relationship. We will increasingly focus on joint R&D projects, transfer of technology, and greater military exchanges.

We have concluded negotiations for arriving at a bilateral agreement for cooperation in the field of civil nuclear energy. I conveyed our appreciation for France's steadfast support for the lifting of international restrictions on nuclear cooperation with India that are still in place.

President Sarkozy and I agreed that there was need to reform international institutions to bring them in conformity with existing realities. President Sarkozy reiterated France's full support for India's permanent membership of expanded UN Security Council. We have agreed that there is immense scope for India and France to work towards creating a more equitable and inclusive international order.

We have agreed to strengthen our cooperation in counter terrorism. A global fight against terrorism is essential to protect open, democratic and multi-cultural societies like ours.

President Sarkozy showed deep understanding of India's perspectives on the issues of energy security, sustainable development and climate change. The Joint Declaration that we have issued on Global Warming reflects our desire to strengthen our cooperation in this area within the framework of the Bali process and the provisions and principles of the UN Framework Convention on Climate Change.

I have accepted with pleasure President Sarkozy's invitation to me to visit France for the next India - European Union Summit, and look forward to continuing my dialogue with him.



614. Joint Statement issued on the occasion of the Visit of French President Nicolas Sarkozy.

New Delhi, January 25, 2008.

President Nicolas Sarkozy's State visit to India and his presence as the Chief Guest at the Republic Day commemorations reflects the shared commitment of both India and France to provide fresh impetus to their strategic partnership.

India and France are democracies which share common values of freedom, human rights, secularism, rule of law, tolerance and believe in multilateralism in the international political and financial architecture as the means to tackle global challenges effectively. These human values are at the core of their enhanced cooperation and strategic partnership.

I. Strategic Partnership:

India and France hold convergent views on major regional and international issues. Both countries are committed to international peace & security, nuclear non-proliferation and counter terrorism.

France supports India's inclusion as a permanent member of Security Council, thus making the UN more relevant to the needs of the 21st century

and enabling India to play its role in world affairs. France also believes the G-8 needs to be expanded over time to G-13 including India.

Both countries are acutely aware of the serious dangers posed by extremism and terrorism worldwide. In order to face this common threat, both countries agreed to strengthen their cooperation against international terrorism through, inter-alia, increased operational contacts.

The two countries agree on the importance of an early, balanced and comprehensive outcome of the Doha Round of multilateral trade negotiations with focus on the development dimension.

India and France are committed to environmental protection and in this context have issued a separate joint declaration.

To enhance their strategic dialogue, both countries will hold regular consultations between high ranking officials of their respective Foreign Ministries on issues of mutual interest.

II Bilateral Relations

In line with the excellent bilateral relations that already exist between the two countries, it was agreed to intensify the exchange of high-level visits in various areas of interaction.

Both countries will consolidate their relationship in the field of defence by increasing by increasing the range, level and frequency of their military joint-operations and cooperation. In this regard, it was agreed to deepen further their joint programmes and prospects in defence industry, conduct joint research and facilitate transfer of technology in this vital area. Both Sides welcomed the signing of the Agreement for the Protection of Classified Information and Security. Both Sides decided to initiate detailed discussion on Status of Forces Agreement.

Both countries agreed to maintain the momentum of cooperation in the Space Sector.

Convinced that strong economic ties can be further built in a spirit of social and environmental responsibility, India and France are eager to maintain the fast rising trend of their trade and the smart pace of their business to business relations. Both countries aimed to work towards achieving an ambitious target of reaching 12 billion euro bilateral trade by 2012 and significantly stepping up investments.

Acknowledging the considerable potential for bilateral trade, investment and services, the two Sides noted the importance of improving market access. The two Sides agreed to continue encouraging cooperation between their companies, especially the Small, Medium and Micro enterprises. They also agreed to enhance their engagement in consular matters including facilitation of visas for businessmen, professionals and interns. They would also endeavour to foster bilateral consultations regarding respective social security systems so that mutually beneficial arrangements for the citizens of both countries operating in France and India could be developed.

The two Sides welcomed the Agreement¹ concluded concerning the establishment of the Agence Française de Développement (AFD - French

1. List of Agreements signed on January 25 between India and France.

Sl. No.	Name of Agreement	French Signatory	Signatory
1.	Agreement on Mutual Protection of Classified Information in the field of Defence	MR. HERVE MORIN Minister of Defence	SHRI. A.K. ANTONY Hon'ble Minister of Defence
2.	Agreement between India and France on Transfer of sentenced Prisoners	H.E. MS. RACHIDA DATI Justice Minister, Republic of France	SHRI. SHIVRAJ PATIL Hon'ble Home Minister
3.	Agreement between Commissariat a L' Energie Atomique (CEA), France and DAE, India for construction and operation of Jules Horowitz (JH) Reactor	MR. ALAIN BUGAT Chairman & Chief Executive Officer, CEA	DR. ANIL KAKODKAR Chairman AEC & Secretary DAE
4.	Agreement between the two Governments on India-French Development Cooperation Through AFD	H.E. MR. JEROME BONNAFONT Ambassador of France to India	DR. D. SUBHA RAO Finance Secretary
5.	MOU on an International Associated Laboratory in the field of Neuro Science	PROF. ANDRE SYROTA General Director of IN SERM & MR. GUY COUSINEAU President of the University of Paris VII	PROF. VIJAYALAKSHMI RAVINDRANATH Director, NBRC (National Brain Research Centre)

Development Agency) in India. It was noted that France plans to support projects to address, inter alia, global challenges, in particular, climate change adaptation and mitigation.

India and France have signed an agreement for the transfer of sentenced persons.

The Sides paid tribute to the contribution of the Indo-French Forum to further bilateral links. They welcomed the idea of creation of an Indo-French Foundation to foster relations between economic partners and support projects in the fields of science, education and culture.

III. Development of Civil Nuclear Cooperation

France and India have decided to give a new impetus to their cooperation for the development of nuclear energy for peaceful purposes as an expression of their strategic partnership. Both Sides recognize that as a reliable source of sustainable and non-polluting energy, it could make a significant contribution to meeting the global challenge of achieving energy security, sustainable development, economic growth and limiting climate change. As responsible states with advanced nuclear technologies, including in the nuclear fuel cycle, France and India are interested to promote nuclear energy with the highest standards of safety and security and in accordance with their respective nuclear policies and international obligations. France and India share common concerns and objectives in the field of non-proliferation of weapons of mass destruction and their means of delivery including in view of possible linkages to terrorism. In this regard, France appreciates India's long standing and continuing contributions to international non-proliferation.

Building on their on-going decades-old cooperation in the fields of fundamental and applied research, and nuclear safety, it was agreed to broaden and boost this partnership. To this end, France and India have finalized negotiation in regard to reaching a bilateral agreement for civil nuclear cooperation. This agreement will form the basis of wide ranging bilateral cooperation from basic and applied research to full civil nuclear cooperation including reactors, fuel supply and management. To this end, both Sides look forward to the finalization of India specific safeguards agreement with the IAEA and the adjustment of international civil nuclear cooperation framework. France expressed its support for the same.

Another agreement has been signed today in the field of nuclear research, which is a key for preparing for the future. It relates to the participation of the Indian Department of Atomic Energy in the research project, the Jules Horowitz Reactor, which will be built by the Commissariat à l'énergie atomique (French Atomic Energy Commission) at Cadarache, France. An MOU that establishes cooperation between the Bhabha Atomic Research Centre and the Tata Institute of Fundamental Research on the one hand, and the Grand Accélérateur National d'Ions Lourds (GANIL), on the other hand, on the use of Spiral 2 high intensity beam production system at Caen, France will be signed in Mumbai. India and France also agreed to intensify exchanges between the scientists of both countries in the nuclear field; establish structures for training and undertake nuclear safety research. In addition, the existing dialogue between respective nuclear safety authorities will also be reinforced especially the context of future industrial cooperation. At the industrial and commercial levels, France and India agreed to work towards raising the level of bilateral cooperation guided by their deep mutual trust and the high technological capabilities of the two countries.

IV. People to People Contacts

India and France agreed to intensify cooperation in the fields of education, culture, tourism & scientific research. It was agreed that efforts will be made for early establishment of an Indian Cultural Centre in Paris and that France will facilitate this task. The two Sides decided to promote cooperation in the field of education, enhance linkages between their respective educational systems as also foster exchange of students. This, along with creation of joint international laboratories, cooperation on technologies for water management and the establishment of an Indo-French University Consortium, is expected to result in all round intensification of ties. To promote such wide ranging people-to-people contacts, both countries agreed to the reciprocal opening of Consulates in each other's territory and, in this context, welcomed the opening by France of two new Consulates in India, in Kolkata and Bangalore, in 2008.

V. EU-India

Both countries reiterated the importance of the strategic partnership between India and the European Union. France is due to take over the Presidency of the EU beginning July 2008. During the French Presidency, efforts will be undertaken to enhance ties through the mechanism of the Joint India-EU Action Plan. Both Sides expressed their commitment for an

early and mutually beneficial conclusion of the negotiations for India-EU Broad-based Trade and Investment Agreement. President Sarkozy extended an invitation to the Prime Minister of India to pay an official visit to France in 2008 on the occasion of EU-India summit. Prime Minister of India accepted the invitation in principle.



615. Joint Declaration of France and India on the fight against global warming.

New Delhi, January 25, 2008.

- I- France and India, aware of the impact of climate change on the survival and development of humanity, the importance and urgency of the fight against climate change and the implementation of sustainable development, desirous of acting closely and concertedly to fight global warming and to avert its potential consequences for the survival and development of humanity, have decided to unite their efforts to rise adequately to this major challenge. They recall the recent report published by the Intergovernmental Panel on Climate Change (IPCC) which provides the scientific evidence of the urgency to address climate change. Their efforts form part of the agenda outlined in the Bali Action Plan adopted on 15th December 2007 during the 13th Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) and the 3rd session of Parties to the Kyoto Protocol, in keeping with the principle of common but differentiated responsibilities and respective capabilities that they have accepted. They recall their commitments to the provisions and principles of the United Nations Framework Convention on Climate Change and its Kyoto Protocol. They are pleased to note the progress made in Bali with regard to operationalisation of the "Adaptation Fund" and trust that the secretariat services provided in the interim period of three years by the Global Environment Facility (GEF) would be efficient, cost-effective, and timely.
- II- France and India reinforce their exchanges in the field of climate change policies, with timely cooperation and exchange of views on

international negotiations on climate change. In this regard, they are committed to work towards the swift achievement of a consensus by 2009 on long term cooperative action in the fight against climate change now, up-to and beyond 2012. They reaffirm that the goal of the international community in the face of climate change must be the stabilization of atmospheric concentrations of greenhouse gases to a level that would prevent dangerous anthropogenic interference with the climate system as per the objective of the UNFCCC. They also agreed that long-term convergence of per capita emissions of developing countries and developed countries is an important principle that should be seriously considered in context of the international climate change negotiations. They shall jointly endeavour to achieve this, particularly by working actively and constructively within the framework of the UNFCCC and the Kyoto Protocol.

- III- France and India commit themselves to strengthening cooperation on climate change and other environmental problems (biodiversity, water resources, desertification, natural calamities, forests, waste management, fight against pollutions), as well as to the promotion of technology R&D, including collaborative R&D, innovation, dissemination, application and transfer to developing countries. They further strengthen their cooperation in this area in order to increase their adaptation capacities by acting in the following fields:

- 1- Modelling climate change;
- 2- Study of vulnerability arising from climate change and its effects;
- 3- Improvement of facilities for the projection of climate change and its consequences;
- 4- Research and development of technologies and means for adapting to climate change;

They have decided to explore the possibilities of cooperation with third countries for the benefit of LDCs.

- IV- France and India emphasize on the importance of the effort aiming at moderating carbon intensity while maintaining economic growth, and devote themselves to a pragmatic promotion of cooperation in the area of technology research & development, application and

transfer to developing countries to fight against climate change, especially regarding energy-saving, improving energy efficiency and long-lasting energy infrastructure, civilian nuclear energy, renewable energy, and other low-carbon technologies, and build an environment-friendly economy.

- V- They encourage the creation of joint initiatives in order to disseminate innovative technologies for fighting climate change. They also encourage their respective industries and financial institutions to be further involved in joint projects for sustainable development and fighting climate change.
- VI- They underline the importance of market mechanisms for financing the fight against climate change, along with public financing. They encourage the pursuit and intensification of projects undertaken in the framework of "Clean Development Mechanisms" (CDM) of the Kyoto Protocol, enabling the reduction of greenhouse gas emissions.
- VII- They recognize the importance of reducing emissions from deforestation by working towards conservation and sustainable management of forests, afforestation, and reforestation.
- VIII- Further, with a view to reinforcing their cooperation, France and India have decided to build a specific partnership, in the framework of their global strategic partnership, for fighting against climate change in order to reconcile, in their bilateral exchanges, the legitimate quest for a mutually beneficial economic growth, with environment-friendly measures, especially the fight against climate change.

In this spirit, they have agreed to the following measures and orientations:

- France and India have decided to create a Franco-Indian working group on the environment dealing namely with clean technology transfers and their financing. This working group, which will be composed of representatives of the two States but also those from civil society (companies, NGOs), to identify cooperative action for swift implementation, particularly in the following areas:
 - energy efficiency and energy-saving;
 - renewable energies;
 - hydrogen and fuel cells;

- clean coal;
- civilian nuclear energy, in conformity with the terms of the Joint Statement adopted this day;
- conservation and sustainable management of forests, afforestation and reforestation, and soil management;
- biodiversity;
- health and environment.
- To this end, France and India encourage the participation of public and private players, and local authorities for innovative technological cooperation projects for the fight against climate change, including those involving its financing, bringing concrete responses in the aforementioned areas.
- France and India commit themselves to the exploration of cooperative projects in different areas such as the iron and steel industry, long-lasting energy infrastructure (essentially hydroelectric dams, thermal power stations and networks) but also urban development, energy-efficient transports (high-speed trains, Metro, trams). The vast distribution of individual lighting through solar bulbs could also be considered.
- France and India recognise the ongoing fruitful cooperation between the Agence de l'Environnement et de la Maîtrise de l'Energie (ADEME-Environment and Energy Control Agency) and the Bureau of Energy Efficiency, India. This cooperation will promote energy efficiency measures in India.
- The two Parties will strengthen their partnership particularly in areas like education, and promote exchange and training of personnel. The Parties would take steps to encourage cooperation between their major research establishments and laboratories as well as exchanges between their researchers and experts.

Further, they recall the utmost importance that they attach to their civilian nuclear cooperation, which will enable both countries to reconcile their desire for economic development with respect for the environment.



616. Speech of President Shrimati Pratibha Devisingh Patil at a Banquet in honour of the French President Nicolas Sarkozy.

New Delhi, January 25, 2008.

Your Excellency President Sarkozy,

Distinguished Members of your Delegation,

Ladies and Gentlemen,

It is with the greatest of pleasure that I extend to you, Mr. President and to your distinguished delegation, a very warm welcome from the Government and the people of India. Your State visit is a testament to our mutual desire to renew and to strengthen the friendly ties and partnership between our two countries. We value your presence here today and are honoured to have you as the Chief Guest of our Republic Day celebrations. We look at your visit as an important milestone in the effort of our two countries to further strengthen our Strategic Partnership.

Our two nations share a profound commitment to the values of freedom and human dignity. 'Liberty, equality and fraternity' the slogan of revolutionaries everywhere from the time of the French Revolution, also influenced the leaders of India's freedom struggle and democratic construction. It is now for us to revitalize this common heritage in the search for a more just and equitable world order.

As a vibrant democracy of more than one billion people, India takes pride in its multi-cultural, multi-ethnic and multi-religious milieu. Indeed for us - a democratic ethos infuses the life of the Indian nation and gives inspiration and opportunity to our people, just as it does to yours. It is through respect for plurality and democracy that India celebrates its unity in diversity. It is the commitment to human values that enable us to live with both continuity and change.

Mr. President,

We share your belief that the institutions and structures that marked life in the 20th century are outdated. France and India have very similar visions of how they would like to see the world of the 21st century take shape. A vision that is in keeping with the deep pride and confidence that both our countries feel on account of their rich cultural heritage and independent decision making. It also reflects a shared belief in a rule based, multi-polar and a just world.

We appreciate your call for greater inclusiveness in global institutions. We deeply appreciate France's constant support for the permanent membership of India in the UN Security Council. France is an important partner in the context of India's interaction with the G-8 and the European Union. We look forward to working closely with France during its Presidency of the European Union in the latter half of 2008.

India is well placed to be a bridge between the developed and developing countries and to contribute to dealing with global challenges as well as global opportunities of our era.

We seek, what Nobel Laureate Prof. Amartya Sen - who you know well - describes as, a "humane globalization" that will make knowledge available to all and enable millions of men and women to achieve economic development. I am confident that we can work together on the technologies, institutions and human resources, to develop synergies necessary to shape a better future for all humankind.

Cultural and intellectual ties bind us closely and are vital. The magnificent exhibition of Gupta era sculptures in Paris last year received a warm response. The vibrant exchanges between our Universities, institutes of higher learning, scholars, artists and intellectuals are of great importance. We hope that an Indian Cultural Centre will be established in Paris before long.

Excellency, your belief in opening and in adapting to change is most significant not only for your own nation and for Europe but as a template for a world in transition. Pandit Jawaharlal Nehru, our first Prime Minister, said "I am proud of India not only because of her ancient, magnificent heritage but also because of her remarkable capacity to add to it by keeping the doors and windows of her mind and spirit open to fresh and invigorating winds from distant lands." In the common endeavour of fostering a more open and cooperative world you can count on India as a partner.

In conclusion, may I propose a toast:

- to the health and prosperity of His Excellency President Nicolas Sarkozy;
- to the progress and prosperity of the friendly people of France; and
- to the growing friendship and cooperation between India and France.



617. Agreement between The Government of the Republic of India and The Government of the French Republic concerning the Protection of Classified Information and Material in the field of Defence.

New Delhi, January 25, 2008.

The Government of the Republic of India and The Government of French Republic, Hereinafter referred to as "the Parties".

Desiring to protect classified information and material exchanged between the Parties in the field of defence within the framework of co-operation Agreements concluded or to be concluded and within the framework of invitations for tenders, contracts or orders from public or private organisations from the Parties.

Hereby agree as follows:

ARTICLE 1

DEFINITIONS

For the purpose of this Agreement:

"Classified information and material" refers to information and material to which a specific level of security classification has been accorded, regardless of its nature and mode of transmission, which requires protection against compromise, destruction, removal, disclosure, loss or access to any unclassified and unauthorized person, in the interest of national security in accordance with national laws and regulations of the respective Parties.

"Host Party" means the Party to whose territory a visit is made.

"Providing Party" means the Party that provides classified information or material to the other Party.

"Competent security authorities" means designated security authority or competent authorities authorized by national laws and regulations of the Parties which are responsible for the implementation of this Agreement.

"Receiving Party" means the Party with whom classified information or material is shared by the Providing Party.

"User" means any legal entity or individual cleared by the Parties to deal with the classified information and material.

"Need to know" means the need to have access to classified information in the scope of a given official position and for the performance of a specific task.

ARTICLE 2

PURPOSE

This Agreement constitutes the common security regulations applicable to any exchange of classified information for all agreements, contracts or subcontracts concluded during the period of validity of this Agreement between or by the Parties or by their duly authorized agencies.

ARTICLE 3

COMPETENT AUTHORITIES

The security authorities competent for the execution of this Agreement are the following:

For the French Republic:

**Ministry of Defence
14 rue Saint-Dominique
00455 Armees**

For the Indian Republic:

**Ministry of Defence,
South Block,
New Delhi**

The parties shall inform each other about any change in their competent security authorities.

ARTICLE 4

SECURITY PRINCIPLES

The Parties shall, in accordance with their national laws and regulations, take all measures necessary for the protection of classified information and material provided to them under this Agreement or in accordance with agreements, contracts or sub-contracts concluded between or by the Parties or by their duly authorized agencies for that purpose.

The protection and exchange of classified information and material between the Parties shall be governed by the following principles:

1. The Receiving Party shall grant the classified information and material received a level of protection equivalent to the level duly granted to them by the Providing Party.
2. Access to classified information and material shall be limited only to persons who have been cleared from the security angle at the required level by the competent security authority of the Party and whose functions require access to such classified information and material based on "need-to-know" principle.
3. The Receiving Party shall not disclose classified information and material to a third Party, State, individual or legal entity with a third State's nationality, or to an international organization without the previous written consent of the providing Party.
4. Classified information and material exchanged between the parties shall not be used for purposes other than those for which they have been officially provided.
5. The Receiving Party shall neither downgrade nor declassify any classified information and material without the previous written consent of the Providing Party.
6. Information or material generated as a result of activities carried out in accordance with this Agreement shall be classified through mutual consultations between the Parties or by their duly authorized agencies.

ARTICLE 5

SECURITY CLASSIFICATION AND EQUIVALENT CLASSIFICATIONS

1. Having taken cognizance of the security measures prescribed by their respective national laws and regulations, the Parties shall undertake to protect the exchanged classified information and material and adopt the equivalence of security classification levels as defined in the table below:

France	India
SECRET DEFENSE	SECRET
CONFIDENTIEL DEFENSE	CONFIDENTIAL
DIFFUSION RESTREINTE Nota	RESTRICTED

NOTA : Information marked 'RESTRICTED' are the information handled and protected in France in accordance with its national laws and regulations applied for the protected but not classified information "DIFFUSION RESTREINTE".

Information not classified but with the "'DIFFUSION RESTREINTE" protective marking transmitted by the French Party will be handled and protected by Indian Party in accordance with its national laws and regulations applied for "RESTRICTED" information.

2. At the request of the other Party, each Party shall, in order to maintain comparable security standards, provide information about its security regulations, procedures and practices for safeguarding classified information and material. Each Party shall facilitate contacts of the security authorities of both Parties.
3. The Parties shall keep each other informed of any amendment regarding their national security laws and regulations related to classified information and material.

ARTICLE 6

SECURITY CLEARANCE

1. In order to get access to classified information and material with a CONFIDENTIEL DEFENSE/CONFIDENTIAL or higher classification, each Party shall follow a prescribed national security clearance procedure.
2. With regard to security clearance of a national of one Party who is required to stay on the other Party's territory in pursuance of the agreements or contracts under this Agreement, the competent security authorities of the concerned Party shall, on request of the other Party, facilitate such clearance in accordance with their national laws and regulations.

ARTICLE 7

CLASSIFICATION, RECEPTION AND AMENDMENTS

1. On receiving classified information and material from the other Party, the Receiving Party shall undertake to stamp its own national security classification in accordance with the equivalence established in article 5.

2. The Parties shall inform each other of any amendment to the classification of information and or material forwarded to the other Party.

ARTICLE 8

DOWNGRADING, DECLASSIFICATION AND TRANSMISSION TO THIRD PARTIES

Classified information and material exchanged, transmitted, developed or under development in co-operation by both Parties according to agreements, contracts or any other common activity shall not be downgraded, declassified or sent to a third party, State, individual or legal entity with a third State's nationality, or an international organization, without the previous written consent of the other Party.

ARTICLE 9

TRANSMISSION OF CLASSIFIED INFORMATION BETWEEN THE PARTIES

1. Classified information and material shall be transmitted from one Party to the other via diplomatic channels.
2. The competent security authorities may, by mutual consent, agree that classified information may be transferred by a means other than through diplomatic channels insofar as said method of transfer proves to be unsuitable or difficult.
3. The Receiving Party shall confirm the receipt of classified information and material as quickly as possible, and shall forward such information and material to the user.

ARTICLE 10

DISCLOSURE, EXECUTION AND DIRECTIVES

Each party shall inform the relevant users of the applicability of this Agreement in respect of classified information and material shared and exchanged between the two Parties.

ARTICLE 11

SECURITY MEASURES

1. For the purpose of the transmission of classified information and material from one Party to users from the other Party, the Receiving Party shall:

- a) Ensure that their facilities have the capabilities to protect the Classified information and material adequately;
 - b) Grant these facilities a security clearance at the appropriate level;
 - c) Grant a security clearance at the appropriate level for individuals whose functions require them to have access to the classified information and material;
 - d) Ensure that - all individuals, who have access to such Classified information and material, are aware of their responsibilities to protect classified information and material in accordance with applicable laws and regulations; and
 - e) Carry out regular security inspections of their facilities.
2. For pre-contractual negotiations involving a classified contract or sub-' contract between a user located in the territory of one of the Parties, and the other in the territory of the other Party, the competent security authority of the Providing Party shall inform his counterpart about the security classification of the information or material linked to these precontractual negotiations.
3. For any contract or sub-contracting contract that includes classified information and material, a security annex shall be drawn up. In this annex, the competent security authority from the Party forwarding the information or the material, shall specify what has to be protected by the Receiving Party, as well as the corresponding classification level, applicable to it. Only the originating authority of the Providing Party may amend the classification level of an information or material listed in a security annex. The competent national security authority of the Providing party shall forward a copy of the security annex to the competent security authority of the other Party.

ARTICLE 12

VISITS

1. Visits by nationals from one Party to a location of the other Party, where classified information and material are stored, shall be authorized provided that a prior written authorization for such visits has been granted by the competent security authority of the Host Party. Visits carried out by nationals of a third State involving access

to classified information and material exchanged between the Parties, or areas where such information and material are stored, may be authorized with the mutual consent of the Parties.

2. Visit requirements shall be forwarded through diplomatic channels to the competent security authority of the Host Party. These requirements shall arrive at least three weeks before the required visit. Visit requirements shall include data listed in Annex to this Agreement.
3. A Party may require for a visit authorization for a maximum period of 12 months. If it is felt that a specific project will not be completed within this period or that the authorized period for regular visits should be extended, the Party that requires the visit may apply for a new visit requirement within a period not less than three weeks before the expiry of the authorization for the ongoing visit.
4. All visitors of either Party shall comply with the security regulations and directives of the Host Party.

ARTICLE 13

MULTIPLE VISITS

1. For any project, program or contract, the Parties may agree to draw up lists of individuals authorised to carry out multiple visits, according to the modes and conditions mutually agreed upon by the competent security authorities of both Parties. These lists would be valid for an initial period of twelve months, which can be extended by the mutual consent of both Parties for not more than twelve months at a time.
2. The above mentioned lists shall be drawn up and approved in accordance with regulations in force of the Host Party. Once these lists are approved by the Parties, the specific visit conditions may be settled directly with the concerned authorities of the facilities to be visited by individuals mentioned in these lists according to the agreed terms and conditions.

ARTICLE 14

IMPLEMENTATION VISITS

1. In order to check that security measures are correctly enforced, each Party shall, in accordance to its own national laws and regulations,

carry out security inspections in facilities where classified information and material shared or exchanged under this Agreement are stored.

2. In accordance with the procedures set out in Articles 12 and 13, when requested, representatives of either Party may visit establishments and facilities in the territory of the other Party to discuss with the competent authorities the procedures and practices for the protection of classified information transmitted by the concerned country, and satisfy themselves that the security arrangements in relation to specific projects are in place.

ARTICLE 15

SECURITY BREACHES

In the event of a security breach, for example, destruction, diversion, removal, unauthorised copy, disclosure, or real or presumed loss of classified information and material shared and exchanged, the Receiving Party shall carry out an inquiry and take all appropriate measures in accordance with its national laws and regulations, in order to limit the consequences and to prevent any further breach of security. The Receiving Party shall inform the Providing Party of the results of such an inquiry as well as of the measures taken to prevent recurrence of such breaches.

ARTICLE 16

EXPENSES

- 1) In principle, the performance of this Agreement shall not generate any special costs.
- 2) All expenses in connection with the execution of this Agreement shall be borne by the concerned Parties within their available budgets.

ARTICLE 17

DISPUTE RESOLUTION

1. Any dispute regarding the interpretation or the implementation of this Agreement shall be settled only through consultation between the Parties.
2. During the period of the dispute, both Parties shall continue to fulfil all of their obligations under this Agreement.

ARTICLE 18

IMPLEMENTATION, AMENDMENT AND TERMINATION

1. Each Party shall notify the other Party of the fulfillment of the required internal procedures, to the extent relevant, for the entry in to force of this Agreement. This Agreement shall enter into force on the day of receipt of the second notification. The provisions of this Agreement shall also apply to classified information and material exchanged prior to its entry into force.
2. This Agreement can be amended at any time by a mutual consent.
3. This Agreement shall remain in force for a period of 10 years. It shall be renewed by tacit consent for new 5-year period unless one of the Parties notifies the other Party of its intention not to renew it in writing 6 months prior to the end of its current period of validity.
4. This Agreement may be terminated by either of the Parties at any time with a 6 months notice. Such termination shall not, however, alter the rights and obligations of the Parties regarding the protection of classified information and material exchanged under this Agreement.
5. Should this Agreement be terminated and as long as the Providing Party has not notified their declassification to the Receiving Party, classified information and material exchanged under and during the period of this Agreement, as well as those resulting from Agreements, contracts or sub-contracts covered by it which are still valid or in force, shall continue to be protected 21S provided for by these provisions, even if such information is transferred after its termination.

In witness whereof, the representatives of both the Parties duly authorized for this purpose, have signed this Agreement and have affixed their seals.

Done at New Delhi on 25th January, 2008 in two copies, each in the French, Hindi and English languages, all texts being equally authentic.

For the Government
of the Republic of India

For the Government
of the French Republic

(A..K. ANTQNY)
Raksha Mantri

(HERVE MORIN)
Defence Minister of France



618. Agreement Between the Government of the Republic of India and the Government of the Republic of France on the Transfer of Sentenced Persons.

New Delhi, January 25, 2008.

The Government of the Republic of India and the Government of the Republic of France hereinafter referred to as the Contracting States;

Desiring to facilitate the social rehabilitation of sentenced persons into their own countries; and

Considering that this objective should be fulfilled by giving foreigners, who have been convicted and sentenced as a result of their commission of a criminal offence, the opportunity to serve their sentences within their own society;

Have agreed as follows:

ARTICLE 1

DEFINITIONS

For the purpose of this Agreement:

- (a) "judgment" means a judicial decision or order imposing a sentence.
- (b) "sentence" means any punishment or measure involving deprivation of liberty ordered by a court or tribunal for a limited or unlimited period of time in the exercise of its criminal jurisdiction. For the implementation of the present Agreement, the expression "sentence" shall also cover final judicial decisions or orders of a

court or a tribunal imposing capital punishment which have become subsequently commuted in the transferring State by amnesty or pardon into a sentence involving deprivation of liberty for a limited or unlimited period of time;

- (c) "sentenced person" means a person undergoing a sentence of imprisonment under a decision or order passed by a criminal court or tribunal;
- (d) "receiving State" means the State to which the sentenced person may be, or has been, transferred in order to serve his sentence;
- (e) "transferring State" means the State in which the sentence was imposed on the person who may be, or has been transferred.

ARTICLE 2

GENERAL PRINCIPLES

1. A person sentenced in the territory of one Contracting State may be transferred to the territory of the other Contracting State in accordance with the provisions of this Agreement in order to serve the sentence imposed on him or her. To that end, the sentenced person may express to the transferring State or the receiving State his or her willingness to be transferred under this Agreement.
2. Transfer may be requested either by the transferring State or the receiving State. The official request for transfer is sent to the requested State by the requesting State. If the sentenced person expresses his or her willingness to be transferred to the transferring State and if that State has a prescribed procedure, the application will be made according to the said procedure. The said application may also be made by any other person who is entitled to act on his behalf in accordance with the law of the transferring State.

ARTICLE 3

CONDITIONS FOR TRANSFER

1. A sentenced person may be transferred under this Agreement only on the following conditions:
 - (a) the person is a national of the receiving State;

- (b) the judgment is final and no inquiry, trial or other criminal proceedings are pending against the sentenced person in the transferring State;
 - (c) at the time of receipt of the request for transfer, the remainder of the sentence to be served is at least six months.
 - (d) the enforceable sentence involves deprivation of liberty and not death penalty.
 - (e) that the acts or omissions for which that person was sentenced are those which are punishable as a criminal offence in the receiving State, or would constitute a criminal offence if committed on its territory.
 - (f) transfer of custody of the sentenced person to the receiving State shall not be prejudicial to the sovereignty, security or any other interest of the transferring State;
 - (g) consent to the transfer is given by the sentenced person or, where in view of his or her age or physical or mental condition either Contracting State considers it necessary, by any other person entitled to act on his or her behalf in accordance with the law of the Transferring State; and
 - (h) the transferring and receiving States agree to the transfer.
2. In exceptional cases, the transferring and receiving States may agree to a transfer even if the remaining period to be served by the sentenced person is less than six months.

ARTICLE 4

OBLIGATION TO FURNISH INFORMATION

1. Any sentenced person to whom this Agreement may apply shall be informed by the transferring State of the substance of this Agreement.
2. For the purpose of enabling a decision to be made on a request under this Agreement, the transferring State shall send the following information and documents to the receiving State:
 - (a) the name and nationality, date and place of birth of the sentenced person;

- (b) his or her address, if any, in the receiving State;
 - (c) a statement of the facts upon which the sentence was based;
 - (d) the nature, duration and date of commencement of the sentence;
 - (e) a certified copy of the judgment and a copy of the relevant provisions of the law under which the sentence has been passed against the sentenced person;
 - (f) whenever appropriate, any medical or social report of the sentenced person, information about his or her treatment in the transferring State, and any recommendation for his or her further treatment in the receiving State;
 - (g) any other information which the receiving state may specify as being necessary in a given case to enable it to consider the possibility of transfer and to enable it to inform the sentenced person of the full consequences of transfer for him or her under its law.
 - (h) the request of the sentenced person to be transferred or a declaration from him or her or, where in view of his or her age or physical or mental condition either Contracting State considers it necessary, any other person entitled to act on his or her behalf in accordance with the law of the transferring State, attesting his or her consent, and
 - (i) a statement indicating how much of the sentence has already been served, including information on any pre-trial detention, remission, or any other factor relevant to the enforcement of the sentence.
3. For the purposes of enabling a decision to be made on a request under this Agreement, the receiving State shall send the following information and documents to the transferring State unless either the receiving or the transferring State has already decided that it will not agree to the transfer:
- (a) a statement or document indicating that the sentenced person is a national of the receiving State;
 - (b) a copy of the relevant law of the receiving state establishing that the acts or omissions for which the sentenced person

was sentenced in the transferring state are punishable as a criminal offence in the receiving state, or would constitute a criminal offence if committed on its territory.

- (c) a statement of the effect of any law or regulation relating to the duration and enforcement of the sentence in the receiving State after the sentenced person's transfer including, if applicable, a statement of the effect of paragraph 2 of Article 8 of this Agreement on his or her transfer;
- (d) the statement of the willingness of the receiving State to accept the transfer of the sentenced person and to administer the remaining part of the sentence of the sentenced person under the provisions of this Agreement;
- (e) any other information or document which the transferring State may consider necessary.

ARTICLE 5

REQUESTS AND REPLIES

1. Requests for transfer shall be made in writing and addressed through the central authority of the requesting State through diplomatic channels to the central authority of the requested State. Replies shall be communicated through the same channels.
2. For the purpose of paragraph 1 of this Article, the central authority shall be, in relation to India, the Ministry of Home Affairs; and in relation to the France, the Ministry of Justice.
3. The requested State shall promptly inform the requesting State of its decision whether or not to agree to the requested transfer.

ARTICLE 6

CONSENT AND ITS VERIFICATION

1. The transferring State shall ensure that the person required to give consent to the transfer in accordance with paragraph 1 (g) of Article 3 of this Agreement, does so voluntarily and with full knowledge of the legal consequences thereof. The procedure for giving such consent shall be governed by the law of the transferring State.

2. The transferring State shall afford an opportunity to the receiving State to verify that the consent is given in accordance with the conditions set out in paragraph 1 of this Article.

ARTICLE 7

EFFECT OF TRANSFER FOR THE RECEIVING STATE

1. The competent authorities of the receiving State shall continue the enforcement of the sentence through a court or administrative order, as may be required under its national law, under the conditions set out in Article 8 of this Agreement.
2. Subject to the provisions of Article 10 and 11 of this Agreement, the enforcement of the sentence shall be governed by the law of the receiving State and that State alone shall be competent to take all appropriate decisions.

ARTICLE 8

CONTINUED ENFORCEMENT OF SENTENCE

1. The receiving State shall be bound by the legal nature and duration of the sentence as determined in the transferring State.
2. If, however, the sentence is by its nature or duration incompatible with the law of the receiving State, or its law so requires, that State may, by court or administrative order, adapt the sentence to a punishment or measure prescribed by its own law. As to its nature and duration the punishment or measure shall as far as possible, correspond with that imposed by the judgment of the transferring State. It shall however not aggravate, by its nature or duration, the sentence imposed in the transferring State.

ARTICLE 9

EFFECT OF COMPLETION OF SENTENCE FOR THE TRANSFERRING STATE

When the receiving State notifies the transferring State under paragraph 1(a) of Article 13 of this Agreement that the sentence has been completed, the sentence shall cease to be enforceable in the transferring State.

ARTICLE 10**REVIEW OF JUDGMENT**

The transferring State alone shall decide on any application for review of the judgment.

ARTICLE 11**PARDON, AMNESTY OR COMMUTATION**

Either of the contracting States may grant pardon, amnesty or commutation of the sentence in accordance with its Constitution or other laws.

ARTICLE 12**TERMINATION OF ENFORCEMENT OF SENTENCE**

The receiving State shall terminate enforcement of the sentence as soon as it is informed by the transferring State of any decision or measure as a result of which the sentence ceases to be enforceable.

ARTICLE 13**INFORMATION ON ENFORCEMENT OF SENTENCE**

1. The receiving State shall notify the transferring State:
 - (a) when the enforcement of the sentence has been completed; or
 - (b) If the sentenced person escapes from custody before enforcement of the sentence has been completed. In such cases the receiving State shall make every effort to have the sentenced person arrested so that he or she serves the remainder of his or her sentence, in addition to the criminal offence committed under the relevant law of the receiving State on escape from prison.
2. The receiving State shall furnish a special report concerning the enforcement of the sentence, if so required by the transferring State.

ARTICLE 14**TRANSIT**

1. If either Contracting State enters into arrangements for the transfer of sentenced persons with any third State, the other Contracting

State shall cooperate in facilitating the transit through its territory of the sentenced persons being transferred pursuant to such an arrangement.

2. The State intending to make such a transfer shall give advance notice to the other State. This notification shall convey any necessary information, including information allowing the application of the following paragraph.
3. The State over whose territory the transfer is to be made may refuse to grant transit if the sentenced person is one of its nationals or if the offence for which the sentence was imposed is not an offence under its own law;
4. The State requested to grant transit may hold the sentenced person in custody for the period of time that is strictly necessary for the transit on its territory;
5. No request for transit is required where air transportation is being utilized over the territory of a State and if no landing is scheduled. However, the State which makes the transit shall inform the State over whose territory the flight is to be made.

ARTICLE 15

COSTS

Any costs incurred in the application of this Agreement shall be borne by the receiving State, except costs incurred exclusively in the territory of the transferring State. The receiving State may, however, seek to recover all or part of the costs of transfer from the sentenced person or from some other source.

ARTICLE 16

LANGUAGE

Requests and supporting documents shall be accompanied by a translation into the language or one of the official languages of the requested State.

ARTICLE 17

TEMPORAL APPLICATION

This Agreement shall be applicable to the enforcement of sentences imposed either before or after the entry into force of this Agreement.

ARTICLE 18**FINAL PROVISION**

1. This Agreement shall be subject to ratification. Each Contracting State shall notify the other as soon as possible, in writing, through diplomatic channels, upon the completion of its constitutional procedures required to allow this Agreement to come into force.

This Agreement shall come into force on the first day of the second month following the date of the second notification.

2. The Agreement shall continue to remain in force until six months from the date upon which either Contracting State gives written notice to the other Contracting State of its intention to terminate it.
3. Notwithstanding any termination, this Agreement shall continue to apply to the enforcement of sentences of sentenced persons who have been transferred under this Agreement before the date on which such termination takes effect.

In witness whereof, the undersigned, being duly authorized thereto by their respective Governments, have signed this Agreement.

Done in duplicate at New Delhi on the 25th day of January 2008, in Hindi, English and French language, the three texts being equally authentic..

For the Government of
the Republic of India:

For the Government of the
Republic of France:



619. Press Release of the Ministry of Defence on the Indo - French Joint Naval Exercise - "Varuna - 08"

New Delhi May 8, 2008.

The tenth INDO-FRENCH bilateral exercise "VARUNA 08" is scheduled off our east coast from 08 to 16 May 08. The Indian Naval group consists of the newly inducted Landing Platform Dock (LPD) Jalashwa, Guided-Missile Destroyer Ranjit, Guided Missile Corvette Kirch and the submarine Vagli. The French task force would comprise of their Landing Platform Dock Mistral and the Guided Missile Destroyer Dupleix and an embedded Royal Navy Frigate Westminster. The 'Joint Task Force' for the exercise would be commanded by Rear Admiral Alain Hinden of the French Navy.

The 'VARUNA' series of bilateral exercise is a significant facet of the growing co-operation between India and France. This series of exercises between the navies of the two nations commenced in 2001 and has grown in scope and complexity over the years. Nine exercises conducted thus far have met the underlying aims of facilitating mutual learning and cross-pollination of best practices.

The Indian Navy lays great stress on enhancing bilateral ties and improving understanding and operability with developed navies through professional interaction. This particular edition of the exercise will, in addition, provide an opportunity to build on the Indian Navy's cooperative capability for humanitarian assistance and disaster relief through the participation of newly inducted platform Jalashwa along with the French Navy's Mistral.

In addition to the above, intermediate and advanced level anti-submarine exercise, Maritime Interdiction Operations (MIO), Visit Board Search & Seizure (VBSS) operations and tactical exercises would also be conducted during the sea exercise phase.

The exercise culminates with a harbour phase at Vishakapatnam from 14-16 May 08. During this period, apart from reaffirming our friendship, harbour based professional, social and sports interaction between the two navies is planned.



620. Media Briefing by Foreign Secretary Shivshankar Menon on the visit of Prime Minister Dr. Manmohan Singh to the USA and France and by Secretary (West) on the India-EU Summit.

New Delhi, September 19, 2008.

Please see Document No.558.



621. Statement by Prime Minister before his departure for the United States and France.

New Delhi, September 22, 2008.

Please see Document No.559.



622. Statement by Prime Minister to the Press on India-France Summit.

Paris, September 30, 2008.

His Excellency President Sarkozy,

Ladies and Gentlemen of the Press.

It is a great honour for me to visit France at the invitation of President Sarkozy. I am most grateful to the Government and people of France for the warm hospitality that has been extended to me and to my delegation.

President Sarkozy is a great friend of India and an international statesman. Under his dynamic leadership, we seek to further deepen and expand our strategic partnership with France.

This was my second Summit meeting with President Sarkozy within one year. We reviewed the progress that has been made in our cooperation in the areas of trade and investment, science and technology, space, defence, culture and education since President Sarkozy's visit to India in January this year, and discussed ways and means to further strengthen our relations.

I also had the opportunity to meet Prime Minister Francois Fillon, to whom I extended an invitation to visit India.

Today we have added a new dimension to our strategic partnership by signing an inter-governmental agreement on civil nuclear cooperation. France is the first country with whom we have entered into such an agreement after the lifting of international restrictions on civil nuclear cooperation with India by the Nuclear Suppliers Group. I conveyed to President Sarkozy our gratitude for France's consistent support to our civil nuclear initiative.

We have also signed important agreements in the field of peaceful uses of outer space and social security. We agreed that defence cooperation between India and France should move away from a buyer-seller relationship to joint production and transfer of technology.

We agreed that India and France are on course to achieve the target of raising our bilateral trade to 12 billion Euro by 2012. We agreed to work towards promoting and facilitating investments in each other's countries.

We will continue to encourage initiatives aimed at promoting exchanges of students, researchers and academics and at deepening institutional linkages between our universities.

We discussed the impact of the international financial crisis on the global economy, energy security, food security and climate change. We both agreed on the need to reform international institutions, including the United Nations, to more effectively deal with these issues. We agreed to enhance cooperation in the area of counter-terrorism.

I believe my visit has opened new vistas in our relations with France which are based on the solid foundation of our shared commitment to democracy, pluralism and the rule of law. There is much that India and France can do bilaterally as well as globally.

Thank you.



623. Joint Statement issued at the end of the visit of Prime Minister Dr. Manmohan Singh to France.

Paris, September 30, 2008.

1. The Prime Minister of India Dr. Manmohan Singh and President Nicolas Sarkozy held a bilateral summit in Paris today, at which they reaffirmed the importance attached by both countries to their strategic partnership and their commitment to further strengthening bilateral cooperation in a wide range of areas. Both sides reiterated their intention to keep up the momentum of regular high level exchanges.
2. India and France agree on the need for greater international cooperation to deal with challenges facing mankind. Both countries are committed to international peace and security, nuclear non-proliferation, the fight against terrorism and the need to ensure food security and energy for all countries.
3. Both countries recognise the need to promote the development of stable sustainable, efficient and affordable energy sources, including nuclear energy. In this context, they welcomed the agreements adjusting the international civil nuclear cooperation framework to enable collaborations with India. India and France welcome the signature of a bilateral agreement for civil nuclear cooperation, which will form the basis of wide-ranging bilateral collaborations in energy and research.
4. India appreciates French support for permanent membership of India in the UN Security Council. Along with other developing countries India is committed to continue dialogue and collaboration with the G8. France also believes the G-8 needs to be expanded over time to G-13 including India. India and France agree on the need for improved global economic governance to ensure that globalization and interdependence work for the benefit of all.
5. Both countries are fully committed to consolidating their relationship in the field of defence by increasing the range, level and frequency of their military exchanges, joint exercises, joint programmes and prospects in the fields of defence industry, research and technology.

This commitment is well evidenced between the two countries by the possibility of joint development, as early as feasible, of Short

Range Surface-to-Air Missiles (SRSAM) and of the Kaveri engine for Light Combat Aircraft. Discussions concerning the upgradation of Mirage-2000 aircraft are also well under way and are expected to be finalised by next year.

6. Indo-French space cooperation has been exemplary, enjoying a long, fruitful and successful history. We welcome the signature of a bilateral framework agreement on cooperation in the peaceful uses of outer space. France has been an important partner in this field for four decades and continues to be of importance for ISRO for the supply of high-technology items. The commercial agreement for use of India's PSLV for launch of European satellites marks a new milestone in the relationship between India and France in the area of space. ISRO and CNES are also working as equal partners in Megha Tropiques Joint Satellite Mission which is progressing well along with SARAL (Satellite for Argos and Altika), slated to be launched in 2009-2010 and which will contribute to better scientific understanding of weather and climate related issues. Institutional linkages in the space sector are being envisaged through exchanges between the Indian Institute of Space Technology (IIST) and Ecole Polytechnique. In this respect, we welcome the signature of an agreement on training between concerned institutions.
7. In accordance with the commitment agreed upon by the two countries during President Nicolas Sarkozy's State visit to India in January 2008, to double bilateral trade to reach 12 billion Euros by 2012, both sides will make sustained efforts in this vital area of bilateral cooperation. Small, medium and micro enterprises of both countries need to be further encouraged to increase their cooperation. The two sides also agreed to further liberalise their visa regime to facilitate issuance of visas for business purposes, particularly concerning students and young people working as trainee or as volunteer in French companies and for people-to-people contacts. An agreement on Social Security for the benefit of business enterprises and professionals of the two countries has been concluded. This constitutes an important step forward in facilitating two way investments.

8. The two sides welcome the creation of the High Level CEOs Forum which would have its first meeting by the end of the year.
9. The two countries have agreed to hold dialogue on environmental issues and have set up a joint working group on climate change and technology transfers and their financing. The group should hold its first meeting by the end of the year.
10. Following the agreement of 25 January 2008 establishing the Agence Française de Développement (AFD - French Development Agency) in India, both sides welcome the signature of the MoU between the AFD and the Department for Economic Affairs of the Indian Ministry of Finance which will allow the AFD to start its operations in India.
11. India and France also underlined the vitality of Indo-French scientific, technical and educational cooperation. Bearing in mind the Joint Statement issued on 25 January¹, we welcome the arrangements taken on one side to encourage more Indian students to study in France and, on the other side, to allow more French students study in India.

The Indo-French Consortium of Universities will facilitate the organization of courses of mutual interest at Master's degree and Ph.D levels by Indian and French universities, increase the number of academic institutional tie-ups, scholarships, joint projects, seminars and novel collaborative schemes including substantive contribution of French higher educational institutions to the creation of one of the eight new Indian Institutes of Technology. This Indo-French Consortium will also facilitate the mutual recognition of degrees, encourage student/faculty mobility and intellectual exchanges.

12. Both sides reiterated their commitment to intensify cooperation in the field of culture, tourism and to foster people-to-people contacts. In this context, both sides reiterated the political commitment to establish an Indian Cultural Centre in Paris at the earliest.
13. It was agreed to work towards concluding a visa free agreement for diplomatic and official passport holders.

1 Please see Document No.614.

14. The Agreements² and MoUs signed today reflect the wide range of bilateral interaction between India and France and will provide significant impetus to realising the full potential of the comprehensive strategic partnership between the two countries.



2 Among the agreements signed was the one for cooperation in civil nuclear energy. Formally called the "Co-operation Agreement Between the Government of the Republic of India and the Government of the French Republic on the Development of Peaceful Uses of Nuclear Energy," the agreement was signed by Atomic Energy Commission Chairman Anil Kakodkar and French Foreign Minister Bernard Kouchner in the presence of Prime Minister Manmohan Singh and President Nicolas Sarkozy at the Elysee Palace. A French presidential spokesperson described the document as a "broad agreement, one that will allow for a wide range of cooperation in the civilian nuclear field including the transfer of technology." This could range from supply of fuel and reprocessing to supply of reactors. The agreement paves the way for India to do business with France in reactors, nuclear fuel supply, nuclear safety, radiation and environment protection and nuclear fuel cycle management. The Prime Minister said the agreement added "a new dimension to our strategic partnership." A background note assured the global community that as "responsible states with advanced nuclear technologies, including in the nuclear fuel cycle," both India and France are committed to "the highest standards of safety and security and in accordance with their respective nuclear policies and international obligations." The two sides also reaffirm their "common concerns and objectives in the field of non-proliferation of weapons of mass destruction and their means of delivery including a view of possible linkages to terrorism." The resumption of nuclear trade with India was welcomed by the European Union. "How can we talk of the problem of climate change and yet deny India access to nuclear energy, the cleanest form of energy. We trust India, and we trust the Prime Minister," argued President Nicolas Sarkozy at a joint press conference along with Prime Minister Manmohan Singh and Jose Manuel Barroso, President of the European Commission, at the end of the ninth India-European Union summit. Interacting with the media, Dr. Kakodkar expressed the hope that "sooner rather than later" India and France would hammer out commercial agreements to operationalise the nuclear agreement, though he thought there were "no serious impediments" in India's Atomic Energy Act.

**624. Interview of Prime Minister with French daily *Le Figaro*:
"India must participate in the solution of the financial
crisis".**

Marseilles (France), September 30, 2008.

[The Indian Prime Minister, Manmohan Singh, is being received at the Elysee today (30-9-08). The prominent French daily publishes in its international edition an interview of the Prime Minister Dr. Manmohan Singh. The interview was conducted by Pierre Rousselin.]

Q. : Will India participate in the Summit proposed by Nicolas Sarkozy to examine the consequences of the financial crisis?

Ans. : Even though the crisis is affecting only the developed countries at the moment, it can spread to the rest of the world. We live in an interdependent world and the fate of all countries is related to the international financial system. Our value markets are open to the world and, if they are affected, this will impact on our capacity to finance our development. If the financial crisis sparks off a recession in the main economies, this will compromise our exports. Therefore President Sarkozy's proposal is important. The only thing is to well prepare the meeting which he is planning, and he acknowledges this himself.

Q. : Can India help the global economy in these difficult times ?

Ans.: We are, after China, the second largest economy in terms of growth and we are therefore potentially a significant actor, but this does not mean that we are a decisive one. The main responsibility is that of the developed countries, but India and China must take part in the solution.

Q. : Does the negotiation of a free trade agreement with the European Union indicate that you prefer bilateral agreements rather than multilateral negotiations within the framework of WTO ?

Ans.: I hope that negotiations with WTO can be saved. With other countries we are working towards the success of the Doha round. The free trade agreement with the EU is not a substitute for Doha. It is complementary. I would call this "Doha plus".

Q. : To what extent can the French nuclear industry support India in the development of its own nuclear capacity?

Ans.: France and President Nicolas Sarkozy helped us a great deal in obtaining the approval of the nuclear suppliers group (NSG) in order to enable us to develop our civilian nuclear industry. We will now implement full cooperation in this field within the framework of a long-term global agreement.

Q. : What do you expect from French companies in India ?

Ans.: Bilateral trade has increased but it remains at 6,14% billion euros, much below potential. During the visit to India of President Sarkozy, in January 2008, we decided to double trade by 2012. In order to maintain a 9% growth per year, India has to undertake major investments to improve its infrastructures which will provide considerable opportunities to French companies especially in the fields of energy, telecommunications, road networks and food processing.

Q. : Can contracts be envisaged in the field of armaments?

Ans.: Cooperation between India and France in the defense sector has started long ago. French firms actively participate in our defense program but we would like to build a real partnership with collaboration in research and development, transfer of technologies and joint productions going far beyond a simple buyer-seller relationship.

Q. : What do you think of the growing commitment of France in Afghanistan? Do you think we should change our strategy and negotiate with the Taliban?

Ans.: We welcome favorably the growing commitment of France in Afghanistan because we think that Afghanistan needs lasting international assistance. While negotiating with the Taliban, we think that it is not possible to make a distinction between "good" and "bad" Taliban. We are not opposed to efforts for reconciliation and dialogue with various political factions, but we cannot extend it to those who aspire to destroy the idea of a pluralistic and democratic Afghanistan or who are fundamentally opposed to it.

Q. : After your meetings in New York, are you reassured as far as the determination of the new Pakistani leaders' to fight terrorism goes ?

Ans.: I had a very good meeting with President Zardari. He had all the right words to say. Only time will say whether Pakistan is in a position to go in the right direction. We have our concerns, particularly, as regards the origin of the attack against our embassy in Kabul in July. There is an upsurge in infiltrations from Pakistan and an increase in cease-fire violations. I informed President Zardari about these concerns of ours. He answered that he has been President only for the last two weeks.

Q. : What do you have to say to those who are worried about the persecution of Christians in Eastern India?

Ans.: There had been sporadic incidents. Our Constitution guarantees religious freedom. India is a secular country where all the citizens have the same rights, whatever be their religion. I have myself condemned what has happened and personally intervened with concerned States. The Central Government sent special forces to the concerned regions to help restore normalcy. I deeply regret these incidents but one should not generalize and draw a conclusion on the fate of minorities in India.



GREECE

625. Joint Press Conference by Prime Minister Dr. Manmohan Singh with Greek Prime Minister Dr. Kostas Karamanlis.

New Delhi, January 11, 2008.

Prime Minister Dr. Manmohan Singh: Your Excellency Prime Minister Kostas Karamanlis, ladies and gentlemen:

Prime Minister and I have just concluded a very useful and very productive round of discussions. As I underlined during our talks, India attaches high importance to relations with Greece both bilaterally and in the context of our strategic partnership with the European Union.¹

India and Greece are ancient civilizations with historical linkages. In the course of our long standing interaction we had learnt a great deal from each other. We are happy that this high-level visit comes within one year

¹ The visit of the Greek Prime Minister, who had arrived in New Delhi on January 10, was a reflection of an increasing desire on the Greek side to engage more deeply with India. The visits last year of the Greek Finance Minister and the Deputy Foreign Minister (who looks after Foreign Trade), both accompanied by large business delegations, was also an indicator of this realisation, said Ministry of External Affairs spokesperson Navtej Sarna. It may be recalled that former President, A.P.J. Abdul Kalam had visited Greece in April last year. "Today there is a desire on both sides to engage more deeply with each other. Both countries have rapidly growing economies and are playing an increasing role in regional and global affairs. India is keen to develop relations with Greece in a cross-sectoral manner," said the spokesperson. Bilateral trade is small but on a growth path - Indian exports last fiscal stood at \$ 672.51 million while imports were at \$209.66 million. During the visit of Dr. Kalam to Greece, a target of \$1 billion by 2010 was set.

of the State visit of our President to Greece last year. This is a reflection of our shared desire to further intensify our bilateral engagement and cooperation. We would like to strengthen our contacts both at political, official, people-to-people and business levels.

Our multidimensional cooperation with Greece has been steadily developing. Today Prime Minister Karamanlis and I have agreed to raise our collaboration to even higher levels. Prospects of greater trade and economic cooperation are particularly promising. Our bilateral trade now stands at about six million Euros. We have agreed that the target set last year of one billion Euros by 2010 could be attained earlier through concerted efforts by our business communities.

I conveyed India's readiness to purposefully engage with the European Union to conclude an India-EU broad based trade and investment agreement at the earliest. We have also agreed to revitalize our bilateral Joint Economic Committee in order to make it more result-oriented. Our enhanced economic engagement must move beyond our traditional trend to include areas such as infrastructure, shipping, power, agro-industries, automobiles and components, pharmaceuticals, renewable energy and information technology. We have identified tourism and culture as thrust areas which merit greater focus by both sides.

Prime Minister Karamanlis and I also exchanged views on several international issues. We agreed on the need for reform of the UN system to adapt it to contemporary global realities. I conveyed India's gratitude to Greece's consistent support to our candidature for a permanent seat in an expanded UN Security Council. We have agreed that the scourge of terrorism must be dealt with collectively and comprehensively. With a view to strengthening the international legal basis for global counter-terrorism effort, we share the view that the international community must accelerate work towards the early conclusions of the Comprehensive Convention on International Terrorism at the UN. We have also agreed to explore ways to address the issue of energy security including through cooperation in renewable energy.

I wish Prime Minister Karamanlis and members of his delegation a very pleasant and fruitful stay in India.

Prime Minister Dr. Kostas Karamanlis: It is a particular pleasure for me to visit India, a country of great history and great civilization which has

immensely contributed to the world's heritage and culture. I would like to warmly thank the Prime Minister of India, Manmohan Singh, for his invitation and for the warm welcome and hospitality he extended to me and the Greek delegation.

The relations between our two countries have always been friendly and cordial. Greece attaches particular importance to its cooperation with India, a country with a very significant impact on regional and world affairs and an emerging economic power with a very impressive record. We are very content that our common efforts are now leading to a steady progress in our relations. Last April, the State visit to Greece of the former President of India Abdul Kalam, greatly contributed among other things to the enhancement of our economic cooperation. My visit here today testifies to our will to further promote our bilateral relations.

We discussed with the Prime Minister the enhancement of our political cooperation and the framework of our commercial and economic cooperation. Bilateral economic relations between Greece and India have been developing at a rapid pace during the last years. The successful visits to India of the Greek Ministers; the Fifth Session of the Joint Economic Committee in New Delhi last November; the establishment of the India-Greece Business Council; are only a few of the key steps we have recently taken. We have a great potential in many sectors such as business ventures, trade, shipping and tourism. In this context we stressed the role of Greece as an economic hub in Southeastern Europe. We also examined our cultural and educational cooperation to which we attach great importance.

On the multilateral level, Greece and India have an excellent cooperation in the international organizations. Concerning the reform of the United Nations Security Council in particular, Greece strongly supports its enlargement in the context of the G4 initiative. Within the European Union, we work in order to determine ways and means to further upgrade the overall framework of the European Union-India relations. We also reviewed regional issues such as the current situation in Afghanistan and the recent developments in Pakistan.

Finally, I had the opportunity to inform the Prime Minister about the Cyprus problem and to thank him for the firm position India has maintained over the past years. We also discussed the issue of former Yugoslav Republic of Macedonia, the situation in Kosovo and its implications on security and stability in the Balkans.

Once more I would like to warmly thank the Prime Minister for his warm welcome and hospitality.

Question (Greek Media): Sir, strengthening of the economic and trade bonds between India and Greece is a mutual goal. In which ways can this goal be achieved?

Prime Minister Dr. Manmohan Singh: When President Abdul Kalam visited Greece, it was agreed between the two Governments that we should agree to raise the target for bilateral trade to one billion Euros by 2010. We have agreed that we should work together to accelerate the tempo of bilateral trade to exceed that level by the year 2010. There is enormous scope for expanding two-way flow of trade between our two countries. Tourism and services, information technology and biotechnology offer enormous opportunities for expanding two-way flow of trade and investment between our two countries.

Prime Minister Dr. Kostas Karamanlis: Let me just give you a few glimpses on the ways to achieve that. Through closer cooperation of our Chambers of Commerce and Industry, our Trade Promotion Organizations, our investment development organizations, through the organization of joint conferences, seminars, meetings to exchange information, to explore new and innovative cooperation opportunities, and, if I may also stress, through the completion of our relevant institutional framework of our economic cooperation, we are signing of the revised agreement on the avoidance of double taxation, and an agreement on air transport services.

Question (Indian Media): My question is addressed to both the Prime Ministers. Have NSG talks figured during your talks? If so, would Greece be supporting you? Prime Minister Karamanlis, Sir, what are your views on it? Would you support Indo-US Civil Nuclear Deal?

Prime Minister Dr. Manmohan Singh: I had a very useful exchange of views with the Prime Minister on this subject. I explained to him the imperative necessity for India to move in the area of civilian nuclear energy and the need for international cooperation. I found the Prime Minister understood the imperative for India to have larger recourse to nuclear energy as a source of meeting our energy requirements.

Prime Minister Dr. Kostas Karamanlis: As already said, I was very well briefed and we can consider the position of the Indian Government. What I may say at this point as a matter of principle is we have nothing against

peaceful use of nuclear power for energy questions. We do not use it and we do not have any prospects to do it. But other countries do it in the European Union and all over the world. As long of course as India does it there is a clear stance as far as nonproliferation is concerned and of course in close cooperation with the International Atomic Energy Agency. So, overall I do not see why there should be a problem in close contact with your Government over this issue as well.

Question (Greek Media): Your Excellencies, I understand you have been discussing about several international and regional issues. Would you be so kind to comment a little bit further upon three specific topics - Afghanistan, Kosovo and Cyprus?

Prime Minister Dr. Kostas Karamanlis: Since two of the issues are in our part of the world, I will start. Let me start by expressing our appreciation first of all for India's staunch position on the Cyprus issue. As you know, this is a problem of invasion and occupation. We strive for a settlement that will be based on the United Nations Resolutions and will be conforming to the International Law and the European Union values and principles. We fully support the 8th of July 2006 agreement and its immediate implementation. Unfortunately, the other side has not been as cooperative in implementing the agreed process. We hope that we will soon overcome the stalemate and that we will at the end of that all reach a solution that will enable the reunification of the island as a bi-zonal, bi-communal republic.

On Kosovo, unfortunately the negotiating efforts as (we) all know did not yield the desired result. The major challenge we are faced with now is safeguarding security, safeguarding stability in the broader region of Southeastern Europe. However, the situation in Kosovo will certainly have a great destabilizing impact on the region. Unilateral actions which could undermine a final settlement should be avoided and certainly we do support strongly the idea that the European Union should reaffirm the European perspective of the region. Finally in Afghanistan, as you know Greece is strongly committed to the improvement of the security situation and the overall reconstruction of the country. We attach great importance to the efforts to promote a sustainable economic development. Greece contributes substantially to the achievement of these goals through military and financial means.

Prime Minister Dr. Manmohan Singh: You have raised issues concerning Afghanistan, Cyprus and Kosovo. As far as Afghanistan is concerned, our position has been that every effort should be made to enable the

Government and people of Afghanistan to get out of the trauma that visited them when the Taliban were in power. The reconstruction and development of Afghanistan has been a priority concern for our Government. We have over the years committed about 750 million dollars in support of the reconstruction and development programme in Afghanistan. Our assistance programme covers key areas such as roads, building, power systems, human resource development, education, health, parliament building. We are committed to do all that we can within our resources to help the Government and people of Afghanistan to improve the living standards of their people. We are fully in support of the efforts being made by President Karzai to bring stability and peace to Afghanistan.

As far as Cyprus is concerned, our position is well-known. We respect the unity and integrity of Cyprus and the Prime Minister knows our position is very close to the position that Greece has also adopted. We hope that peaceful reunification of Cyprus will proceed further. As far as Kosovo is concerned, I agree with the Prime Minister that unilateral action can be counter-productive. There are Security Council and United Nations Resolutions. We sincerely hope that a solution can be found by operationalising some of these concerns reflected in the United Nations Resolutions.

Question (Indian Media): My question is addressed to the Prime Minister of India. Sir, has your Government decided to confer the Bharat Ratna this year? Is the name of your predecessor also in your consideration?

Prime Minister Dr. Manmohan Singh: It is too early, there is still time to discuss and decide these issues.



HUNGARY

626. Press Release of the Ministry of External Affairs on the visit of Hungarian Prime Minister Ferenc Gyurcsány.

New Delhi, January 15, 2008.

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India's relations with Hungary are close, friendly and multifaceted. Ordinary Hungarians express deep warmth towards India and Indian culture and traditions. The visit of the Hungarian Prime Minister takes place at a time when there is an increasing desire on both sides to engage more deeply with each other. The Hungarian PM will address the CII Partnership Summit in Gurgaon on 16 January 2008. There have been frequent exchanges of visits at the Ministerial level, including that of the Foreign Minister of Hungary in November 2006, Hungarian Finance Minister in January 2007, Hungarian Culture and Education Minister in November 2007 and our Minister of Tourism and Culture in October 2006.

There is close identity of views between our two sides on issues facing the world. Hungary supports India's candidature for a permanent seat on an expanded UN Security Council. Hungary is an important member of the European Union, with which India has a strategic partnership. Hungary is also a member of the NSG. Both countries have rapidly growing economies and are playing an increasing role in regional and global affairs. India is keen to develop relations with Hungary in a cross-sectoral manner. Bilateral trade is on a growth path. Indian exports to Hungary in 2006-2007 amounted to USD 142.5 million, while imports from Hungary were USD 128.3 million. However, there is still considerable potential for two-way trade to grow. Several Indian companies have a presence in Hungary in sectors such as pharmaceuticals, IT, power, and auto-components. There are opportunities for growth in information technology, manufacturing, pharmaceuticals, biotechnology, and automobile components. Promoting two-way tourism is an opportunity for both countries.

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627. Joint Statement issued on the occasion of the State Visit of Hungarian Prime Minister Dr. Ferenc Gyurcsany.

New Delhi, January 18, 2008.

1. At the invitation of the Prime Minister of the Republic of India Dr. Manmohan Singh, the Prime Minister of the Republic of Hungary, H.E. Dr. Ferenc Gyurcsany paid a state visit to India from 16-19 January 2008. The Prime Minister was accompanied by his spouse, Dr. Klára Dobrev. Both sides noted with pleasure that the visit was taking place in the 60th year of the establishment of diplomatic relations between India and Hungary.
2. The Prime Ministers of India and Hungary held official talks on bilateral, regional and global issues of mutual concern. Prime Minister Dr. Manmohan Singh hosted a banquet in honour of the visiting dignitary. Prime Minister Dr. Ferenc Gyurcsany called on President Smt. Pratibha Devisingh Patil, and met with External Affairs Minister Shri Pranab Mukherjee, Chairperson of United Progressive Alliance Smt. Sonia Gandhi, and Leader of Opposition Shri L.K. Advani. Minister of Commerce and Industry Shri Kamal Nath and Minister for Petroleum and Natural Gas Shri Murli Deora also called on the visiting dignitary.
3. The talks were held in an atmosphere of friendship, warmth and mutual understanding. The two sides expressed satisfaction with the mutually beneficial cooperation and partnership between India and Hungary encompassing political dialogue, economic, defence, scientific and technological cooperation, and cultural & educational exchanges. They agreed to work together for the further enhancement of their multifaceted relationship based on shared democratic values, respect for human rights, mutual understanding and cooperation and similarity of views on major international issues.
4. During the visit the following Agreements were signed:
 - (i) Memorandum of Understanding on Cooperation in the field of Health and Medicine.
 - (ii) Agreement for Cooperation in Agriculture, Plant Quarantine and Protection and Animal Husbandry.
 - (iii) Letter of Intent on the Establishment of an India-Hungary Strategic Research Fund

- (iv) Memorandum of Understanding on Cooperation between ONGC Videsh and MOL
 - (v) MOU between Bharat Electronics Ltd and M/s Bonn Hungary for Joint Development of Low Noise Amplifiers and Integrated Receivers for 3D Tactical Control Radar
 - (vi) MOU between Bharat Electronics Ltd and M/s CARINEX for Joint Development of TDM Analyser/De-Multiplexer
 - (vii) MOU between Bharat Electronics Ltd and M/s ERIDEIL for TOT for Universal Systems for VSAT Signal Monitoring
5. The Prime Ministers highlighted the importance of further enhancing the exchange of high-level bilateral visits, including at the level of Head of State and Head of Government. They also reiterated their will to continue the bilateral dialogue and cooperation within multilateral frameworks and at various international fora.
6. Both sides noted the importance of Parliamentary exchanges and expressed satisfaction at the regular exchange of parliamentary delegations and cooperation within the IPU. They expressed the view that the enhanced exchanges between the India-Hungary Parliamentary Friendship Group in the Parliament of India and the National Assembly of Hungary will contribute to further promoting the bilateral relationship. The Hungarian side renewed their invitation to the Hon'ble Speaker of the Lok Sabha to visit Hungary. The invitation was accepted with thanks.
7. Both sides noted that bilateral trade between the two countries, though below potential, had virtually doubled between 2005 and 2006. Both sides agreed to work to substantially raise the level of mutual trade to sustain this level of growth. They also welcomed the growing investment partnerships between Indian and Hungarian companies in several sectors, including pharmaceuticals, IT, auto-components, power and food processing. They expressed satisfaction at the holding of the first session of the Joint Economic Committee (formed pursuant to the Bilateral Economic Cooperation Agreement signed following Hungary's membership of the EU) in January 2007 led by the Finance Minister of Hungary and Minister of Commerce and Industry of India as well as the meeting of the Joint Business Council.

8. Both sides stressed the need for greater awareness of opportunities for mutual benefit in the two countries, including through periodic exchange of business delegations and participation in trade fairs. In this context, India announced its decision to organise a 'Made in India' exhibition in Budapest during 2008/2009.
9. Both sides emphasised the importance of energy security for their economic growth and development. They noted the discussions between MOL and ONGC Videsh to cooperate in the exploration of oil/gas projects both in India and third countries and welcomed the MOU concluded between the two companies in this regard.
10. The two leaders shared the view that civil nuclear energy can play an important role as a safe, sustainable and non-polluting source of energy in meeting rising global demands for energy. Hungary acknowledges India's engagement in the areas of peaceful use of nuclear energy and is ready to approach with an open mind efforts for civil nuclear cooperation with India.
11. The two sides welcomed the organisation of the first session of the India Hungary Joint Working Group on Defence during 26-27 April 2007 at Budapest. The meeting provided an opportunity to renew cooperation between Indian and Hungarian defence industry as well as between the two armed forces. Both sides agreed that the forthcoming visit of the Defence Minister of Hungary to India and of the Chief of Army Staff of India to Hungary would help further deepen the cooperation in this important sector.
12. The two sides agreed that cooperation in Science and Technology, both at the bilateral level and within the EU framework, was a key priority. They noted that the 7th session of the India-Hungary S&T Committee Meeting in New Delhi on 4 December 2006 has identified 22 bilateral projects in areas including, life sciences, biotechnology, material science, nanotechnology, ICT, health and agriculture. They welcomed the establishment of the India-Hungary Bilateral Strategic Research Fund of Euro 2 million, which would provide a strong impetus to joint S&T projects. Both sides also agreed to identify successful bilateral projects that could be supported under the Seventh Framework Programme (2007-13) of the EU.
13. The two sides welcomed the Agreement between The Ministry of Agriculture of the Republic of India and the Ministry of Agriculture

and Rural Development of the Republic of Hungary on Cooperation in the Field of Agriculture and Allied Sectors and agreed to strengthen cooperation particularly in R&D in agriculture and agro-processing through closer collaboration between agricultural universities and research institutions in the two countries.

14. The two sides welcomed the signing of the MOU on Cooperation in the field of Health and Medicine. They agreed that considerable opportunities for mutually beneficial cooperation existed in the area of generic drugs, clinical trials, R&D and alternative medicine. They welcomed the organisation of the first International Conference on Ayurveda at Budapest on 29 September 2007 and agreed to explore ways and means of further promoting this ancient system of holistic Indian medicine.
15. Stressing the need for greater people-to-people interaction, particularly through academic and cultural exchanges, the two sides welcomed the renewal of the Cultural Exchange Programme for 2007-2010. They noted that visits of the Indian Culture and Tourism Minister to Hungary in October 2006 and of the Hungarian Education and Culture Minister to India in October 2007, had prepared the ground for deeper and more varied cultural and educational exchanges. They welcomed the proposal of the Central European University to organise an International Conference on the contemporary relevance of Mahatma Gandhi's teachings in 2008 at Budapest. Both sides agreed to organise Exhibitions/Festivals in the field of art and culture in each other's countries as per mutual convenience in 2008-09.
16. While encouraging greater exchanges, including of students, businessmen, tourists and others, the two sides noted that they would use all appropriate facilitations within the framework of their own rules and legislations.
17. The two sides recognised the role of educational cooperation in strengthening bonds of friendship between India and Hungary and expressed interest in deepening the partnership between institutions of higher education in both countries. In this context, they welcomed the establishment of a Tagore Research Fellowship at Eötvös Loránd University (ELTE) and the organisation of an International Hindi Conference during 24-26 October in Budapest. They requested the Joint Working Group established under the Educational Exchange

Programme to establish a concrete plan to strengthen such cooperation.

18. India and Hungary noted with satisfaction the growing strategic partnership between India and the European Union. India looks on Hungary as one more friend in the councils of the EU. They welcomed the negotiations that have begun between India and the EU to arrive at a broad-based Trade and Investment Agreement in accordance with the decision reached at the India-EU Summit in Helsinki in October 2006. They welcomed the successful conclusion of the 8th India-EU Summit in India in November 2007.
19. Both sides reaffirmed their commitment to the United Nations and stressed the need for the democratisation of international decision-making structures to reflect global realities. They underlined the importance of early reform of the United Nations Security Council, including its expansion in both permanent and non-permanent categories, with a view to enhancing its transparency and effectiveness. In this context, Hungary reiterated its support for India's candidature for Permanent Membership on an expanded UN Security Council.
20. The two sides stressed that terrorism constitutes one of the most serious threats to international peace and security. They strongly condemned terrorism in all its forms and manifestations, committed by whomever, wherever and for whatever purpose and stressed that there can be no justification, whatsoever, for any acts of terrorism. They emphasised the need for concerted and coordinated action by the international community, in accordance with international law, to realise the objectives of eradicating terrorism in all its forms and manifestations.
21. Both sides stressed the importance of finalising early the Comprehensive Convention on International Terrorism through early resolution of the outstanding issues with the objective of an expeditious conclusion of negotiations and adoption of this Convention. They agreed to further expand the bilateral dialogue and cooperation in combating terrorism, organised crime and trafficking.
22. The two delegations underlined that climate change is a global challenge with strong economic, environmental and social

dimensions, which impacts adversely all countries especially the poorer and most vulnerable countries, and requires a concerted international response based on the principle of common but differentiated responsibilities and respective capabilities. The two leaders agreed that stronger international cooperation within the UN framework is needed to fight climate change especially in the areas of adaptation, mitigation, capacity building, technology transfer, adequate financing facilities and the development of the carbon market. Both leaders shared the view that a future strategy designed to combat climate change should at the same time support sustainable development, economic growth and poverty reduction which are vital for developing countries.

23. Prime Minister Gyurcsany invited the Prime Minister of India to pay an official visit to Hungary. The invitation was accepted with pleasure. Dates for the visit would be settled through diplomatic channels.
24. Prime Minister Gyurcsany expressed his gratitude to the Government and people of India for the hospitality and warmth of the welcome received by him and his delegation.



KOSOVO

628. Reaction of Official Spokesperson to questions on developments regarding Kosovo.

New Delhi, February 18, 2008.

In response to questions on developments regarding Kosovo¹, Official Spokesperson said:

"India has a long standing and consistent policy on the issue of recognition. Recognition is normally accorded on the basis of a country having a defined territory, a duly constituted Government in charge which is accepted by the people and which has effective control over an area of governance.

It has been India's consistent position that the sovereignty and territorial integrity of all countries should be fully respected by all states. We have believed that the Kosovo issue should have been resolved through peaceful means and through consultation and dialogue between the concerned parties.

We have taken note of the Unilateral Declaration of Independence by Kosovo. There are several legal issues involved in this Declaration. We are studying the evolving situation".



¹ The Spokesman was referring to the unilateral declaration of independence by Kosovo after its parliament on February 17 unanimously voted for independence from Serbia. The Serbian Government however denounced the decision.

POLAND

629. Press Release issued by the Ministry of Defence on the visit of the Polish Defence Minister Bogdan Klich.

New Delhi, November 4, 2008.

Defence Minister-level talks were held between India and Poland in a cordial atmosphere in New Delhi today. The Polish side was led by their Defence Minister Mr. Bogdan Klich and the Indian side by his counterpart Shri A K Antony.

Earlier Mr. Klich laid wreath at Gandhiji's Samadhi at Rajghat. Later he was given ceremonial Guard of Honour on his arrival at Defence Headquarters in South Block.

Mr Klich is slated to hold talks with the Chairmen of some prominent Defence Public Sector Undertakings including HAL, BEL, BEML and Ordnance Factories Board (OFB).

Polish Defence Minister's visit follows the fourth meeting of the Joint Working Group (JWG) held here last month. During the JWG Meeting held between 15-17th October, the two sides agreed to consolidate cooperation in Defence Industry and specialized training of their Armed Forces. The India-Poland JWG on Defence Cooperation was set up with the signing of an agreement on Defence Cooperation in February 2003 during the visit of Polish Prime Minister to India. The first meeting of the JWG was held in April 2006.

India shares with Poland a long tradition of friendship and cooperation in various fields including Defence Production and Supplies. The Polish Defence Minister arrived on a three-day state visit to India today. He will visit a Para Brigade of the Indian Army at Agra tomorrow before leaving for Vietnam early Thursday morning.



RUSSIAN FEDERATION

630. Prime Minister's Statement at the Joint Press Interaction with Russian Prime Minister Victor Zubkov.

New Delhi, February 12, 2008.

**Your Excellency Mr. Victor Zubkov,
Ladies and Gentlemen of the media,**

I am very pleased to welcome Prime Minister Zubkov and his distinguished delegation to India.

Prime Minister Zubkov's visit to India comes within three months of my own visit to Russia in November, 2007. Such high level exchanges between India and Russia reflect the time tested nature of the close and special ties that exist between our two countries.

Prime Minister Zubkov and I have had an extremely productive and comprehensive discussion on all aspects of our relationship.

I conveyed to the Prime Minister the importance we attach to his participation in the meeting of the Indo-Russia Forum on Trade and Investment¹ and the "Year of Russia" in India. Later today, I will be accompanying the Prime Minister to formally inaugurate the "Year of Russia" in India.

1 "We have finalised negotiations in regard to reaching an agreement on cooperation in the construction of additional nuclear power plants in India. We [also] affirmed our commitment to build on our defence relations, which is an important pillar of our strategic partnership," Prime Minister Manmohan Singh said after an interaction with the visiting Russian Prime Minister Victor Zubkov on February 12. The two leaders made it clear that the pact on nuclear reactors would be inked and operationalised after the Nuclear Suppliers Group cleared India's entry into the global civilian nuclear mainstream. A large business delegation is accompanying Mr. Zubkov. On the trade front, the two prime ministers stressed the need to boost the sagging bilateral trade to \$10 billion by 2010 through a Comprehensive Economic Cooperation Agreement. "If we grow by 30 per cent per year, we might achieve the figure of \$10 billion by 2010," Mr. Zubkov said at a meeting of the India-Russia Forum on Trade and Investment (IRFTI), organised jointly by the FICCI and CII. Mr. Zubkov discussed with Dr. Singh the potential to double bilateral trade within the next three years by enhancing cooperation in oil, gas, mining, technology, transport and energy. He told the captains of Indian industry that Russian rupee debt funds were being utilised for the newly launched titanium project in Orissa. "We are investing Russian rupee debt in the Indian economy," he said. Commerce and Industry Minister Kamal Nath acknowledged that Russian firms were interested in several Indian sectors, including engineering, metallurgy, automobile, aircraft building and infrastructure development. "We are taking steps to build cooperation in titanium oxide production," he said

In our discussions, we agreed to re-double our efforts to tap the full potential of our two economies. We agreed on the need to diversify our trade basket, and expand cooperation in sectors such as minerals, diamonds, transport and infrastructure, investment and services, and high technology.

For this we will operationalise the Joint Task Force to implement recommendations to increase bilateral trade to US\$ 10 billion by 2010 and consider a Comprehensive Economic Cooperation Agreement.

We agreed that there was vast potential for mutually beneficial cooperation in the area of hydrocarbons². I expressed my hope that ongoing discussions between our oil and gas companies would result in finalization of joint projects in India, Russia and third countries.

We expressed our satisfaction at the status of our ongoing collaboration in the fields of science and technology, space and civil nuclear cooperation. We have finalised negotiations in regard to reaching an agreement on cooperation in the construction of additional nuclear power plants in India. We reaffirmed our commitment to build upon our defence³ relations which is an important pillar of our Strategic Partnership.

2 The Minister for Petroleum and Natural Gas Murli Deora during his call on the visiting Russian Prime Minister, Victor Zubkov made a plea for a major stake in the Sakhalin - III and other major oil and gas projects in Far Eastern region of Russia and according to media reports his attitude was "sympathetic and positive". India is a partner in Sakhalin - I and gets oil supplies from there. Mr. Deora also urged Mr. Zubkov to impress upon the Russian companies to invest in the Indian oil and gas sector, particularly in the field of Liquefied Natural Gas (LNG). He offered opportunities to the Russian companies for investment in the Mangalore Refineries and Petrochemicals Limited's (MRPL) proposed LNG terminal. Mr. Deora after his meeting said: "We are old friends having common interest in many areas, including oil and gas. We would like to strengthen and expand further these interests." The chairman of the Russian conglomerate Sistema, Vladimir Yevtushenkov said his company was open to joint ventures and investments in oil and gas sector. "We could also look for joint investments in the Caspian region countries for offshore projects in a big way," he said.

3 Later in the year, in August the 8th meeting of the Indo-Russian Working Group on Shipbuilding, Aviation and Land Systems was held in New Delhi within the framework of the Indo-Russian Inter-Governmental Commission on Military Technical Cooperation. The discussions on the Russian side were led by the Director of the Department for Defence Industry Complex Development of the Russian Ministry of Industry and Trade Karavaev Igor Evgeniyevich and on the Indian side by the Additional Secretary of Defence Production Ajoy Acharya. At this meeting it was resolved to continue with defence cooperation in a number of sensitive areas. According to media reports the two sides exchanged views on implementation of current projects like T-90 tanks, missile systems and shipbuilding activities and aviation sector projects like the fifth generation fighter aircraft and multirole transport aircraft. They also agreed to take steps for ensuring their successful implementation.

Our talks today have reaffirmed our joint commitment to further strengthen Indo-Russian relations for the mutual benefit and prosperity of our two peoples, and for our region and the world.

Thank you.



631. Press Release of the Ministry of External Affairs on the letter of felicitation from Prime Minister to the President of the Russian Federation.

New Delhi, May 7, 2008.

Prime Minister Dr. Manmohan Singh has sent a letter of felicitations to Mr. Dmitri Medvedev, President of the Russian Federation on his inauguration today, wishing him every success in his high responsibilities.

The Prime Minister has stated that India draws immense satisfaction from its Strategic Partnership with Russia. This partnership is based on deep mutual trust, warm people-to-people bonds and longstanding multi-faceted cooperation. Relations with Russia occupy a special priority in India's foreign policy. In accordance with the successful practice of bilateral Summits between India and Russia, the Prime Minister has also extended an invitation to President Medvedev to visit India.



**632. Extract from the Interview of External Affairs Minister
Pranab Mukherjee with the Chennai based daily the *Hindu*.
September 22, 2008.**

* * * *

What about Russia and Central Asia, there is the perception that there is certain cooling off by India. There is also the perception that we are lukewarm to the Shanghai Cooperation Organisation (SCO)?

We have an excellent friendship with Russia, a friendship that is old and tested. What was a warm relationship with India and USSR, the Russian Federation as the successor state has maintained that relationship after the initial years of uncertainty. During the visit of President [Boris] Yeltsin, it was reaffirmed in the mid-90s. It was further strengthened during the tenure of President [Vladimir] Putin. We are expecting to receive the Russian President [Dmitry] Medvedev sometime before the end of this year. Prior to that I will have the privilege of receiving the Russian Foreign Minister [Sergei] Lavrov here. Other type of regional cooperation arrangements - RIC and BRIC - we are regularly having the meeting of Foreign Ministers. Our relationship with Russia is on upswing. Strategic partnership exists, in many areas like science and technology. The defence relationship exists very deeply. As far as SCO is concerned, India enjoys observer status. As observers, we do not participate in summit meetings. Since we joined SCO, we have been participating in every summit as an observer since 2005. Our Petroleum Minister Murli Deora represents India in this organisation. Keeping in view our status in SCO, we are for maintaining our relationship. Individual, and bilateral between India and countries of Central Asia are also expanding.

What is India's position on Kosovo and South Ossetia?

As far as Kosovo is concerned, I met the Serbian Foreign Minister today. We have not recognised Kosovo's "independence." We have a standard practice of recognising a country carved out of existing geographical entity. Keeping that standard we determine our position. We are watching the development with respect to Georgia and the other two small countries [South Ossetia and Abkhazia] which have been recognised by Russia. We have not yet taken any final view in respect of these two countries.

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633. Press Release issued by the Ministry of Defence on the meeting of the India - Russia Inter Governmental Commission on Military and Technical Cooperation.

New Delhi, September 29, 2008.

India and Russia today took a significant step in cementing their strategic ties as they agreed to extend the tenure of the Indo-Russian Inter-Governmental Commission on Military Technical Cooperation (IRIGC-MTC)¹ by another ten years on the expiry of its present term in 2010. After signing the protocol on IRIGC-MTC here today with his Russian counterpart, the Defence Minister Shri AK Antony, at a joint press conference, said that an apex committee will be formed to iron out problems on a fast-track basis on different issues related to ongoing and proposed projects for acquisition, joint development and production, joint defence R&D and interaction between the defence forces of both countries including joint exercises. He further said that the apex committee, jointly headed by Defence Secretaries of both countries, would meet atleast once in six months and its first meeting will be held in Moscow before the visit of the Russian President in December 2008.

Describing Russia as a 'trusted partner' Shri Antony said Indo-Russian relations have stood the test of time. Replying to a question on the existing bilateral defence cooperation, he said that it has been decided to procure 347 T-90 tanks from Russia. Another 1,000 tanks would be manufactured in India under transfer of technology. On the delay in acquisition of Gorshkov aircraft carrier, Shri Antony said the Indian side has considered the Russian demand for an escalation in price. "The same has been considered and would be placed before the cabinet for consideration," he added.

1. A press release issued by the Ministry of Defence a day earlier had given an idea of the likely direction of the discussions. It said the meeting "will cover a broad spectrum of issues including supply of defence systems, equipment upgrade, product and life cycle support for defence equipment of Russian origin. The Meeting will also discuss licensed and joint production, joint development and production of systems and platforms, interaction between the two armed forces and military technical cooperation." IRIGC-MTC was established in 2000 with a view to strengthen our bilateral defence cooperation. India and Russia share long standing friendly relations. Since the establishment of a strategic partnership between the two countries in 2000, the two governments have steadily developed and strengthened bilateral cooperation covering a range of areas of which defence forms a significant component.

The Russian Defence Minister Mr. Anatoly Serdyukov said the defence ties between the two countries are transforming from a vendor-seller relationship to joint development and production partnership.

Earlier, in his opening remarks to the IRIGC-MTC, Shri Antony stressed on the need to promote joint exercises, training and frequent exchange of delegations. "The early conclusion of the Status of Forces Agreement would provide the framework to hold mutually beneficial joint exercises regularly," he added. Shri Antony pointed out that defence cooperation remains the cornerstone of Indo-Russian bilateral relations. "A major part of our defence inventory is of Russian origin, and continues to remain so even now," he said.



634. Press Release issued by the Ministry of Defence on the outcome of the 8th India - Russia Inter Governmental Commission -Military and Technical Cooperation meeting.

New Delhi, September 30, 2008.

The Defence Minister Shri AK Antony has described the outcome of the 8th Meeting of IRIGC-MTC in New Delhi on Monday as 'a landmark event in the close and strategic bilateral relations between India and Russia'. Speaking at a banquet hosted by him in honour of the visiting Russian Defence Minister Mr Anatoly Serdyukov here last night, Shri Antony said the Meeting, as in previous years, discussed issues relating to regional and global peace and security.

"This is an important event not only between the Defence Ministries of the two countries but also a landmark event in our close and strategic bilateral relations and an important step in maintaining regional and global peace and security", he said.

Shri Antony expressed confidence that the defence relations between India and Russia are bound to grow manifold and called for evolving a holistic defence partnership.

"Given the warmth of the cordiality and complete understanding between the leadership of both our countries, I have no

doubt that our defence relations are bound to grow manifold. We need to work towards developing a mutually beneficial defence relationship which is holistic in content and scope."

Speaking on the occasion, Mr Serdyukov echoed the sentiments expressed by Shri Antony. He expressed satisfaction at the grounds covered at the Meeting of the IRIGC-MTC though his visit to New Delhi was a short one.

The Russian Defence Minister has since returned to Moscow.



635. Remarks by the External Affairs Minister Pranab Mukherjee at the Joint Media Interaction with the Russian Foreign Minister.

New Delhi, October 20, 2008.

I am pleased to welcome and meet dear friend foreign Minister Sergey Lavrov yet again. It is part of our regular, useful interactions. Recently we had met in Yekaterinburg(Russia) on the 15th May and in New York on 29th September. Today, we had very useful discussions on bilateral, regional and international issues.

We reviewed the entire gamut of bilateral relations and progress made by us in specific areas since the last Summit meeting in November 2007 in Moscow. We are satisfied with the overall development of our strategic partnership and agreed on the need to intensify joint cooperative efforts in areas such as trade & investment, science & technology, energy and defence. I conveyed our gratitude and appreciation for Russia's support for NSG's decision on civil nuclear cooperation with India and discussed prospects for future bilateral cooperation in the field.

One of the important subjects of our meeting today was the preparations for the State visit of President Dmitry Medvedev to India later this year. We are eagerly looking forward to the first visit of President Medvedev to India and preparing to make it successful and a landmark visit in our bilateral relations.

We have signed a Protocol on Consultations between the two Foreign Offices in various areas, including regional and international issues of mutual

interest. These exchanges are useful for sharing views about developments worldwide and promoting mutual understanding and trust between our two countries. We believe that India-Russia strategic partnership is an important factor for peace and stability not just in this region but the whole world. We discussed the situation in India's neighbourhood, Russia's near abroad and other parts of the world.

This year has been as special one for India-Russia relations with the holding of wide-ranging programmes under the 'Year of Russia' in India, the first such large scale bilateral series of programmes in almost 20 years. Next year, we would be celebrating the 'Year of India' in Russia and both sides are preparing actively for it.

Thank you.



636. Press Release of the Ministry of Petroleum and Natural Gas on the visit of Petroleum Minister Murli Deora to Russia and his call on Russian Prime Minister Vladimir Putin.

New Delhi, November 5, 2008.

The Minister of Petroleum & Natural Gas Shri Murli Deora met Mr. Vladimir Putin, Prime Minister of Russia, today at Moscow and emphasized that India seeks to enhance growing synergy between India and Russia in the oil and gas sector on a long term basis. The minister pointed out India's interest in participating in Sakalin-3 project. He also referred to India's desire for formation of joint venture between ONGC Videsh Limited (OVL) and Rosneft for taking up exploration and development projects in east Siberia. Shri Deora reiterated that India welcomes participation of Russian companies in the green field refineries and petrochemical projects in India besides in the exploration & production area. The Minister has been supportive of Russian and Indian companies joining hands to take up oil and gas projects not only in India and Russia but also in other countries.

At a meeting with his Russian counterpart Mr. Sergy Shemato, Minister of Energy last night at Moscow Shri Deora underlined that it would be in the

mutual interest of both countries to closely engage as Russia is energy rich and India is an energy deficit country. He pointed out that Russian companies could participate in India's growing oil sector including downstream market.

Shri Deora invited Russian participation in the India-CIS Roundtable on Hydrocarbons being organized by India in New Delhi during 25-26 November, 2008. He pointed out that the event aims to further strengthen ties between India and CIS countries particularly Russia.

Secretary (PNG) Shri R.S. Pandey, CMD (ONGC) Shri R.S. Sharma and MD (OVL) Shri R.S. Butola are accompanying the Minister¹.



¹ On return to New Delhi on November 7, Minister Murli Deora reiterated that he had sought big time participation of Indian companies in the Russian oil and gas fields, particularly in East Siberia, and had expressed interest in importing liquefied natural gas (LNG) from Moscow to meet its ever growing energy needs. He said he had sought two million tonnes a year of LNG from Russia's Sakhalin LNG project during his meeting with Russian Prime Minister Vladimir Putin. Mr. Deora said Mr. Putin was very positive in his response and said that Russian gas monopoly Gazprom would decide on selling LNG to India and was of the view that Indian companies could hold talks with them. Besides LNG, Mr. Deora said he had taken up with Mr. Putin ONGC Videsh's stake in big-ticket Sakhalin-3 oil and gas field. The issue of OVL joining hands with Russian firm Rosneft for exploration and development of Vankor oilfield in East Siberia also formed part of the talks between the two leaders. Joint bidding for Trebs and Titov oilfields in the Timan Pechora region of North Russia also came up for discussion. However, Mr. Deora said the Russian Prime Minister informed him that the fields were available but Indian companies would have to take part in the bidding process.

637. Press Release issued by the Ministry of Defence on cooperation between India and Russia in the field of Defence.

New Delhi, December 3, 2008.

India and Russia have taken a significant step to boost Defence Cooperation at their first meeting of the India-Russia High Level Monitoring Committee (HLMC). The two-day meeting, co-chaired by the Defence Secretary Shri Vijay Singh and Mr. Mikhail Dmitriev, Director, FSMTC from the Russian side, ended here today.

Both sides discussed issues related to ongoing projects such as Fifth Generation Fighter Aircraft, Multi-role Transport Aircraft, T-90 tanks, AWACS, SU-30MKI upgrade, aircraft carrier Admiral Gorshkov and Medium Lift Helicopters. Cooperation between the defence forces of the two countries was also discussed.

This new forum was established during the last meeting of the India Russia Inter-Governmental Commission on Military Technical Cooperation (IRIGC-MTC) held in New Delhi on 29th September, 2008 under the joint Chairmanship of the Defence Ministers of both countries. This forum was established to not only monitor implementation of ongoing Military Technical Cooperation (MTC) activities but also identify new activities for enhancing defence cooperation by way of joint Research, Development and production of military hardware, including Transfer of Technology and cooperation between the armed forces of the two countries.



638. Joint Declaration between the Republic of India and the Russian Federation during the visit of the President of the Russian Federation.

New Delhi, December 5, 2008.

The Republic of India and the Russian Federation, hereinafter referred to as the "Sides",

Reaffirming their time-tested friendship, long-standing relations and enduring bilateral ties, which have become stronger over time;

Guided by the Treaty of Friendship and Cooperation between the Republic of India and the Russian Federation of 28 January 1993 and the Declaration on Strategic Partnership between the Republic of India and the Russian Federation of 3 October 2000;

Reiterating their adherence to the ideals and principles enshrined in the UN Charter;

Determined to contribute jointly to strengthening global peace, security and stability and to building a just and democratic world order;

Hereby declare:

1. Annual Summit-level exchanges make a vital contribution to the strengthening of the strategic partnership and have become a mutually-valued tradition. The large number of agreements signed between the two countries in diverse spheres since the year 2000 and the broadening of cooperation achieved in key areas is reflective of the success of India-Russia annual summits. Besides reviewing progress in bilateral relations, these Summits have provided opportunity for outlining a long-term perspective for India-Russia relations.
2. Both Sides express satisfaction at the progress in the implementation of decisions taken during the India-Russia Summit in November 2007. Both Sides underline the high priority attached to each other in their foreign relations and reaffirm their commitment and keenness to deepen their strategic partnership and enhance mutually beneficial cooperation in all spheres.
3. Both Sides agree that inter-Parliamentary cooperation, cooperation between various Government Departments/ Agencies, Foreign

Offices and the National Security Councils of India and the Russian Federation are an integral feature of the strategic partnership between the two countries. Both Sides reiterate their resolve to further encourage cooperation between the legislative, executive and judiciary organs of the two countries. They also agree to expand bilateral interaction and exchange of visits to sustain the momentum of cooperation, understanding and goodwill between India and the Russian Federation.

4. Both Sides underline the high priority attached by the two countries to efforts towards increasing bilateral trade, investment and economic cooperation and express satisfaction at the progress towards achieving the target of bilateral trade volume of US \$ 10 bn by 2010. They note the significant role played by the Indo-Russian Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation in this regard. They also note the holding of the first meeting of the Joint Task Force to monitor the implementation of recommendations of the Joint Study Group to increase trade and consider concluding a Comprehensive Economic Cooperation Agreement between the two countries.
5. Both Sides note the considerable expanse of complementarities between the growing economies of India and the Russian Federation. The increasing competitiveness of Indian and the Russian companies in the world market and opening up of the two economies have enabled them to launch themselves successfully in each other's markets. There has been a substantial growth in the opening up of representative offices and branches of Indian enterprises in the Russian Federation and of Russian enterprises in India which is a healthy indicator of enhanced bilateral economic cooperation. Both Sides agree to intensify ongoing efforts and take further measures to facilitate trade and commerce between the two countries including simplification and streamlining of procedures, and removal of technical barriers.
6. Both Sides appreciate the work of the Indo-Russian Forum for Trade and Investment, and express hope that the Forum will further contribute towards bridging the gap and facilitating exchanges between the business communities of the two countries. Both Sides emphasize the important role of the private sector in developing bilateral trade and investment between India and the Russian

Federation. Both Sides take special note of the creation of the India-Russia CEOs Council and express hope that the Council would not only provide valuable recommendations to further enhance bilateral commerce but also come up with private initiatives in terms of business tie-ups. Both Sides agree to encourage trade and business chambers of the two countries as well as other business organizations to enhance mutual arrangements and events for trade, investment and business-to-business contacts.

7. Bearing in mind the growing weight of India and the Russian Federation in the world economy and the negative impact of the current global financial crisis, the two Sides emphasize the importance of comprehensive reform of the international financial and economic architecture in order to adapt it to the new realities in global economy and agree to cooperate in various formats to promote a more just world economic order based on the principles of multipolarity, rule of law, equality, mutual respect and common responsibility.
8. India and the Russian Federation agree on the increasing importance of energy security for them as two fast-growing economies and major producer and consumer of energy and consequently the need to expand their bilateral cooperation in this field. In this regard, both Sides agree to promote, support and facilitate full utilization of considerable opportunities for bilateral cooperation in the oil and gas sector in India, Russia and other countries. They acknowledge regular contacts and ongoing discussions between Indian and Russian hydrocarbon companies on specific upstream and downstream projects and encourage them to conclude mutually-agreeable arrangements.
9. Both Sides underline the importance of nuclear energy as a clean and safe source of energy to meet growing energy requirements and welcome the recent decision taken by the Nuclear Suppliers Group on civil nuclear cooperation with India. They note with satisfaction the ongoing cooperation in the implementation of the Kudankulam Nuclear Power Project. The two Sides agree to collaborate in setting-up of additional units of the project on the basis of the Agreement between the Government of the Republic of India and the Government of the Russian Federation on cooperation in the construction of additional nuclear power plant units at

Kudankulam and new sites in India signed on 5 December 2008 and to expand and pursue further areas for bilateral cooperation in the field of peaceful uses of nuclear energy¹.

10. Referring to the respective strengths of India and the Russian Federation in various spheres of peaceful uses of outer space, both Sides note ongoing cooperation in the Russian Global Navigation Satellite System GLONASS, joint lunar exploration, joint development and launch of a Youth satellite for educational purposes and other projects. They agree to direct their respective agencies to intensify ongoing cooperation and identify new areas for further collaboration between them.
11. Both Sides agree that military-technical cooperation is a key area of cooperation between India and the Russian Federation and note that the Russian Federation continues to be a leading source of defence products to India. They support bilateral efforts to diversify and strengthen cooperation in this area and encourage initiatives by respective organizations on both Sides to adapt to constantly evolving needs and requirements of each other. They express satisfaction at the effective role played by the Indo-Russian Inter-Governmental Commission on military technical cooperation and direct it to review constantly and take forward the progress on steps taken in the areas of joint research, development, production and marketing, regular service-to-service interaction and joint military exercises. They agree that the Long Term Programme of military and technical cooperation has provided a sound collaborative framework and it should be renewed for ten years after it is completed in 2010. Both Sides note with satisfaction the 10th anniversary of the Indian-Russian joint venture to produce state-of-the-art Brahmos hypersonic cruise missiles and the launching of the implementation of the projects on joint development and production of Multi-Role

1. To seal the nuclear cooperation the two countries on December 5 signed agreements that would eliminate the supply-demand mismatch in uranium and enable the setting up of more state-of-the art nuclear power plants in India. Final touches were given to a mega agreement to supply nearly 2,000 tonnes of uranium. This would catapult the capacity utilisation of the existing plants to 90 per cent from an unhealthy 40 to 60 per cent due to shortage of the raw material. The two sides also agreed to set up four more power plants at Kudankulam, where Russia was already assisting in installing two plants. They also agreed to explore the possibility of setting up more nuclear plants, possibly two.

Transport Aircraft and Fifth-Generation Fighter Aircraft and agree to further expedite these projects¹.

12. Both Sides express satisfaction with cooperation in the field of science and technology under the framework of the Integrated Long Term Programme (ILTP) and agree that it should be extended for another period of ten years after its completion in 2010. Appreciative of various joint projects and research in various fields of science and technology and setting up of a number of joint Scientific Centres, both Sides agree to further broaden and deepen the scope of cooperation in this area. The two Sides emphasize that joint collaborative ventures should focus on emerging areas of technology such as nano-technology and bio-technology and encourage direct interaction between research institutions of India and the Russian Federation. They also underline the importance of bringing relevant technologies to their respective markets and in this context, they direct their agencies to finalize early the joint working document for the setting up of India-Russia Centre for Technology Transfer.
13. Both Sides agree that there is considerable potential for further cooperation in the area of information and communication technologies. They welcome efforts both in the government and in the private sector towards increasing cooperation in this field. Noting practical opportunities of development of cooperation in the prospective sphere of information and communication technologies, the Sides note the existing and potential problems in the field of information security globally and consider it feasible to collaborate more actively in its solution in the framework of the United Nations and other international organizations and fora.
14. Both Sides underscore the importance of longstanding and traditionally warm and friendly cultural bonds between the peoples of the two countries. They agree to actively support and promote cultural exchanges, greater contacts at various levels and closer

1. During the visit India and Russia also signed a contract for the import of 80 military helicopters for the Indian Air Force. The space agencies of both nations agreed on plans for cooperation in manned space flights. This is in addition to their resolve to cooperate in Chandrayaan II, a key part of India's lunar space mission. In all, the two sides signed 10 agreements, with the ones on nuclear cooperation, defence and space exploration being of substantial nature. Other pacts were signed on cooperation between stock exchange regulators, customs institutes and anti-money laundering agencies. It was also agreed to step up ties in tourism.

understanding and appreciation of each other's arts, languages, society and traditions. They express satisfaction at the successful conduct of the 'Year of Russia' in India in 2008 and agree to work together for smooth holding of 'Year of India' in Russia in 2009.

15. Both Sides express satisfaction at the growing and more focused interaction in the trilateral format among India, Russia and China which provides basis for developing further cooperation among the three large Asian States. It acquires importance in the framework of multilateral dialogue mechanisms, substantially contributes to strengthening newly emerging multipolarity and promotes collective leadership of world's leading States. Both Sides note that fruitful interaction in the trilateral framework is not confined to the Ministries of Foreign Affairs but involves relevant Ministries in areas such as agriculture, health care, disaster mitigation and relief as well as academic and business communities.
16. Both Sides welcome growing interaction in the BRIC (Brazil, Russia, India, China) format. They express satisfaction at the first stand-alone meeting of Foreign Ministers of BRIC countries held in Yekaterinburg, Russia in May 2008 and the Foreign Ministerial meeting in New York in September 2008 on the sidelines of 63rd UNGA, the first meeting of Finance Ministers of BRIC countries held in Sao Paulo, Brazil in November 2008, as well as the coordinated steps by the four countries in the context of the financial summit of the Group of 20 in Washington in November 2008, and express their confidence that the next stand-alone meeting of BRIC Foreign Ministers to be held in India and the first stand-alone BRIC summit to be held in the Russian Federation in 2009 will be new important milestones in the making of this promising cooperation mechanism of the four most dynamically developing large economies of the world. Both Sides welcome the growing cooperation between the G-8 and major emerging economies and stress the necessity to develop this cooperation further in order to establish an advanced mechanism of collective leadership in world affairs.
17. The Sides will work towards the establishment of a multipolar world order based on the principles of the rule of law, sovereign equality, territorial integrity and non-interference in internal affairs of States. Activities aimed at strengthening a central coordinating role of the United Nations in maintaining peace and security, and at increasing

the efficiency and authority of the UN, form important elements of India-Russia cooperation at the international level. India and Russia stress the need to implement the process of UN reform, so as to reflect contemporary realities. In this context, the Russian Federation reiterates once again that it regards India as an influential and major member of the international community. The Russian Federation reaffirms its support to India as a deserving and strong candidate for the permanent membership in an expanded UN Security Council.

18. India and the Russian Federation strongly condemn terrorism in all its forms and manifestations and reiterate that there can be no justification for any act of terror, wherever, for whatever reason and by whosoever committed. They jointly affirm that bilateral cooperation in combating terrorism is an important dimension of their strategic partnership. The two Sides reiterate their commitment to strengthen international cooperation to combat terrorism, including financing for terrorism, while acting in conformity with the purposes and principles of the UN Charter, relevant UN Resolutions and International Conventions, and the Global Counter-Terrorism Strategy adopted by the UN General Assembly. In this regard, they urged the international community to urgently adopt the draft Comprehensive Convention against International Terrorism which is before the UN General Assembly. They affirm the role of the UN as a major inter-governmental organization to coordinate efforts to counter international terrorism. Both Sides express concern that narco-business is becoming more fused with terrorist and extremist activities, which makes it urgent to intensify joint efforts to address global threat in the framework of the Agreement between the Government of the Republic of India and the Government of the Russian Federation on cooperation to combat illicit trafficking in narcotics, psychotropic substances and their precursors signed in Moscow on 12 November 2007.
19. The Russian Federation expresses solidarity and support to the Government and people of India in connection with terrorist attacks in Mumbai from 26-29 November 2008. Both Sides call upon all states to cooperate actively with and provide support and assistance to the Indian authorities in their efforts to find and bring the perpetrators, organizers, sponsors, patrons or those in any way connected to these barbaric acts to justice in India in accordance with the obligations under international law and relevant UN Security Council resolutions on fighting terrorism.

20. Noting the recent conflict in South Ossetia, India and the Russian Federation welcome the principles outlined by the Presidents of the Russian Federation and France for addressing the situation in the Caucasus region and hope that these steps would lead to lasting peace and stability in the region. India supports the important role of the Russian Federation in promoting peace & cooperation in the Caucasian region.
21. In the Asia-Pacific Region, the Sides favour security system based on mutual trust, equally beneficial cooperation and respect for cultural diversity of the regional countries. They declare their intention to enhance their interaction within the framework of the international fora of the Asia-Pacific Region, including the ASEAN Regional Forum on Security (ARF) and the Asia Cooperation Dialogue (ACD). Given their historically friendly ties, the Indian side fully appreciates the desire of the Russian Federation to join the Asia-Europe meeting and East Asia summit mechanisms.
22. India and the Russian Federation underline their strong support for peace, stability, prosperity and development of countries in Central Asia. Underlining the role of the Shanghai Cooperation Organisation in the region, the Russian Federation expresses its support for a more active role for India as an Observer state in the Organization. The Indian side conveys its appreciation for the Russian support and looks forward to a more constructive participation in and contribution to the Organization.
23. India and the Russian Federation strongly support a democratic and pluralistic Afghanistan. Both Sides welcome Afghanistan joining SAARC as its eighth member in the 14th Summit held in Delhi in April 2007 and believe that Afghanistan will immensely benefit from greater regional cooperation and connectivity. Although much has been achieved in Afghanistan in recent years, formidable challenges still lie ahead. India and the Russian Federation express their concern over the deteriorating security situation in Afghanistan due to a determined and coordinated resurgence of the Taliban, Al Qaeda and other extremist groups, the growth in cross-border terrorism, its links with international terrorism and international drug trafficking, and the consequential danger these developments pose to the gains made in the recent past. They strongly condemn the terrorist attack

on Indian Embassy in Kabul on 7th July 2008 as well as killing of civilians in terrorist acts and combat operations. Both Sides call for a coherent and a united international commitment, both to Afghanistan's development and security aspects, to deal with these threats. Both sides welcome Russia's initiative to organize an international conference on Afghanistan in the framework of Shanghai Cooperation Organization, involving its Member states and Observers.

24. India and the Russian Federation believe that all possible efforts should be made to address the Iranian nuclear issue by peaceful means through dialogue and negotiation. They emphasize that all Sides must show flexibility and restraint. They agree that Iran has the right to develop research, production and use of nuclear energy for peaceful purposes in conformity with its NPT and other international obligations. The adoption of the UN Security Council Resolutions 1737, 1747, 1803 and 1835 underscore the need for Iran to restore the trust of the international community in the exclusively peaceful nature of its nuclear programme.
25. The Sides reaffirm their commitment to securing a comprehensive, lasting and just settlement of the Arab-Israeli conflict through a negotiated solution on the generally recognized international legal base - the UN Security Council Resolutions 242, 338, 1397 and 1515, leading to creation of a sovereign, independent, viable and united state of Palestine living within secure and recognized borders, side by side at peace with Israel. While reiterating their support to the Quartet's initiatives and the Arab Peace Plan, they express hope that the momentum created by the Annapolis conference would not be lost. The Sides also call for an end to the expansion of Israeli settlements in Occupied Palestinian Territories and for an early and significant easing of restrictions on the free movement of persons and goods within Palestine. Both Sides welcome the encouraging developments in Lebanon and reaffirm their support for National reconciliation including convening of the National Reconciliation Talks on 16 September 2008. The Sides also welcome ongoing effort to address the Syrian track of the peace process.

26. The two Sides agree to elevate their strategic partnership to a qualitatively higher level and to promote and further their ties of friendship, cooperation, mutual understanding, trust and confidence in each other. The President of the Russian Federation invites the President of the Republic of India and the Prime Minister of India to visit Russia at a mutually convenient time in 2009. The Indian side expresses gratitude to the Russian side for the invitations.

Signed in New Delhi on 5 December 2008.

Sd/-

Prime Minister
of the Republic of India

(Manmohan Singh)

Sd/-

President of the
Russian Federation

(Dmitry Medvedev)



639. Protocol for the Fourteenth Session of the Indo-Russian Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation

New Delhi, December 5, 2008.

The Fourteenth Session of the Indo-Russian Inter-Governmental Commission (IRIGC) (hereafter referred to as Commission) on Trade, Economic, Scientific, Technological and Cultural Cooperation was held on 3 December 2008 in New-Delhi. The Indian Side was led by the Minister of External Affairs and the Chairman of the Indian side of the Commission, H.E. Mr. Pranab Mukherjee. The Russian Side was led by the Deputy Chairman of the Government of the Russian Federation and the Chairman of the Russian side of the Commission H.E. Mr. Alexander Zhukov.

The composition of the Indian and the Russian delegations (hereafter referred to as "the Sides") is at Annexure I.

The discussions were held in the spirit of traditional friendship and mutual understanding and the Sides decided the following:

The Sides expressed satisfaction on the steps that are being taken to increase bilateral trade, investment and economic cooperation between India and Russia and their expectation is that the two countries would reach a level of interaction that would be commensurate with the existing potential.

The Sides shall implement proactively the decisions taken during highest level visits, including the visit of the Prime Minister of India H.E. Dr. Manmohan Singh to Russia on 11-12 November 2007 and the visit of the President of the Russian Federation H.E. Mr. D.A. Medvedev to India on 4-6 December 2008.

The Sides noted successful holding of numerous events in the context of the Year of Russia in India including Russian national exhibition and the Russian side agreed to provide all the necessary assistance in organizing the Year of India in Russia in 2009. The Sides agreed to direct relevant organizations to take steps to implement agreements reached in this regard.

The Sides noted positive trends in the bilateral trade. In the first nine months of 2008, it grew by 55% to US\$ 4.7 billion. The Sides stressed the importance of maintaining the dynamics to achieve the target of US\$ 10 billion bilateral trade turnover by 2010.

The Sides noted progress in cooperation in the areas of power, nuclear energy, oil and gas, space, telecommunications, metallurgy, machinery and automobile industry, banking and financial services, construction of highways and pipelines, air transport service, science and technology, tourism and underlined that there is considerable scope for cooperation in sectors such as minerals development, railway and water transport, aircraft and shipbuilding, information technologies, biotechnology, nano-technology, construction, fertilizers and chemicals, pharmaceuticals, agricultural and processed food products, ready made garments and textiles, gems and jewelry.

The Sides noted the holding of the first meeting of the Joint Task Force (JTF) on 6-7 November 2008 in New-Delhi coordinated by the Ministry of Commerce and Industry, Government of India and the Ministry of Economic Development of the Russian Federation to monitor the implementation of the Joint Study Group (JSG) recommendations to promote the bilateral trade, investment and economic cooperation between India and Russia. The Sides recommended that the organizations concerned should implement the JTF decisions.

The Sides noted with satisfaction the establishment of Indian-Russian Chief Executive Officers Forum and expressed their expectation that it would become an effective instrument of cooperation between business circles of both countries and would promote faster growth of the bilateral trade and investment.

The Sides recommended that the organizations concerned of both countries should hasten the consideration of bilateral documents which regulate mutual recognition of certificates issued by certification agencies.

The Russian side noted that successful cooperation in the realization of industrial projects in India with participation of Russian companies may make a substantial contribution to increase bilateral trade turnover up to US\$ 10 billion by 2010.

The Russian side pointed out that the Russian company V/O "Tyazhpromexport" emerged as the lowest bidder twice in the tender for modernization of blast furnace at Bhilai Steel Plant (SAIL) and requested the Indian side to facilitate further negotiations to pursue the matter. The Indian side informed that the initial tender was cancelled by SAIL because the price quoted by TPE was much higher than SAIL's estimated cost of the project. The second bid is under consideration of SAIL.

The Russian side mentioned the cancellation of tender for construction of a seamless tube mill at RINL/VSP, where the Russian company JSC "The Electrostal Heavy Engineering Works" (EZTM) had bid. The Indian side clarified that the project for which EZTM had bid was dropped after due consideration by RINL on account of concerns regarding economic viability.

The two Sides agree on facilitating transparent and fair conditions for participation of their companies in tenders in each other's country.

Taking note of the adjudication between JSC TPE & NTPC with regard to their contract for 'Barh' STPP, the Sides urged TPE and NTPC to hold negotiations for the purpose of formulating and concluding further arrangements as early as possible to resolve their issue.

The Russian side expressed concern over the beginning of anti-dumping investigations in India on import of Hot Rolled Plates Steel Products originating in or exported from Russia.

The Indian side expressed concern over the imposition of restrictions on the export of plant products from India to Russia by Russia and pointed out that it is acting as a major deterrent to the growth of bilateral trade. The Indian side suggested to the Russian side that appropriate consultation measures need to be evolved to address any concerns before undertaking such steps. The Russian side agreed to consider the possibility of removing pending restrictions on import of plant products from India taking into account the significance of a Protocol on sanitary & phyto-sanitary measures signed between the two sides in May 2008, and also Memorandum on phyto-sanitary regulation of mutual supplies of plant products, which is under consideration of the sides.

The Sides noted with satisfaction the considerable interest of the business circles of both countries in the Second Indo-Russian Forum on Trade and Investments which was held in New Delhi on February 2008. The Sides called upon the relevant organizations of both countries, especially the representatives of the regions of India and Russia, to take part in the Third Indo-Russian Forum on Trade and Investment which is to be held in Moscow in September 2009.

The Sides agreed that the further development of cooperation between the regions of two countries would contribute to further expansion of bilateral cooperation in diverse spheres.

The Sides noted that the signing of the General Letter of Exchange for utilizing rupee debt funds on November 12, 2007 gives additional opportunities for investment in new projects in India. The Sides noted the beginning of realization of the first commercial project utilizing debt funds 'Titanium Minerals Private Limited' in Orissa.

The Commission noted that effective realization in time of the pilot project of construction of titanium products plant in the state of Orissa with debt Rupees fund financing is of great importance for the further development of bilateral investment cooperation in general and hoped for satisfactory realization of the project based on the mutual arrangements.

The Sides recommended that the interested organizations should establish informational exchange on investment possibilities of special economic zones in India and Russia.

The Russian side informed about the progress made by AFK Sistema in participation in the telecommunication sector of India with considerable Russian investments.

The Sides called upon the banking and financial institutions of the two countries to increase their activities and presence on the territories of India and Russia for enhancing bilateral trade and economic cooperation. The Sides welcomed opening of the branch of the JSC VTB, the state-owned Russian bank, at New-Delhi.

The Sides noted the considerable potential in cooperation in the field of nuclear energy in India and highly appreciated the signing the Agreement on cooperation in the construction of additional nuclear power plant units at "Kudankulam" as well as in the construction of Russian designed nuclear power plants at new sites in India.

The Sides agreed to continue the discussion on the possibility of Russian companies' participation in realization of projects in Indian fuel and energy complex and of Indian companies' development of Eastern Siberia's and other Russia's regions fuel and energy resources.

The Sides noted the interest of Indian and Russian companies in expanding cooperation in coal sector and agreed to support perspective projects in this field.

The Sides recommended that the interested organizations should examine the abilities of widening cooperation between Indian and Russian companies in the energy machinery and ore mining equipment sectors.

The Sides agreed to encourage cooperation in the sphere of tourism, and in the development of tourism infrastructure.

The Sides agreed to promote cooperation of electronic and printing business media of Russia and India to ensure regular exchange of materials on economies of the two countries.

Both Sides expressed satisfaction at the activities undertaken within the framework of the Integrated Long Term Programme (ILTP). They noted that over 100 projects in 17 thematic areas are currently underway under ILTP and eight Indo-Russian research centers have been operating successfully in the fields of powder metallurgy, vaccines, computer researches, biotechnologies, seismology, gas-hydrates, ayurveda, and biomedical technologies. Both Sides agreed to speed up work for early setting up of the Indo-Russian Centre on Technology Transfer in Moscow and the Indo-Russian Centre for Non-ferrous Extractive Metallurgy and Indo-Russian Centre for Accelerator and Laser in India.

The Sides noted active contacts in the sphere of science, education and culture in the context of Year of Russia in India and recommended that interested organizations should continue its efforts in further consolidation of bilateral cooperation in this field.

The Protocols of the meetings of the five Working Groups under the Commission are at Annexure II.

The Commission directed the Working Group on Communications and Information Technology to hold the meeting of the Group at earliest.

The Commission directed the Working Groups to implement the Protocols.

The Fifteenth Session of the Commission shall take place in Moscow in 2009. The dates and agenda of the Session would be agreed upon through diplomatic channels.

This Protocol was signed in New Delhi on 5 December 2008 in English and Russian languages.

For the Indian Side
(Pranab Mukherjee)
Minister of External Affairs India,
Chairman of the Indian side
of the Commission

For the Russian Side
(A.D. Zhukov)
Deputy Chairman of the
Government of the Russian
Federation, Chairman of the
Russian side of the Commission



640. Joint Press Interaction by Prime Minister of India and President of the Russian Federation.

New Delhi, December 5, 2008.

Official Spokesperson (Shri Vishnu Prakash): Good afternoon and welcome to the Joint Press Interaction. Honourable Prime Minister of India would be making an opening statement. Next, His Excellency the President of Russia would be making a statement. Mr. Prime Minister, the floor is yours, Sir.

Prime Minister of India (Dr. Manmohan Singh): Your Excellency President Medvedev, Representatives of the media

We are honoured to have President Medvedev and his delegation in our midst today. This is a particularly historic occasion as it is President Medvedev's first visit to India.

The President and I have held detailed talks covering all areas of our relationship such as civil nuclear cooperation, hydrocarbons, trade and economy, defence, space, science and technology, culture and terrorism.

Our strategic partnership with Russia is a vital anchor of our foreign policy. It is a relationship that has withstood the test of time. It is a relationship that is based on strong mutual trust, confidence and convergence of interests.

We are grateful for the consistent support that the leadership and people of Russia have extended to India in diverse areas.

A large number of agreements have been signed today. The signing of the agreement on civil nuclear cooperation with Russia marks a new milestone in the history of our cooperation with Russia in the field of nuclear energy.

We have taken yet another step forward in the area of space cooperation and have agreed to initiate joint activities in our human spaceflight programme.

We have given directions to our officials to expedite all measures that are required to achieve our bilateral trade target of 10 billion US dollars by 2010. This includes the activation of existing and new mechanisms such as Inter-Governmental Commission, the Joint Task Force, the India-Russia Trade and Investment Forum, and the India- Russia CEOs Council.

We discussed the possibilities of greater cooperation between Indian and Russian companies in both upstream and downstream sectors in the

hydrocarbon sector. Our dialogue in this area has intensified considerably.

We have agreed to further strengthen our defence cooperation by increasingly focussing on joint production and research and development.

I conveyed to President Medvedev the sense of anger and outrage in India over the terrorist attacks in Mumbai. We deeply appreciate Russia's expression of solidarity with India at this moment. We both agreed that these attacks represent a threat to all open and pluralistic societies, and require a major intensification of efforts against supporters and perpetrators of terrorism anywhere in the world.

Our discussions on regional and international issues were marked by strong convergence of views. There is much that India and Russia can do to enhance global peace, stability and prosperity, and bring about an international order that reflects contemporary realities.

The "Year of Russia" in India which will conclude today has been a celebration of our relations. I thank President Medvedev for joining us on this occasion.

The people of India have great goodwill for Russia. We are confident that under President Medvedev's dynamic leadership, Russia's leading role in global affairs will be strengthened. Thank you.

Official Spokesperson: Mr. President, the floor is yours.

President of Russia (Mr. Dmitry Medvedev): *Ladies and gentlemen, first of all I would like to cordially thank the President of India Madam Patil and Prime Minister Dr. Manmohan Singh for the warm comradely welcome accorded to our delegation. Indeed this is my first visit to India in my capacity as President of Russia, and we hope that this visit will become a major element in the development of our bilateral relations, and will open a new page, important page, in our bilateral relations, our bilateral contacts.*

Let me point out that for myself I have deemed it of utmost importance to ensure the continuity of good traditions of Russia-India friendship, trust and cooperation. These relations of trust have been built during the course of many centuries, and today they help us to strengthen and develop our strategic partnership. This is of particular importance during the time of test such as the terrorist attack in Mumbai. We would like once again to express our sincere condolences on behalf of our delegation to all the families of the victims, and express our solidarity in combating terrorism. We stand ready to work with our Indian colleagues in this area along all

the avenues, all the areas, possible areas for cooperation. And we stand ready to provide assistance in all these areas.

Today we have had a very productive dialogue with the Prime Minister of India. Our talks have been very useful. And the main result is the demonstration of our aspiration to the development of political dialogue, cooperation in the fields of business and culture. They are reflected in the Joint Declaration that has just been signed.

One of the central topics that is usually discussed during Summits like this is the prospects for trade and economic cooperation. Since 2005, our bilateral trade turnover has increased. It has been increasing by a high rate, on average by one-third annually. Last year it exceeded the level of 5.3 billion US dollars and this year we expect it to reach about seven billion US dollars. And there is every reason to believe that we will be able to achieve the level of ten billion US dollars by the year 2010.

What are the main areas of this cooperation? One of the indisputable priorities is our cooperation in the energy sector. Mr. Prime Minister has referred to this. A major practical result of our meeting today has been the signing of the agreement on the construction of additional power units at the Kudankulam Power Plant, and on the construction of new Russian-designed nuclear power plants in India.

Furthermore, companies from Russia together with their Indian counterparts plan to develop exploration for and extraction of mineral resources. It is our intention to further our cooperation in metallurgy, machine engineering sector, pharmaceuticals, bio and information technologies, in the exploration of space, and development of tourism. All the documents on these subjects have just been signed.

A major contribution by the way to the elaboration of these documents has been made by our Bilateral Cooperation Commission; Inter-Governmental Commission. I would like to thank the Co-Chairs of this Commission, all those who took part in its work, and the CEOs Council, and the Forum on Trade and Investment.

A part and parcel of our partnership in our cooperation continues to be military technical cooperation. Here our priority task is to switch over, to proceed from usual purchases and selling of equipment to the joint development and production. We have already some opportunities in this area and we will pursue this line. I am referring here first and foremost to our achievements in rocket engineering and aircraft engineering, and I

hope that our cooperation programme will be extended for another ten years.

Of particular importance to our two countries is the expansion of our humanitarian ties. The holding of Year of Russia in India has been a large-scale and impressive project. More than a 150 concerts, exhibitions, meetings with the artistes have taken place and have presented to the Indian audiences the rich palette of the Russian art. I am quite confident that the Year of India in Russia in 2009 will be equally successful, the year that will start early next year.

Our countries pursue a proactive and multilateral foreign policy. During our talks today we paid significant attention to the discussion of global and regional issues. Our approaches in addressing these problems in many respects go along the same line or are similar. And this makes it possible to tap various capabilities in the international arena in our cooperation there.

It is in our common interest to maintain peace and stability in the Asia Pacific region and in other regions. These objectives are served by the Shanghai Cooperation Organisation where a very productive role is being played not just by member countries but also by the observer countries. Their position is always appreciated and taken into account when final decisions are taken, and this is the way we evaluate the participation of India in the activities of SCO. We will continue to develop our trilateral cooperation, Russia-India-China cooperation, in various areas such as agriculture, public health, prevention of natural disasters. I think this work is of utmost importance to our countries.

There are prospects for cooperation also in the BRIC format. And what is more, the global economic crisis that is going on now creates additional incentives to continue along this path. The decisions that would be worked out in this format, on this platform, will have a direct impact given the influence of the states I have mentioned, will have direct impact on the development of global economy.

Let me also inform you that we have also discussed other topics. I have invited both the President and Prime Minister of India to visit Russia next year on official visits. This is traditional, normal practice. We meet annually, discuss versatile agenda of the whole range of our bilateral relations. I would like to once again thank the Prime Minister for the constructive and comradely dialogue that we have had. The Russian-Indian strategic partnership is indeed in full conformity with the interests of the development

of our two countries, and is based on profound mutual affinity and feelings of empathy that bonds our two peoples together.

Thank you.

Official Spokesperson: Two questions would be taken from each side. You are requested to please introduce yourself and your organization, and indicate whom the question is being addressed to. I would request you to please restrict yourself to one question to one leader, either the President or the Prime Minister. As a courtesy to our guests, the first question goes to the Russian side.

Question (Mr. Alexandre, Arguments & Facts Newspaper): *As I understand, the nuclear contract has become the first after the Nuclear Suppliers Group sanctions have been lifted. What are the prospects for cooperation in the nuclear sector, nuclear energy production? Can Russia maintain its status as India's key partner in this area? Thank you.*

President of Russia: *Is this question addressed to me?*

Question: *Yes. But, of course, we will be interested in listening to the opinion of the Indian side as well.*

President of Russia: *I have just said that our cooperation in the energy sector continues to be our undisputed priority. In this context, of course, our cooperation in the nuclear energy sector is of utmost interest to us and it is very productive. We are working to construct power units at the Kudankulam site. We are fully cooperating with our Indian friends, and the results that we have already achieved are quite positive. These results have provided us with the foundation for signing a special agreement on cooperation in the construction of additional power units for the Kudankulam Power Plant and on the possible construction of new nuclear power plants in India. I think that in the present day situation, in an age when various types of energy sectors are developed in addition to traditional ones based on the fossil fuel, other sectors are also developing such as nuclear energy. I think our cooperation cannot be overestimated because it is future-oriented, it creates new opportunities for the growth of the Indian economy and any growing economy, particularly the Indian economy which is growing quite rapidly. Any growing economy very often faces shortage of energy. And to resolve this issue, with this purpose we hope to develop our cooperation in the nuclear energy sector. That is why we are quite optimistic. We believe that we could work together and through our cooperation we could set a foundation for the development of the Indian economy at large,*

and we could tap the opportunities that exist today using nuclear power plants. I think that this is one of the first steps we have taken in that direction but we hope that our preparation in this area will continue to be reinforced and will advance further. We believe this cooperation to be mutually advantageous and very positive.

Question (Mr. Ranjeet Kumar, Navbharat Times): Mr. President, Sir, Indo-Russian defence relations have been passing through a rough phase in recent years. Mr. President, has your visit been able to give any forward movement to resolve the contentious issues like aircraft carrier Gorshkov and Akula class nuclear submarine, and other issues of transfer of technology for T-90 tanks. Thank you, Sir.

President of Russia: *Thank you. In our military technical cooperation we have discussed it with Mr. Prime Minister. It is one of the major factors in our cooperation, one of the major elements in our business-like interaction. No doubt during our talks we paid substantial amount of time to the discussion of our military technical cooperation. This cooperation has been longstanding, it is a systemic cooperation, and it is well established by its nature. As any cooperation it has both some problematic issues and prospects. As regards prospects, I have already mentioned something about them in my introductory speech, and Mr. Prime Minister also has referred to this issue. There are certain outstanding issues but they are of working nature. There is nothing special about them. Let me just confirm specially that during our discussion today with Mr. Prime Minister we talked very specifically, and in great detail, the issues related to technologies, related to the T-90 tanks, as well as issues related to the development and leasing for India nuclear powered submarines, and we have identified ways to resolve the outstanding problems in this area. There are very few of them but still some adjustments need to be made. We have agreed to keep these issues under our permanent consideration and we will coordinate our efforts. I believe that the discussion of these topics is very helpful.*

Question (Russian journalist): *My question is addressed to Prime Minister Singh. It is well known that Russia cooperates with India both bilaterally and internationally, in international organizations. Recently much has been said about preparation in the BRIC framework. How do you assess the prospects for cooperation within that organization, BRIC organization?*

Prime Minister of India: India and Russia are partners in a multifaceted development, bilaterally, regionally and internationally. As far as the BRIC countries are concerned, these four countries constitute a major part of

the humanity. They are also the economies which are fast-growing economies and, therefore, their development at an accelerated pace offers immense opportunities for expanding trade and investment, creating new opportunities for cooperation in energy. New areas of cooperation can be found in environment-related and climate-related issues, in disaster management, in health care and related activities.

Question (Mr. Royden d'Souza, News X): My question is addressed to Prime Manmohan Singh. Has India asked Secretary Rice to make a specific request to Islamabad to hand over Hafiz Saeed, Dawood, Masood Azhar and others? And what will be your Government's line of action now against Pakistan? Will it be military, economic or political? More essentially, how long can your Government afford to be seen as being soft on terror, especially with the elections round the corner, Sir? Will it just be that two or three resignations will suffice as far as fixing accountability goes? Thank you.

Prime Minister of India: We have impressed upon all world leaders who have called me that the people of India feel a sense of hurt and anger as never seen before. Therefore, it is the obligation of all concerned to ensure that the perpetrators of this horrible crime are brought to book. That is our message to anybody and everybody who has come here or has telephoned me. We expect the world community to recognize that in this case not only we but other relevant countries have also come to the same conclusions that the territory of a neighbouring country has been used for perpetrating this crime and, therefore, the perpetrators of this crime should be brought to book. We will wait for the outcome. This was our message to Secretary Rice as this has been our message to other world leaders. We expect the international community to wake up and recognize that terror anywhere and everywhere constitutes a threat to world peace and prosperity.

Official Spokesperson: Thank you, Sir.

This brings the event to a close. Thank you very much for coming.

[Text shown in italics is sourced from simultaneous interpretation from Russian to English].



641. Press Release of the Ministry of Commerce on the address by Commerce Minister Kamal Nath at the India—Russia CEO's Council Meeting.

New Delhi, December 5, 2008.

Shri Kamal Nath, Union Minister of Commerce & Industry, has stated that there is immense possibility for joint investments in the areas like banking, power, pharmaceuticals and textiles. Addressing the India-Russia CEOs Council Meeting here today, Shri Kamal Nath said that India and Russia have managed to sustain strong business vibes in recent years and added that the India-Russia Forum on Trade & Investment has underscored the need for investment cooperation in a large number of sectors. "Indian companies are quickly establishing themselves in Russia and the cumulative Indian investments in the Russian economy amounted to US \$744.1 million as of March 31, 2006", he said. The meeting was also attended by Shri G.K. Pillai, Commerce Secretary; Shri Ajai Shankar, Secretary (IPP) apart from CEOs from both the countries. During the occasion, the Minister also launched the IBEF Website in Russian language for the benefit of Russian business community.

Speaking on the occasion, Shri Nath informed that there is a strong case for Russian companies to invest in India, especially in power sector, as Russia is energy rich and India's energy requirements are going to increase manifold over the next 10-15 years.

The Minister emphasised that critical sectors of the economy, like agriculture, have started a process of revival by growing at a rate of close to 4%. This growth rate is a significant contribution to inclusiveness, which is vital for India as it helps sustain domestic consumption, which will sustain our growth story in the short, medium and long term, he added.

As regards the global meltdown, Shri Nath expressed hope that "both our economies will bounce back, because of their sound fundamentals and large domestic demand. We too are taking measures to inject growth dynamism back into our economy: we are cutting bank rates and easing statutory reserve requirements to inject liquidity into the system, we are also looking at creating demand impetus in a number of sectors, especially consumer driven industries and exported-oriented ones".

Bilateral trade between India and Russia during 2008-09 (April-July) was to the tune of US \$1613.56 million. Major items of export are drugs, pharmaceuticals & fine chemicals, RMG cotton including accessories, tea, coffee, tobacco un-manufactured, processed minerals, plastic & linoleum products, machinery & instruments, transport equipments, electronic goods etc. Major items of import are iron & steel, non-ferrous metals, coal, coke, newsprint, silver, synthetic & reclaimed rubber etc.

Cumulative FDI inflows from Russia till August 2008 were US \$ 144 million. The top sectors that attracted FDI inflows were medical & surgical appliances, hotel & tourism, food processing industries¹ etc.



1. According to media reports the Russian delegation told the Minister that their country was taking many steps to increase its economic engagements with India, the main being setting up of the Noerssel Port in the Black Sea that would directly link St. Petersburg with Mumbai via Iran. Russian firms are also engaging in the telecommunications sector. Its services conglomerate Sistema has already tied up with new telecom operator Shyam Telelink and linked multi-million dollar deal, while Russia's aluminium major Rusal and other metallurgy firms are scouting for opportunities in India. Bilateral trade between India and Russia that is growing annually at 30 per cent and is expected to touch \$7 billion by the end of the current fiscal.

**642. Speech by President Shrimati Pratibha Devisingh Patil
at the Banquet in honour of the President of the Russian
Federation Dmitry Medvedev.**

New Delhi, December 5, 2008.

Excellency, President Dmitry A. Medvedev,

Distinguished Guests,

Ladies and Gentlemen,

Excellency, I have the privilege to welcome you on your first visit to India. A guest from Russia, our longstanding and unique friend, is very special to us.

Your visit highlights to the people of India and Russia, and to the world, the special nature of our ties, and the importance that we both attach to our Strategic Partnership. Your visit is also part of the valuable tradition between our two countries of having annual Summits. In the last eight years, since the beginning of this tradition, much has been achieved that testifies to the importance of our relations based on trust, friendship, and continuity. We remain confident that under your leadership, this partnership between our two countries and peoples will blossom further, and progress with greater dynamism.

Excellency,

A rising India and a resurgent Russia have made impressive economic gains. This, while giving us our rightful place in the international arena, also provides us greater scope for expanding our cooperation.

A series of measures have been undertaken in recent times to increase our bilateral trade and investment. The Joint Study Group report is being implemented to achieve the target of 10 billion US dollar bilateral trade by 2010 and to work towards a Comprehensive Economic Cooperation Agreement. A CEOs Council has been set up to facilitate greater interaction between our respective private business sectors. We are glad to note that trade between our two countries over the past 8 months of 2008 has risen by over 40 per cent compared to the same period last year.

Our bilateral socio-economic cooperation is not only limited to trade in goods but also covers the services sector, high technology, tourism, culture, education and infrastructure-building.

Excellency,

Our cooperation in the defence sector is an important aspect of our Strategic Partnership. At the last session of our Commission on Military Technical Cooperation, the Defence Ministers of India and Russia agreed to carry forward our cooperation in defence for another 10 years beyond 2010. Many hi-tech projects are being implemented, and we welcome this new phase in our defence cooperation.

A significant untapped potential in our relationship is in the energy sector. Energy security is an increasingly important component of bilateral relations between India and Russia. We should expand this cooperation through joint efforts. The Agreement signed today for Russia's construction of four additional reactors in Kudankulam, will enable Russia to play an even greater role in India's civilian nuclear energy programme. We thank Your Excellency for the pro-active role that Russia played in enabling the NSG exemption for India.

In the sphere of Science and Technology, under our Integrated Long Term Programme we have had more than 20 years of bilateral cooperation. Eight Joint Centres of Excellence on themes as varied as Ayurvedic research to bio-technology and advanced computing have been created. Since there is potential to tap the economic benefit from our joint scientific accomplishments, an Indo-Russian Technology Centre is being set up in Russia and India.

Excellency,

Our countries hold identical or similar views on many international issues. We deeply appreciate Russia's support for India's candidature to a permanent seat in the UN Security Council.

The recent attacks in Mumbai have brought to the fore the dangers posed by terrorism. Russia, too, has suffered from this scourge. India and Russia both understand the importance of enhanced cooperation to combat this global menace, and believe that the international community must work jointly to defeat terrorism. This is essential for the peace and development of the world.

Excellency,

We have witnessed today a spectacular evening to mark the Closing Ceremony of the 'Year of Russia' in India. The festivities associated with it

have provided the opportunity to my fellow countrymen to see the enormity of Russia of today, in all aspects of life. We are confident that the 'Year of India' in Russia in 2009 will present contemporary India to the people of Russia and thus promote understanding, especially between youth in both the countries.

Excellencies, Ladies and Gentlemen, may I now invite you to join me in a toast to:-

- the success, good health and prosperity of His Excellency President Medvedev;
- the further strengthening of our friendship and the Strategic Partnership between India and Russia; and
- the peace, progress and well-being of the peoples of India and Russia.



643. List of Agreements concluded at the signing ceremony following talks between the Prime Minister of India and the President of the Russian Federation(5.12.08)

S. No.	Name of Document	Signatories	
		India	Russian Federation
1.	Joint Declaration between the Republic of India and the Russian Federation	Prime Minister of India	President of the Russian Federation
2.	Protocol on the Fourteenth session of the Indo-Russian Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation	Shri Pranab Mukherjee, Minister of External Affairs of India & co-Chairman of the Commission	Mr. A.D. Zhukov, Deputy Chairman of the Government of Russian Federation & co- Chairman of the Commission
3.	Agreement between the Government of the Republic of India and the Government of the Russian Federation on cooperation in the construction of additional nuclear power plant units at Kudankulam site as well as in the construction of Russian designed nuclear power plants at new sites in the Republic of India	Shri Anil Kakodkar, Secretary, Department of Atomic Energy of India	Mr. Sergei Kirienko, Director General, Russian State Corporation, Rosatom
4.	Memorandum of Understanding between Indian Space Research Organization (ISRO) and Russian Federal Space Agency on joint activities in the field of human spaceflight programme	Shri G. Madhavan Nair, Chairman, ISRO & Secretary, Department of Space of India	Mr. Anatoly Perminov, Head of the Federal Space Agency of Russian Federation
5.	Joint Action Programme for the period 2009-10 for the implementation of the Agreement between the Government of the Republic of India and the Government of the Russian Federation on	Shri Sujit Banerjee, Secretary, Ministry of Tourism of India	Mr. A.I.Yarochkin, Head of the Federal Service for Tourism of Russian Federation

S. No.	Name of Document	Signatories	
		India	Russian Federation
	cooperation in the field of Tourism		
6.	Memorandum on Cooperation between the National Academy of Customs, Excise and Narcotics of India and the Russian Customs Academy	Shri P.C. Jha, Chairman, Central Board for Excise & Customs of India (CBEC)	Mr. Andrei Belyaninov, Head of Federal Customs Service of Russian Federation
7.	Memorandum of Understanding between the Securities & Exchange Board of India and Federal Financial Markets Service of Russian Federation in relation to mutual cooperation and information sharing	Shri C.B. Bhavé, Chairman, Securities & Exchange Board of India (SEBI)	Mr. V.D. Milovidov, Head of Federal Financial Markets Service of Russian Federation
8.	Contract for supply of 80 MI-17V-5 helicopters	Shri Sashi Kant Sharma, Director General (Acquisitions), Ministry of Defence of India	Mr. A.P. Isaykin, Director General, Rosoboronexport of Russian Federation
9.	Agreement between the Financial Intelligence Unit of India and Federal Financial Monitoring Service of the Russian Federation on cooperation in the sphere of counteracting legalization (laundering) of proceeds from crime	Shri Arun Goyal, Director, Financial Intelligence Unit of India	Mr. Y.A. Chikhanchin, Head of Federal Financial Monitoring Service of Russian Federation
10.	Memorandum of Understanding between co-chairs of the CEO's Council	Shri Mukesh Ambani, Chairman & Managing Director, Reliance Industries Limited (co-Chairman of the CEO's Council)	Mr. Vladimir Yevtushenkov, Chairman, Sistema Group (co-Chairman of the CEO's Council)



644. Joint Press Statement on the Fifth Meeting of the India-Russia Joint Working Group (JWG) on Combating International Terrorism.

New Delhi, December 17, 2008.

1. The Fifth Meeting of the India-Russia Joint Working Group on Combating International Terrorism was held in New Delhi on 16-17 December, 2008. The Indian delegation was led by Mr. Vivek Katju, Special Secretary (IO&PoL) in the Ministry of External Affairs, Government of India. The Russian Delegation was led by Mr. Anatoly Safonov, Special Representative of the President of the Russian Federation for International Cooperation in the Fight against Terrorism and Transnational Crime. Both delegations included representatives of relevant Ministries and agencies.
2. The negotiations were held in an atmosphere of mutual understanding and trust. Both sides noted that their cooperation in combating terrorism constitutes an important part of the strategic partnership between the two countries and referred to the deliberations between their leaders at the recent Summit Meeting in New Delhi on 5th December, 2008 which underlined cooperation between the two countries in combating terrorism.
3. Both sides unequivocally condemned terrorism in all its forms and manifestations and stressed that there can be no justification for any act of terrorism, irrespective of motivations, wherever and by whosoever committed. The Russian side strongly condemned recent terrorist attacks in Mumbai and reiterated their solidarity and support to the government and the people of India. In this context, both sides underlined their shared concerns on the growing threat of cross-border terrorism and reaffirmed their commitment for strengthening bilateral cooperation against terrorism.
4. They stressed the importance of international efforts to prevent and fight terrorism including the UN's Global Counter Terrorism Strategy and relevant UNSC Resolutions. The two sides underlined the need for expeditious conclusion of negotiations leading to finalization of India sponsored Comprehensive Convention on International Terrorism (CCIT) at the UN General Assembly.

5. The two sides noted that curbing financing of terrorism is a key component of the counter terrorism strategy and agreed to strengthen bilateral interaction in this field. Both sides welcomed the recent signing of an Agreement on cooperation between the Financial Intelligence Unit of India and the Federal Financial Monitoring Service of the Russian Federation. The Russian side reiterated its support to India's membership of the Paris based Financial Action Task Force (FATF). It was noted that India's membership to the Eurasia Group could further enhance regional Anti-Money Laundering and Countering Terrorist Finance regime.
6. The two sides expressed their concern at the spread of narcotics in the region and agreed that this directly threatens the security of both countries. They noted the signing of inter-governmental agreement on cooperation in combating illicit trafficking in narcotics, psychotropic substances and their precursors in November 2007. They agreed on the need to further consolidate bilateral efforts for sharing information and expanding cooperation against drug-trafficking.
7. The two sides noted the growing threat of use of cyber-space by terrorists in their activities and the need to cooperate in this field.
8. In the context of realizing practical cooperation among all relevant government authorities, they agreed to expand the exchange of information, experience, and cooperation in the means of countering terrorism.
9. Both side agreed to hold the next session of the India-Russia Joint Working Group on Counter-Terrorism in 2009.



SLOVAKIA

645. Press Release of the Ministry of External Affairs on the visit of Slovak Foreign Minister.

New Delhi, May 1, 2008.

At the invitation of Shri Pranab Mukherjee, Minister of External Affairs, the Slovak Foreign Minister, His Excellency Mr. Jan Kubis, visited India on 29-30 April 2008. He had delegation level talks with his counterpart, the External Affairs Minister of India on 30 April 2008. The talks covered a range of bilateral, regional and multilateral issues of mutual interest.

2. During his stay in New Delhi, Foreign Minister Kubis called on the Hon'ble Speaker, Lok Sabha, on 30 April 2008.
3. Foreign Minister Kubis was accompanied by senior officials from the Slovak Ministry of Foreign Affairs.



SLOVENIA

646. Press Release of the Ministry of External Affairs on the visit of Minister of State Anand Sharma to Slovenia.

New Delhi, March 31, 2008.

The Minister of State for External Affairs, Shri Anand Sharma inaugurated the premises of the newly-established Indian resident diplomatic Mission in Ljubljana, Slovenia on 31st March, 2008. Among the several guests who graced the occasion were the Foreign Minister of the Republic of Slovenia, Dr. Dimitrij Rupel and Mrs. Rupel. Many prominent local personalities, including from the Government, the media and academic and cultural circles were also present on the occasion.

Earlier in the day, MOS, Shri Anand Sharma also held wide ranging discussions with Dr. Rupel, which were characterized by mutual goodwill and warmth. The talks covered various aspects of bilateral relations. The two sides recognized the need for greater exchange of high level visits

and further expansion of trade and economic ties. They welcomed that the Joint Economic Committee and the Joint Business Council will meet in June, 2008. This would also be an opportunity for Indian businesses to explore the viability of using the port of Koper as gateway for India's trade with the region. Mr. Sharma invited a delegation from the port of Koper to visit the major ports of India. Revitalization of ICPE was discussed. It was urged that the Headquarters Agreement for ICPE be finalized soon. Both sides also called for enhanced cooperation in science and technology and an early finalization of the bilateral cultural exchange programme. Dr. Rupel responded positively to the proposal for Slovenia to upgrade its representation in New Delhi to Ambassador level soon.

Exchanges also covered the regional situation in South-Asia, and South-Eastern Europe, and multilateral matters of mutual interest. Dr. Rupel, who is also currently the Chairman of the EU General Affairs and External Relations Council gave a briefing on the outcome of the recent informal meeting of the EU Foreign Ministers held in Slovenia where various international issues including recent developments in the Western Balkans were discussed.

MOS, Shri Sharma also called on the President of the Slovene National Assembly, Dr. France Cukjati. He extended an invitation for a Parliamentary delegation from Slovenia to visit India some time soon, which Dr. Cukjati accepted.



SPAIN

647. Press Release of the Ministry of Commerce on the meeting of the India – Spain Investment and Business Cooperation Forum.

New Delhi, December 11, 2008.

Shri Kamal Nath, Union Minister of Commerce and Industry, has stated that there are huge investment potential in India in the next few years in modernisation of highways; railways; power sector; telecommunication and urban infrastructure. Addressing the India-Spain Investment and Business Cooperation Forum here today, Shri Kamal Nath observed that Spain could probably take advantage of these opportunities as Spain is a big investor globally. The meeting was attended by Mr. Miguel Sebastian, Minister of Industry, tourism and Trade of Spain; Shri G.K. Pillai, Commerce Secretary and business representatives from the Indian and Spanish side.

Speaking on the occasion, Shri Nath highlighted that major sectors that have attracted FDI investment in India include: ceramics, telecommunications, metallurgical industries, cement & gypsum products, construction activities, computer software & hardware, automobile industry etc. He further added that a few Indian companies have also established their presence in Spain

Shri Kamal Nath said that “it is our endeavour to continue to provide a stable and conducive investment climate, both for the domestic investor and the foreign investor, and to manage the economy in a manner that facilitates inclusive growth driven by enhanced investment and consumption. Our policy of encouraging both the public sector and the private sector and fostering competition has stood us well. It is only an open economy that will bring gains in efficiency and productivity, reward innovation and enterprise, and ensure inclusive growth”.

As regards the global financial crisis, Shri Nath stated that many developed countries are in recession many more are expected to slip into a recession shortly. “ I wish to emphasize that India is nowhere near a recession. The growth estimate for the first quarter of 2008-09 was 7.9 per cent and the second quarter saw 7.6% growth – construction, trade, hotels, transport

and communication leading the pack at double digit growth rates”, he added.

During the bilateral meeting with the visiting Spanish Minister, Shri Kamal Nath emphasised that there is plenty of scope for increasing the economic engagement and added that the bilateral trade between India and Spain is about US \$ 3 billion, though it is far less than the total trade of India at US \$ 280 billion and that of Spain at US \$ 636 billion. The Spanish Minister also underlined the importance of strengthening the economic cooperation and furthering the bilateral trade.

With regard to the multilateral trade front, Shri Kamal Nath informed that India continues to believe in strengthening the multilateral trade rules of the WTO and has reiterated the need for a serious discussion on the expectations of WTO Members regarding other issues. He said that it is important that the Doha Round negotiations are brought to a successful conclusion, and added that such a conclusion can only be possible if we are faithful to the mandate and the outcome reflects a clear balance between market opening and the development needs of the majority of the membership.



SWITZERLAND

648. Press Release issued by the Ministry of Commerce on the India - Swiss Joint Economic Commission meeting for enhancing bilateral trade.

New Delhi, October 20, 2008.

The 11th Meeting of the Indo-Swiss Joint Economic Commission (JEC) that took place here today has observed that steady and rapid economic growth in India presents an attractive opportunity to Swiss business for making investments in various sectors. The JEC reiterated their commitment to further enhance bilateral trade in view of the huge potential for expanding and diversifying the trade basket. The Indian delegation was led by Dr. Rahul Khullar, Special Secretary, Department of Commerce and the Swiss delegation was led by Ambassador Monika Ruhi Burzi, Head of Bilateral economic Relations, State Secretariat for Economic Affairs.

Both sides welcomed the commencement of the negotiations for the India-EFTA Broad Based Trade and Investment Agreement. The JEC identified information technology and tourism sectors as having potential for larger bilateral economic flows. The bilateral economic engagement will receive further boost the business-to-business contacts and enable exchange of high-level ministerial delegations. The next meeting of the JEC will be held in Berne in 2009.

Both sides exchanged views on regional and multilateral issues of mutual concern including the Doha Round of multilateral trade negotiations and expressed their strong continued commitment to the rules-based multilateral trading system.



649. Statement by Prime Minister Dr Manmohan Singh at the Joint Press Interaction with Prime Minister of Turkey.

New Delhi, November 21, 2008.

Your Excellency Prime Minister Erdogan,

Ladies and Gentlemen.

I wish to take this opportunity to once again extend a very hearty welcome to His Excellency Prime Minister Erdogan and members of his delegation to India.

We are delighted to have a visit by the Prime Minister of Turkey after eight years. Turkey is a major international power and its influence extends far beyond its region.

India and Turkey have close civilisational links. We share the common values of secularism, pluralism and tolerance. A strong and vibrant relationship with Turkey is in India's national interest. This has been our guiding principle ever since the visit of Pandit Jawaharlal Nehru to Turkey in 1960.

Prime Minister Erdogan and I have decided to translate our strong mutual desire for good relations and the vast goodwill that exists among our peoples into concrete action programme.

Keeping in view the steady growth in our trade and economic cooperation, we have set a trade target of 6 billion US dollars to be reached by year 2010. We agreed to establish a Joint Study Group to examine the feasibility of concluding a bilateral FTA. Turkey's strong strategic location offers vast opportunities for Indian companies. Equally, our own development plans and infrastructure requirements provide huge opportunities for Turkish investment into India.

We have agreed to collaborate further in the area of energy cooperation, particularly hydrocarbons, science & technology, culture, tourism and people-to-people contacts. We both expressed our satisfaction on our ongoing contacts in the field of defence, and felt there was further scope for cooperation in this area.

I conveyed to the H.E. Prime Minister our appreciation for Turkey's support in joining the consensus in the Nuclear Suppliers Group for an India specific waiver to enable civil nuclear cooperation with India.

There was full agreement that terrorism poses a threat to our common values, and therefore needs to be tackled firmly and decisively through collective action. We have agreed to deepen our cooperation in the area of counter-terrorism.

We also discussed regional issues of mutual interest and, in particular, the situation in Afghanistan.

We have agreed to closely consult each other on important global issues. As members of the G-20, we exchanged views on the current international economic and financial crisis. The crisis has highlighted the urgent need for reform of international institutions. It is also an opportunity for India and Turkey to leverage their mutual complementarities to infuse dynamism into the global economy.

My discussions with Prime Minister Erdogan were extremely warm, productive and forward looking. They will contribute to the upgrading of our relations to a new level that befits the 21st century. This is in the interest not only of our two countries but also in the interest of international peace, stability and prosperity.

Thank you



UNITED KINGDOM

650. Media Briefing by Official Spokesperson on the visit of British Prime Minister Dr. Gordon Brown.

New Delhi, January 18, 2008.

Official Spokesperson (Shri Navtej Sarna): Good evening.

..... this is the Fourth India-UK Summit and is the first visit of Dr. Gordon Brown to India after taking over as Prime Minister. He was here as Chancellor of the Exchequer in January last year, 2007. The Summits between the two countries started after the visit of Prime Minister Dr. Manmohan Singh in September, 2004 when it was decided to launch a Comprehensive Strategic Partnership between the two countries. This has developed in a multifaceted and substantive fashion over the last four years.

As you know, a strong bilateral relationship is of high priority for both countries for economic, commercial, historical and foreign policy reasons as well as the presence of a large and prosperous community of people of Indian origin in the UK.

To give you the areas which were identified for this Comprehensive Strategic Partnership through the joint declaration in September, 2004, the whole series of them on which cooperation has been taking place is: trade and investment, education, science and technology, and so on. The areas of interest ongoing, particularly also during this visit, are further expansion of economic linkages, R&D collaboration, cooperation in higher education and academic exchanges, as well as cooperation in counter-terrorism between the two countries.

Frequent high-level interactions have taken place between the two countries, and besides the high-level contacts there are also several bilateral dialogue mechanisms which are in place including the Joint Economic and Trade Committee for trade and investment and the Science and Innovation Council for S&T cooperation.

In terms of trade, the UK is our fourth largest global trading partner and accounts for 3.56 per cent of Indian trade, second largest in the EU. The annual two-way figure of trade stands at Euro 8.5 billion. UK continues to be the largest cumulative investor in India with a figure of 3.4 billion pound sterling; and the third largest investor post-1991 with 3.6 billion US dollars. India has emerged as the second largest investor in the UK in terms of

number of projects. Over a billion pounds have been invested in the UK and 50 Indian companies are actively trading on the London Stock Exchange.

Particularly important and interesting area of cooperation is higher education. There is the UK-India Education and Research Initiative launched in April 2006 which fosters these contacts. Currently, the figure of Indian students in the UK is about 25,000 including a strong presence of IT and management professionals. During the visit it is expected that the two sides will enter into a Memorandum of Understanding on India-UK Higher Education and Leadership Development Programme aimed to develop leadership skills in Indian Universities. The partner for the proposed MoU will be the University Grants Commission on the Indian side, and the Leadership Foundation for High Education on the UK, as well as the UK-India Education and Research Initiative. This programme is expected to give participants the first time experience of senior management and leadership roles, issues and processes, both in the Indian and the UK educational institutions and create leadership in this particular field.....

* * * *

Question: Britain has come out with a draft paper on immigration which is supposed to be very stringent, point-based system which may affect the flow of Indian professionals, especially doctors. It sparked a lot of anxieties here. Will the issue be discussed when the two Prime Ministers meet? What is our stand here?

Official Spokesperson: As I just told you, one of the points for discussion and follow-up is cooperation in higher education and particularly in leadership and management fields. As far as immigration issues are concerned, it is very difficult for me to say two days before the visit what the Prime Ministers are going to discuss. It is possible the issue may come up; it is possible it may not come up. But certainly we will keep you briefed on Monday evening. You can ask the same question on Monday.

Question: On climate change, our perception and Britain's vary. How do we see what Britain is proposing which is more or less what the Western world wants?

Official Spokesperson: Our position on climate change is quite clear. We have welcomed the Bali roadmap. We have made our position quite clear. India's emissions are far lower than most other countries and certainly much

lower than industrialized countries. We do view it as an issue of global concern. We do want progress to be made on it. But naturally we have to keep in mind our own development priorities. The whole issue of a differentiated responsibility is quite clear. You are quite familiar with that. It is quite possible that during the summit talks global issues will be discussed. If global issues are discussed, it is quite possible that climate change will be discussed. If there are any specific points made, we will tell you on Monday evening.

* * * *

Thank you.



651. Joint Statement issued on the visit of British Prime Minister Gordon Brown.

New Delhi, January 21, 2008.

1. The India-UK annual Summit was held in Delhi on January 21, 2008. The delegation from the United Kingdom was led by Prime Minister Rt. Hon. Gordon Brown MP and that from India was led by Prime Minister Dr Manmohan Singh.

India-UK Strategic Partnership

2. India and the UK share a Strategic Partnership. The two Sides underscored their commitment to the Strategic Partnership launched in 2004 and reaffirmed their shared conviction in the values of democracy, fundamental freedoms, pluralism, rule of law, respect for human rights and multilateralism in the international political and financial architecture as the means to tackle global challenges effectively. The close bilateral relationship has already led to growing cooperation in global affairs and substantial expansion in the bilateral engagement in multiple fields. Building on the achievements of the 'New Delhi Declaration' (2002) and 'India-UK Joint Declaration' (2004), the two Sides commit themselves to strengthening and deepening the comprehensive Strategic Partnership that exists between the two countries, which is underpinned by growing economic ties and the presence of a large Indian Diaspora in the UK.

Economic & Commercial

3. Bilateral economic linkages are strengthening through increased trade and investment flows. The UK is the third largest cumulative investor in India. India has emerged as one of the largest investors in the UK, including several major acquisitions, reflecting the maturing nature of the bilateral economic partnership. The UK is among India's important global trading partners. The two Sides acknowledged the potential for greater collaboration especially in hi-tech (ICT, life sciences, nano-technology etc.), research, advanced manufacturing, infrastructure, energy, healthcare, agricultural products and processed foods, higher education and other service sectors.
4. Both sides took note of the outcome of the 4th meeting of the India-UK Joint Economic and Trade Committee (JETCO) held in London on 13 December 2007. This meeting reviewed various aspects of bilateral trade and received valuable feedback from businesses on both sides on measures that could further enhance bilateral trade and investment flows. India and the United Kingdom agreed to cooperate in developing collaboration between Small and Medium Enterprises (SMEs), entrepreneurs and venture capitalists. The Prime Ministers welcomed the meeting of a CEOs' Round Table and Entrepreneurs' Summit of Indian and UK business leaders in Delhi. In the light of the rapidly growing trade and economic relations and the rapidly evolving pattern of international competitive advantage, both governments acknowledged the considerable potential for bilateral trade, investment and services. They noted the importance of improving market access through liberalization and facilitating movement of professionals across a broad range of sectors of interest to both sides.
5. Both sides took note of the large opportunities in the infrastructure sector, in the context of the massive infrastructure development programme being undertaken in India. Facilitating the flow of information on the infrastructure projects being undertaken would encourage business partnerships. Both sides agreed to take forward proposals for the establishment of a capacity building programme in India for public-private partnership in infrastructure with UK support.
6. India and the United Kingdom noted the role played by people of Indian origin in Britain. Through their hard work, dynamism and

entrepreneurial talents they have made an enormous contribution to the strengthening of bilateral ties.

Education

7. The two Sides noted the traditionally close ties between the two knowledge societies in the field of Higher Education. They recognised that the UK-India Education & Research Initiative (UKIERI), launched in April 2006, was playing an important role in fostering such contacts. They further noted the huge expansion planned in the Indian Higher Education sector which would increase the gross enrolment ratio by 5 percentage points and include the establishment of a range of central government institutions of excellence including 8 new Indian Institutes of Technology (IITs), 7 new Indian Institutes of Management (IIMs), 5 Indian Institutes of Science Education and Research and 30 new Central Universities. It was agreed that both sides would forge a closer partnership in the field of Higher Education, for further developing education and skills to the mutual advantage of the students and faculty of both countries. While exploring new avenues of collaboration to further deepen the cooperation, the two Sides agreed to initiate specific measures to collaborate in the field of higher education. In particular they agreed: to establish an Education Forum to work towards an early conclusion of an Education Partnership Agreement; to enter into a Memorandum of Understanding on an India-UK Higher Education Leadership Development Programme to develop leadership skills in Indian and UK universities; to establish a Programme, under UKIERI, to support faculty development in key Indian universities with participation of leading UK academics; to develop further student and faculty exchange programmes and partnerships with a commitment of further funding from the UK government; and to promote pro-actively links between British Universities and the premier educational institutions in India including collaborating for the establishment of at least one new Indian Institute of Technology, one new Indian Institute of Science Education and Research and one Central University proposed in the XI Five Year Plan. The latter would be taken forward through a meeting between a British delegation, including Vice Chancellors and their Indian counterparts later in the year. They further agreed to work towards mutual recognition of degrees, diplomas and other academic qualifications supported through greater co-operation between the relevant UK and Indian authorities. The two Sides agreed to the

further development of UK/India collaboration on English Language Training. The two Governments recognize the strong interest of higher educational institutions of both countries to work together to further their global educational objectives.

Research, Science & Technology

8. India and the UK see considerable potential for growth in Research, Science and Technology collaboration. They share the vision for further strengthening their partnership through new and existing initiatives and agree to widen discussion to all research funding bodies in both countries through the India-UK Science and Innovation Council mechanism. The UK's proposal to establish a Research Councils UK (RCUK) office in India is a welcome development that would lead to enhanced collaboration between the two countries. Underlining the importance for further developing Research and S&T cooperation, India and the UK shall establish a Science Bridges Initiative to build institution to institution relationships on equal partnership with joint funding under the principle of parity. RCUK will contribute £ 4 million with a matching grant from Department of Science and Technology (DST) India to promote this initiative. The UK and India also agree to support a further round of UKIERI awards designed to establish networking links between Indian and UK education and research institutions with the UK committing £ 2 million over 3 years and DST agreeing to match this funding on a parity basis. DST and the Engineering & Physical Sciences Research Council (EPSRC) UK also agreed to collaborate on the initial phase of development of major projects in select research areas.

Civil Nuclear Cooperation

9. The two Sides strongly emphasised the potential of civil nuclear energy to be a safe, sustainable and non-polluting source of energy, which could make a significant contribution to meeting the global challenge of achieving energy security, sustainable development, economic growth, and limiting climate change. The UK supports the India-US civil nuclear co-operation initiative with all its elements, including an appropriate India specific exemption to the Nuclear Suppliers Group Guidelines. As two countries with advanced nuclear technology, India and the UK agree to promote co-operation in civil nuclear energy and will work expeditiously towards a bilateral agreement for this purpose, in line with their strong commitment to

non-proliferation. The two Sides will also continue to encourage their scientists to develop closer links and to co-operate in research in this field. The two Sides also welcome the opportunity for their scientists to work together in the context of ITER.

Climate Change

10. India and the UK recognise the need to find effective and practical solutions to address concerns regarding climate change and its implications for human kind. These would include mitigation and adaptation strategies in a manner that supports further economic and social development in particular of developing countries. Long-term convergence of per capita emission rates is an important and equitable principle that should be seriously considered in the context of international climate change negotiations. They expressed satisfaction over the successful outcome at Bali that reaffirmed the relevance of the United Nations Framework Convention on Climate Change (UNFCCC), including its provision and principles, in particular the principle of common but differentiated responsibilities and respective capabilities. The process established under the Bali Road Map should aim for enhanced implementation of the UNFCCC and give due weight to issues of concern to developing countries, in particular those relating to addressing adaptation, technology, and financing arrangements. In the field of bilateral cooperation on climate change, the two Sides expressed satisfaction over the announcement of a UK-India Agreement on the second phase of UK-India Climate Change Impacts and Adaptation Study. The UK and India are convinced that development of the international carbon market is important for the future and wish to explore new approaches to market related investment that offer the potential to drive technology transfer. The two Sides shall work towards the success of the second Phase of a project aimed at identifying the barriers to low carbon technology transfer. They will also collaborate on a project piloting implementation of programmatic CDM in India this year to jointly explore the potential of this to facilitate up-scaling of carbon market investment in accordance with India's future development priorities. Both sides recognised the importance of Research and Development collaboration on low carbon energy technologies and welcomed the broadening dialogue between the two countries on clean coal technologies and other power generation technologies.

MDGs

11. The two Sides agreed that an urgent global effort is required to meet the MDGs. India and the UK agreed to enhance efforts to achieve the MDGs and reduce global poverty. The two parties launched a new Partnership to Achieve the MDGs Globally. The two countries committed to harness their combined knowledge, experience and resources towards this goal including through third country cooperation. India and the UK will start by scoping opportunities to collaborate in third countries where both parties have a development interest. India and the UK would jointly consider ways and means to reform the international institutions. While noting the establishment of the mechanism for this purpose under the Commonwealth at the Kampala CHOGM 2007, the two Prime Ministers agreed that India and the UK should exchange views bilaterally on this important agenda. They agreed the importance of continued exchange of experiences and future cooperation on international policies on major global public goods that impact on the global achievement of the MDGs.

WTO

12. India and the UK strongly support an early, fair and ambitious outcome of the Doha Round of multilateral trade negotiations. A successful conclusion of the Doha Agenda must focus on the development dimension. Existing differences amongst members have to be overcome for the benefit of all. Close cooperation between India and the UK will make a significant contribution to achieve a balanced and comprehensive agreement.

India-EU

13. India and the UK noted with satisfaction the growing partnership between India and the EU. They welcomed the progress made in the negotiations between India and the EU for a broad-based Trade and Investment Agreement and expressed their commitment for an early and mutually beneficial conclusion of the negotiations for such an agreement. They noted with satisfaction the success of the 8th India-EU Summit held in New Delhi on November 30, 2007.

International

14. The two Sides discussed a range of other international issues, and agreed on the importance of more representative and effective

international institutions to address global challenges. The two Sides agreed that a reformed UN Security Council that better reflected the realities of the 21st century would enhance global cooperation and security. The UK reaffirmed its firm support for India's candidature for a permanent membership in an expanded UNSC.

15. They reaffirmed their sustained commitment to supporting the Afghan government in the stabilisation and rebuilding of Afghanistan, and reiterated the importance of coherent international efforts to address the development needs of Afghanistan. They urged Iran to co-operate fully with the IAEA and fulfil the requirements of the relevant UN Security Council resolutions, to address international concerns about its nuclear programme. In this regard, they underlined the importance of continued dialogue with Iran. The leaders emphasised the urgent need for a comprehensive, just and durable peace in the Middle East/West Asia. They reaffirmed their support for a negotiated settlement of the Israeli-Palestinian conflict based on existing agreements, including relevant UNSC Resolutions, the Roadmap, and the Arab League Resolution (Beirut 2002), and urged the parties to work toward this end. The UK and India are committed to contributing to peace and prosperity in Africa. They reiterated their firm belief in the New Partnership for Africa's Development, a key framework for socio-economic development. Both sides recognised the importance of enhancing efforts to support peace and security in Africa, and the UK paid particular tribute to India's contribution to UN Peace Keeping Operations. India and the UK will work with international partners to support implementation of the Comprehensive Peace Agreement between North and South Sudan. They will support AU-UN efforts to reach a lasting political settlement for Darfur, underpinned by an effective peacekeeping force. They called on all parties to the conflict to immediately cease all hostilities and commit themselves to a sustained and permanent ceasefire.
16. The two Sides shared the hope that Pakistan would see an early return to stability and prosperity and recognised the importance of free and fair Parliamentary elections on 18 February. They agreed that the process of national reconciliation and political reform in Burma/Myanmar should be inclusive, broad-based and taken forward expeditiously, so as to bring about genuine reconciliation and progress towards democracy. They expressed their strong support for the ongoing good offices of the UN Secretary General's Special

Envoy, and their shared hope that he be able to visit Burma/Myanmar again as soon as possible. They welcomed the announcement of elections in Nepal on 10 April and urged all parties to cooperate and maintain the declared date to ensure a free and fair process, open to all without intimidation. It is for the people of Nepal to decide their own future. Both sides would like to see a peaceful, stable and democratic Bangladesh, where the people of Bangladesh will be able to exercise their will through free and fair elections. They agreed that there is no military solution to the conflict in Sri Lanka, and urged the Sri Lankan government to put forward a credible devolution package as a key contribution to finding a political settlement acceptable to all communities within the framework of a united Sri Lanka.

Counter Terrorism

17. Terrorism is a global threat requiring a global response. Both sides underline the importance of joint international efforts in countering terrorism which is not justified under any circumstances. They agree to intensify mutual exchange of views, experiences and practical cooperation in the fight against terrorism, both through bilateral channels and in multilateral forums. They shall strengthen cooperation through the Indo-UK Joint Working Group on Counter-Terrorism. Multilaterally, the two countries remain committed to pursuing as soon as possible agreement in the UN on the Comprehensive Convention against International Terrorism. Bilaterally, the UK and India agreed to build on existing co-operation including in the protection of critical national infrastructure, mass transit systems and the security of major sporting events/UK, and expand it further in the fields of Civil Aviation security and crisis management. In addition, it was agreed to establish a new bilateral dialogue on Terrorist Financing. The UK reiterated its support for India's full membership of the Financial Action Task Force.

Signed in New Delhi on 21 January 2008.

Dr. Manmohan Singh
Prime Minister of India

Rt. Hon. Gordon Brown MP
Prime Minister of the United Kingdom



652. Joint Press Interaction by Prime Minister Dr. Manmohan Singh and British Prime Minister Dr. Gordon Brown.

New Delhi, January 21, 2008.

Prime Minister Dr. Manmohan Singh: Your Excellency Prime Minister Gordon Brown, ladies and gentlemen of the press:

Prime Minister Gordon Brown and I have just concluded extremely productive and wide-ranging discussions. Our talks were held in a spirit of great friendship and warmth which is the hallmark of our relations today.

We reviewed the entire spectrum of our bilateral cooperation. We have identified cooperation in the fields of education, science and technology, and trade and investment as priority areas of our relations. Prime Minister Gordon Brown is accompanied by a high-level business delegation and vice-chancellors of major British universities. I look forward to meeting them later today. We agreed to jointly work in every possible way to facilitate greater people-to-people contacts. We recognize the contribution of the community of Indian origin in the United Kingdom in consolidating our relation.

Prime Minister Gordon Brown and I exchanged views on major regional and international issues. There are several areas in which India and the United Kingdom can work together as equal partners to contribute to global peace, stability and development. We highly value Prime Minister Gordon Brown's commitment to the achievement of the Millennium Development Goals, reform of the international institutions and climate change. He has emphasized the importance of inclusive globalization and an internationalist approach to addressing contemporary challenges.

I thank the Prime Minister for continued British support to India's candidature for permanent membership of the United Nations Security Council and his support to our efforts for securing international civil nuclear energy cooperation to meet our rapidly increasing energy requirements.

Our two countries are both victims of terrorism. We both reiterated our firm resolve to combat the forces of terrorism and extremism. We have agreed to take various concrete measures to build upon our existing cooperation in the field of counter-terrorism. This is an area of high priorities for both sides.

Prime Minister Gordon Brown's first visit to India as Prime Minister of United Kingdom has reinforced the special nature of our ties with the United Kingdom. I can say with confidence that his visit has imparted a fresh momentum to our strategic partnership.

I thank you.

Prime Minister Dr. Gordon Brown: Can I say first of all it has been a great pleasure to be here at the invitation of Prime Minister Singh; to have met his Cabinet members; to have brought with me a high quality business delegation that is meeting with their Indian counterparts. We have just finished an excellent Summit which has made significant progress and added fresh momentum to the strength of a deepening and broadening bilateral relationship.

Ours is a strategic partnership of equals - a confident, modern, 21st century India and a confident, modern, 21st century Britain - a relationship that has been united by common history, by shared values, and by the personal friendships that have been formed over the years. I am particularly grateful for the leadership of Prime Minister Singh in a whole range of areas where the world must work as one but his inspiration is making it possible.

Everywhere you looked the links and relationships between Britain and India are strong and strengthening - in our culture, our sports, in the many families with roots in Britain and India, in the common interest we have in reshaping the world economy and its institutions, and in the economy and trade itself¹. I am delighted that trade between Britain and India has increased by 100 per cent over the last five years, that it is now increasing by 20 per cent a year every year. I am delighted that we have been able to reach agreements in areas that will precipitate greater trade and greater cooperation between the businesses of our countries and the businesses of India. I look forward to more Indian companies working in Britain and more British companies making their expertise available to India.

We are particularly gratified by the increasing educational cooperation between our two countries. I can announce that there will be a long-term educational forum that will discuss issues that are common between our

1 On January 21 addressing Indian and British business leaders (at a breakfast meeting with Commerce and Industry Minister Kamal Nath), Mr. Brown said: "Just as the problems bedeviling the economy and security of the environment are trans-national, the solutions must also transcend borders. Only with international institutions that support cooperation out of shared interest and predictability and accountability, states could consistently work jointly for the benefit of all." Their revamped structure, Mr. Brown said, should

countries; that we have made arrangements to facilitate the transfer and exchange of staff and students between Indian and British universities; that we will be part of the massive expansion that is now taking place to the credit of India in building 30 new universities in science and institutes of technology; and we believe that we can cooperate in making this fast development of higher education possible; and to that extent there will be a forum involving the vice-chancellors of British universities and Indian universities to speed up the process of cooperation in the future.

We have agreed also that it is in the interest of both our countries and the world that international institutions should be reformed for the modern era. They need to be equipped to deal with the challenges of the 21st century and to ensure that they are more representative of the new global order. I am pleased to be able to say that we support the membership of India in the UN Security Council, an enhanced and reformed Security Council for the future. I am pleased that we have reached a common ground on the need to reform the World Bank to give it an environmental focus, to improve the workings of the International Monetary Fund, and to give the United Nations a greater role in making possible stability and reconstruction where there are broken down states.

We have deepened our partnership in development. Britain will spend 825 millions (pounds) over the next three years, 500 millions of it on education and health in India. We will help some 300,000 schools, help train 300,000 teachers and ensure that four million more children have a chance of going to school.

We have agreed to intensify our joint efforts to combat the global threats of terrorism and extremism. We want to work for an international convention that will tackle terrorism by greater international cooperation. In the meantime we will strengthen the cooperation between our security agencies; we will work hard to have common standards by which we can prevent terrorist explosives moving from ports and airports around the world; and we will work together to persuade the young people that the poison that is practiced by terrorist groups is neither in their interests nor in the interests of human rights in every country.

reflect India's rising prowess in the global economy. "I support changes to the World Bank, the IMF and G-8 that reflect the rise of India and rise of Asia ... We can and must do more to make our global institutions more representative," he said. India was making a powerful contribution to the world economy. "In the last 15 years, you have doubled your national income" and the country had "become the fourth largest producer of medicine and second largest developer of software in the world ... No company can be truly global unless it has operations based in India."

We have had a useful discussion on how we can move forward from Bali to Copenhagen to ensure a post-Kyoto climate change agreement and a global carbon market for the future. We have agreed how we can cooperate in technology and in other areas to ensure India and Britain both are high growth, low carbon economies and can adapt to climate change.

We have talked about the need for stability and free and fair elections in Pakistan and for the progress of reconciliation and political reform in Burma. At the same time, we have deepened our cultural links. A lot of theatre and film binds our two countries together. Sporting projects in advance of the 2010 Commonwealth Games and I have congratulated the Indian people on the success of the Indian cricket team in defeating Australia in the last two days.

In our global society we are all interdependent. Britain and India have the advantage of being driven forward by the same values and the same ethos, our support for democracy and human rights, our determination to support free markets and entrepreneurship, and a deepening of an already mature relationship which will strengthen after the decisions that have been made today. It is my hope that 10 billion pounds worth of commercial deals between our two countries now under negotiation and discussed over the last few days can be signed in the coming months to the benefits of both economies.

I thank Prime Minister Singh for his invitation to visit India. I am gratified by the momentum that has been given by this trip to new and deepening relationships. We will work together for the success of both our economies but also for stronger international institutions.

I applaud the leadership role that India is taking in so many areas around the world. I invite Indian leaders to visit our country in the next few months. I look forward to the deepening, strengthening and the broadening of cooperation in the strategic partnership of equals, find it on the shared values and personal friendships in the years to come.

Thank you very much.

Question (Mr Nick Robinson, BBC News): Prime Ministers both, can I ask you to explain why you think it is important for India and the world that India be a member of the world's top table, in other words a permanent member of the United Nations Security Council.

Prime Minister, can I ask you why the British taxpayer should subsidize to the tune of billions of pounds a private firm that takes over a bank that would be bankrupt, if it were not for the support of your Government?

Prime Minister Dr. Manmohan Singh: So, you want me to address the first question!

I think there is today a broad agreement that international institutions, if they have to be credible in terms of their ability to grapple with contemporary challenges, cannot ignore countries like India and China. I was in China a few days ago. In one of the statements that I made there I said the strong growth of China and India today constitutes an international public good because the growth in our two countries is giving a major stimulus to the expansion of the world economy and at a time when sentiment elsewhere is getting weaker, the strong fundamentals of economies like India are a source of strength to the world economy. In this increasingly interdependent world that we live in, I think you cannot deal with global problems and global concerns if countries like India are not on the high table.

Prime Minister Dr. Gordon Brown: India is the biggest democracy in the world. It is one of the world's fastest growing economies and making a huge contribution to the economic prosperity of the whole world. I believe that India should assume its rightful place in the deliberations of the world including membership of the UN Security Council. I believe that the contribution that India makes and can make not just to the prosperity of the world but to a better environment in the world, to action on security and against terrorism, and to building social justice throughout the world, is something that should be recognized in the reform of all our international institutions. I am pleased that our partnership, the partnership between Britain and India, is able to yield results not just for our two countries but make progress on climate change, on economic development, on security, on terrorism for the whole world. That is why I support India's rightful place in the international institutions of the world.

The only reason that we have intervened in Northern Rock is to ensure the stability of the British economy. When we were placed last August with the problems at Northern Rock and the danger that these would spread to the rest of the economy, it was right and I believe everybody agreed that the Government intervene to protect the depositors and their savings and at the same time to ensure the stability of the economy. For the last four months, because of our action that has been achieved. Today the loans that we have made to Northern Rock through the Bank of England are secured against its assets. Most people agree that Northern Rock has acquired a high quality loan book. I can assure you that our aim in all of this - and the Chancellor will be making a statement in the House of Commons - is to secure the best deal for the British taxpayer and ensure

the stability of the British economy amidst the existing global financial turbulence.

Question (Mr Srinjoy Chaudhuri, Times Now): Question for the Prime Minister of India. Sir, the Sensex did very badly today. Thousands of investors are hurt. Is there any kind of reassurance you have for them. Also, can you tell us something if the Pakistan Government has said anything about Jairam Ramesh crossing the border at Wagah?

Question for the British Prime Minister. Has anything, any report, come to you from Scotland Yard about the Bhutto assassination?

Prime Minister Dr. Manmohan Singh: As regards the question that you have addressed to me, let me say that orderly growth of our capital markets is a priority concern for our Government. Considering the fundamentals of our economy which are eminently sound, I am confident that the markets that we seek to grow will grow in an orderly fashion. Time to time fluctuations are part of the market processes and I would not like to comment on these. But I would like to assure the Indian public that sustained and orderly growth of capital markets is a priority concern for our Government.

Prime Minister Dr. Gordon Brown: To President Musharraf I offered and he accepted the presence of men and women from the Metropolitan Police to assist with the investigation into the assassination and death of Benazir Bhutto. Our policemen and women are there in Pakistan at the invitation of the Pakistan Government. They are assisting the investigation which is being done by the Pakistan authorities and it will be for the Pakistan authorities to announce any conclusions of their investigation. I may just add that we are both agreed that free and fair elections are important for the Pakistan people and also to be seen by the international community as Pakistan taking the right steps after the state of emergency that has existed.

The global financial turbulence that we are seeing is affecting every continent. I think it is important to say that countries like India and Britain are determined to do everything in our power to maintain the stability of our economies. We believe we have put in place the right measures keeping inflation and interest rates as low as possible so that we can withstand something that is affected all global financial markets in every continent of the world.

Question (Mr Adam Bolton, Sky News): Question to you both on the United Nations Security Council. First of all, do you both feel that Britain

and France, the eminent guests here in New Delhi, should have their seats on the Security Council, permanent seats, in perpetuity?

Secondly, do you think that there is any chance of reform of the Security Council making the world a safer place, if there is not a permanent seat for a major Islamic nation? Thirdly, isn't this all fantasy politics any way given what happened to Kofi Annan's attempted reforms?

Prime Minister Dr. Manmohan Singh: I do not underestimate the difficulties that lie in reforming the global institutions. But all of us have to make an effort, and as of now it is an attempt which I would describe as an essay in persuasion. My own feeling is, it is in the interest of the world economy and world polity, the increasingly interdependent world that we really live in, that the international institutions including the Security Council of the United Nations should be representative of contemporary realities. That certainly in our view is not the case. I hope more and more people around the globe will be convinced that a Security Council which does not have India on the high table cannot claim to be fully representative of contemporary realities.

Prime Minister Dr. Gordon Brown: You know I think there is a general acceptance around the world of the need for reform both in the United Nations and in the other international institutions. The challenge as you say is getting agreement on what specific reforms can be made. But I am not pessimistic about that because in the last few years we have achieved debt relief for the poorest countries of the world. We have set Millennium Development Goals and countries have changed their policies to meet them. I was party to a UN Group that has looked at how the UN can reform its development work. We have created a new humanitarian agency at the UN which is better funded than ever before. We have been reforming the peacekeeping and peace-building work of the UN. So, reforms have been possible. I agree with you that that programme of reform must involve a number of countries. I agree also that it is going to be a matter for debate about how the structure of reform happens, whether in one stage or two stages. But I am in absolutely no doubt that a country of a billion people - that is the largest democracy in the world, that is one of the fastest growing economies, that is ready to assume its rightful place in the world economy and in the world society - should have a place on the UN Security Council as it is enhanced and reformed.

Question (Ms Smita Sharma, IBN7): The question is first to the British Prime Minister. Sir, could you just tell us if there is any proposal of sorts to confer an honorary knighthood on Sachin Tendulkar?

Mr. Prime Minister, there are meetings taking place to increase fuel price. Is it due to Left pressure that the prices are not being enhanced? How long it is sustainable not to increase the price?

Prime Minister Dr. Manmohan Singh: You do not expect me to reveal what goes on in the Cabinet fora. So, I would not answer that question.

Prime Minister Dr. Gordon Brown: I applauded the Indian cricket team for their great success against Australia. I think Australia had won 16 matches in a row before the Indian victory in the last few days. Sachin Tendulkar is one of the great cricketers of the world. It is not for me to decided honours in our country. It is a matter for an independent Honours Committee. For honorary honours, that is also a matter not for me but for other people. But I am sure people recognize that just as Sir Donald Bradman and others were awarded honours as honorary knighthoods for the work that they did for cricket, for sports and for extending the cultural links and sporting links between countries and across the world. There is, of course, a strong case always for rewarding those who make a huge contribution as is happening to sport and culture around the world.

(text in italics is translated from Hindi)



653. Press Release of the High Commission of India in London on the visit of External Affairs Minister to London.

London, March 27, 2008.

Honourable External Affairs Minister, Shri Pranab Mukherjee met the Rt. Hon David Miliband, Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom, in London on Wednesday, 26 March 2008. The meeting was in continuation of the exchanges at the highest level between India and the United Kingdom, especially the recent visit of UK PM Gordon Brown to India in January 2008. The two leaders had an extensive exchange of views on bilateral relations, and on regional issues of mutual interest. The External Affairs Minister renewed his invitation to the U.K Secretary of State for Foreign and Commonwealth Affairs to pay an official visit to India, which was accepted. Dates for the visit in the second half of 2008 would be worked out through diplomatic channels.



654. Joint Statement issued by the Ministry of Finance on the UK-INDIA Economic and Financial Dialogue.

New Delhi, August 11, 2008.

We - Chancellor Darling and Minister Chidambaram - met today for the second Ministerial round of the UK-India Economic and Financial Dialogue. The challenges currently facing the global economy can only be overcome through a constructive dialogue between countries to help find a global solution. Today's meeting demonstrates the importance our countries place on our bilateral relationship and the ties that bind our economies.

While we remain positive about the longer-term prospects for the UK and Indian economies, we are also aware of the increased uncertainty and downside risks currently facing us with the worsening of the outlook for the world economy since the first EFD. A confluence of shocks: high food prices, high oil prices, and volatile financial markets, have adversely affected the global economy. In the year to July, world agricultural prices increased by 32 percent, oil prices by 62 percent and coal prices by 112 percent. On 17 January 2007, on the day of the first Ministerial EFD, a barrel of oil cost

\$53, last week it cost \$120. We have seen oil prices increase by \$10 in a single day this year. Together, these shocks have dampened growth prospects in all economies, including advanced economies, and pushed up inflation.

The sharp increase in commodity prices has heightened inflationary pressures world wide. In April 2008 the IMF forecasted 2.6% inflation in advanced economies this year. In July the IMF further raised projected inflation in advanced economies to 3.4%. For emerging markets the figure has gone up from 7.4% to 9.1%. This global shock requires a global solution. Today's meeting provided us with an excellent opportunity to explore such a solution. We discussed the policy options open to countries to help combat these pressures in the short run and to help reduce prices in the future.

We believe that open markets, operating through a free and fair trading regime, will be crucial for overcoming the challenges facing the global economy. Both India and the UK share a strong commitment to a multilateral, rules-based trading system and an open and transparent investment regime. We are deeply disappointed by the recent pause in the Doha Development Round talks. Today we discussed the way forward. We urge all parties to show greater flexibility to agree on free and fair trade rules that deliver a balanced result for the world's poor and the global economy. Bilateral initiatives will also be important, and we are pleased to announce that the UK and India will undertake a joint-study into non-tariff barriers, including domestic regulations in services, to trade between India and the UK and how they could be removed. We also acknowledge the promising beginning to our work on intellectual property as joint co-chairs of the Intellectual Property Rights and Innovation work stream within the G8 Heiligendamm Process.

The recent volatility of international capital markets has once again underscored the importance of open, efficient, and transparent financial markets for sustained high economic growth and development. Both countries agree on the need to reform the International Financial Institutions, and support an effective multilateral response to the global challenges and opportunities facing us. As part of this, we highlight the need for the IMF to work closely with the Financial Stability Forum to develop an early warning system of the threats from the international financial system to financial and economic stability. We welcome the establishment of the industry-led International Centre for Financial Regulation, to be launched in London at the end of 2008, to carry out cutting-edge regulatory training

and research. We look forward to the development of voluntary guidelines by private equity and hedge funds. We also discussed how our countries can benefit from investment by sovereign wealth funds, and reaffirmed our support for the IMF and OECD's work to develop best practice guidelines for these funds and recipient countries.

In recent years financial ties between India and the UK have been further strengthened, with a number of Indian banks operating in the UK, a number of British banks operating in India, and many Indian companies listed on the London Stock Exchange. We reaffirmed our support for liberalised financial markets that permit financial services and related businesses to operate in the UK and India on a level playing field. We agreed that the UK would collaborate closely to support India's efforts to maintain momentum on key areas of financial sector reform in the coming months.

Making the financial sector more inclusive, such that everyone, in particular the poor, has better access to financial services, is a key tool to reducing poverty, achieving sustainable growth and improving livelihoods in both countries. This is why we are pleased to announce that India and the UK will work together through exchanges between institutions concerned with financial inclusion, including through mutual study visits. The initial findings of the work will be unveiled at the UK Financial Inclusion Taskforce Conference at HM Treasury in October 2008.

India has embarked upon a very ambitious PPP programme for infrastructure development. In the next five years, it is expected that 500 billion US dollars will be invested in infrastructure development and augmentation, of which 150 billion US dollars will be private sector investment. We agreed that Public Private Partnerships could provide a value for money means of delivering this investment. Today, we signed a Memorandum of Understanding between HM Treasury and the Indian Ministry of Finance to encourage sharing of best practice in the development of Public Private Partnerships.

Climate Change is a global challenge facing the world economy and it is important that Finance Ministries work together to reduce GHG emissions without compromising growth and development. We agreed to work towards the creation of a larger and deeper carbon market, to facilitate emissions reductions as required under the UNFCCC through public and private finance, and to explore how to overcome the barriers to progress, including how best to provide the necessary financial flows and technology transfers

to developing countries. We will host a workshop looking at how the Kyoto Mechanisms can be enhanced to meet these objectives. We welcome the launch of the new Climate Investment Funds (CIFs), and will work together to develop a plan to support India's pursuit of a climate-resilient economy.

Addressing climate change also requires enhanced cooperation in technologies, including for improving energy efficiency. Today, Professor Julia King set out her findings from her recent review of Low Carbon Cars and ways in which the industry in the UK and India can collaborate to take forward this agenda. The UK and India will jointly host a workshop that will bring together business and academia from our two countries to consider how best we can collaborate to address this issue.

Today, we reaffirm the commitment made by both Prime Ministers Singh and Brown to the MDG Call to Action. We agreed that an urgent global effort is required to meet the MDGs and reduce global poverty. We reconfirmed our commitment to working together to reduce poverty in India. The UK plans to provide £825 million in grant assistance to India between 2008-11 in line with the new DFID Country Plan for India 2008-15. We have agreed to promote exchange of information and approaches to the provision of aid. We welcome the new multi-donor strategic partnership for Bihar, an important innovation which may have valuable lessons for the administration of development programmes around the world.

Today's dialogue reaffirmed the continued strength of the modern UK-India economic and financial relationship, and the value placed on these by both governments. We agreed to meet again for the next round of the dialogue in India in 2009, and emphasised that our ongoing cooperation in the economic and financial spheres is, and will be, a truly collaborative relationship.



INDIA'S FOREIGN RELATIONS - 2008
SECTION - IX
INDIA AND THE UNITED NATIONS

655. Press Release of the Permanent Mission of India at the United Nations on the election of Dilip Lahiri to the Committee for Elimination of Racial Discrimination.

New York, January 17, 2008.

India, in the person of Shri Dilip Lahiri, was today elected to the Committee for Elimination of Racial Discrimination (CERD) by the 22nd Meeting of the States Parties to the International Convention on the Elimination of all Forms of Racial Discrimination, in New York.

In the elections 11 candidates were in the fray for the 9 available seats on the Committee. Out of 173 States Parties to the Convention, 165 Member States cast valid ballots, with 83 votes needed to win, India obtained 152 votes followed by Guatemala (144); Russian Federation (143); Burkina Faso (143); United States (143); China (139); Romania (133); Tanzania (131); Colombia (130).

Shri Lahiri, a retired officer of the Indian Foreign Service, has served as India's Ambassador to Andorra, Bolivia, France, Peru and Spain.



656. Press Release of the Ministry of External Affairs on the visit of Assistant Secretary General/Officer-in-Charge of the Department of Field Support, UN Ms. Jane Holl Lute and accompanying delegation.

New Delhi, January 30, 2008.

Ms. Jane Holl Lute, Assistant Secretary General/Officer-in-Charge of Department of Field Support (DFS) at the United Nations led a 9-member delegation to India from 27-29 January, 2008 for an exchange of views on a wide range of issues related to UN peacekeeping and to brief the Indian authorities on the functioning of the recently established DFS. The delegation included the famous Hollywood actor Mr. George Clooney, who was designated by the UN Secretary General earlier this month as a 'UN Messenger of Peace', with special focus on UN peacekeeping.

Besides discussions with Additional Secretary (International Organizations) in Ministry of External Affairs, the delegation called on Defence Secretary

and interacted with Vice Chief of Army Staff and other senior officials dealing with India's long-standing, consistent and significant contribution to UN peacekeeping missions which currently stands at over 9300 personnel in 11 out of the 17 ongoing operations. Before arriving in India, the delegation had interacted with Indian troops in the UN peacekeeping mission in Congo. The presentations and field visits organized during their visit to India gave them an opportunity for further familiarization with the highest professional standards and best practices of Indian peacekeepers. While reiterating India's steadfast commitment to assist the UN in the maintenance of international peace and security, the Indian side emphasized that the safety and security of UN peacekeepers was of paramount importance.

ASG Jane Lute, Mr. George Clooney and other members of the delegation witnessed the Beating of the Retreat Ceremony¹ at Vijay Chowk before their departure.



657. Speech of Minister of State Anand Sharma at the High Level Segment of the Seventh Session of the Human Rights Council.

Geneva, March 3, 2008.

Mr. President,

High Commissioner for Human Rights,

Excellencies,

Ladies and Gentlemen.

It is a privilege and honour for me to once again address this august body, the main UN human rights forum. On behalf of the Government of India, I would like to reiterate our firm commitment to work towards making the Human Rights Council a strong, effective and efficient body capable of promoting and protecting all human rights for all.

2. Mr. President, the establishment of the Human Rights Council in 2006 had evoked mixed reactions; of high expectations along with a

1. Closing ceremony marking end of Republic Day celebrations.

degree of scepticism. We note with satisfaction that in its initial years of work, the Council has been able to meet these high expectations, to use the eloquent words of our first Prime Minister Pandit Jawaharlal Nehru (spoken in a different context), "not wholly or in full measure, but very substantially". The consensual adoption of the institution-building package last year constituted a perfect launch for the Council and augurs well for its future. We pay tribute to the collective efforts of all those involved.

3. Mr. President, while we have had a successful beginning, it is imperative for us to build upon this initial success and not lose momentum. The immediate challenge is to successfully operationalize the Universal Periodic Review Mechanism. This mechanism has been designed to enable the Council to review country situations in a positive manner and we attach great importance to it. We are happy that India would be among the first countries to be reviewed under this mechanism. True to the spirit of this mechanism, our national report has been prepared through a process of wide consultations with all stakeholders.

Mr. President,

4. In its pursuit of realization of all human rights for all, the Human Rights Council must take into account the inter-linkage and mutually reinforcing nature of human rights, development and peace and security. These together have been recognized by world leaders as constituting the three pillars of the United Nations system. This is of particular relevance for Asia and Africa, where the after effects of colonialism continue to manifest even as efforts continue to combat acute poverty and lack of development. The Human Rights Council needs to reinvigorate the efforts of the international community for transforming into reality their commitment to the Right to Development, the progress towards which, thus far, has been tardy. The Council also needs to play a central role in combating terrorism which has emerged as the biggest challenge to peace and security in our times. The Human Rights Council must recognize, in most unequivocal terms, that terrorism is a direct violation of human rights, in particular the most basic rights, the right to life and liberty.

Mr. President,

5. India has actively participated in the process of evolution and

development of the human rights machinery of the UN, dating back to the drafting and adoption of the Universal Declaration on Human Rights. India played a leading role in the historical struggle for decolonization and abolition of apartheid. We were among the very few select countries who were members of the former Commission of Human Rights throughout the 60 years of its existence. Our engagement has been based on the principles of dialogue and cooperation and is rooted in our long tradition of commitment to the promotion and protection of human rights. A pluralistic society like India can only be structured on the foundation of respect for human rights of each of its citizens. India's democratic polity with an independent and impartial judiciary, free and independent press, a vibrant civil society and powerful and independent National Human Rights Commission provides the requisite framework for the promotion and protection of human rights. India's re-election to the Human Rights Council, with the highest number of votes, last year was reflective of the trust and confidence of the international community in our commitment to the cause of Human Rights.

6. The UNGA resolution establishing the Human Rights Council requires the Council Members to uphold the highest standards in the promotion and projection of human rights. Mr. President, we take this responsibility seriously and have made a sincere effort to follow-up on the pledges and voluntary commitments that we had made while seeking election. India was among the first countries to ratify the International Convention on the Rights of Persons with Disabilities. We have signed the International Convention for the Protection of All Persons from Enforced Disappearance and supported the adoption of the Declaration on the Rights of Indigenous peoples. India constructively engaged in the evolution of modalities and mechanisms of the Human Rights Council. We have also enhanced our cooperation with the international human rights mechanisms including with the treaty bodies and the special procedures. India continues to support the Office of the UN High Commissioner for Human Rights, including through regular financial contributions.
7. At the national level, consistent with our commitments, we abide by our national mechanisms and procedures to promote and protect the human rights und fundamental freedoms for all citizens in all

situations and have maintained their independence, autonomy as well as genuine powers of investigation. The empowerment of women is being pursued by reserving one-third of all seats for women in urban and local self government, which has brought over one million women at the grassroots level into political decision making. A new National Commission for the Protection of Child Rights has been set up for proper enforcement of children's rights and effective implementation of laws and programmes relating to children.

8. Our development plan recognizes the need for not only 'faster' but also 'more inclusive' growth, addressing all aspects of human life. Ensuring income security, food security and social justice are the underlying principles of our development strategy. To give a new impetus to the realization of these objectives, the Government of India has launched several new, ambitious initiatives in the areas of health, education, and employment. Further, in order to ensure that benefits of these schemes reach the people, a major step for empowerment of people has been taken through the enactment of the Right to Information Act, which is a very potent tool available to the people to ensure accountability of the Government.
9. Mr. President, may I draw the attention of the Human Rights Council to the continuing violence in Occupied Palestine, which is a matter of grave concern. Recent events, including the disproportionate use of retaliatory force by Israel, have led to avoidable civilian casualties, including the death of innocent children. This is unacceptable. We strongly urge an immediate end to the cycle of violence by all parties concerned so that the focus is not lost on the process of dialogue-driven conflict resolution.
10. Mr. President, this year we commemorate the 60th Anniversary of the Universal Declaration on Human Rights. This follows another milestone event last year when we commemorated the centenary of the Satyagraha Movement launched by our great leader Mahatma Gandhi in South Africa. In commemoration of this event, the General Assembly decided to annually observe the International Day of Non-Violence on October 2, the birth anniversary of Mahatma Gandhi. We note the strong resonance in the messages contained in the Universal Declaration of Human Rights and the

ideas and values espoused by Gandhiji. The essence of Gandhiji's political philosophy was the empowerment of every individual and protecting the dignity and self-respect of every human being which is also the central message of the Universal Declaration. It is the pursuit of this noble objective that should guide the work of the Human Rights Council.

Thank you.



658. Announcement by Official Spokesperson of the election of Indira Jaisingh to the U. N. Committee on Elimination of Discrimination against Women.

New Delhi, July 31, 2008.

.....India in the person of Ms. Indira Jaisingh was elected yesterday to the Committee of Elimination of Discrimination Against Women (CEDAW) on the 15th meeting of the States Parties to the UN Convention on the Elimination of All Forms of Discrimination Against Women in New York. This was the first time that India had presented a candidature to this prestigious body. The election was keenly contested and India's candidate Ms. Indira Jaisingh obtained the highest number of votes - 149 out of 181 - along with the Cuban candidate. There were 18 candidates for the 11 CEDAW seats. This is a four-year term starting on the 1st of January, 2009.



659. Statement by Minister of State Anand Sharma at the High Level meeting on Africa's Development Needs: State of Implementation of various commitments, challenges and the way forward at the 63rd session of the UNGA.

New York, September 22, 2008.

Excellency President Abdoulaye Wade of Senegal,

Excellency Prime Minister Ralph Gonsalves of Saint Vincent and the Grenadines,

Excellencies, Ladies and Gentlemen.

India and Africa have a unique and special bond based on shared experiences and civilisational links. Over centuries, vibrant cultural and economic exchanges have marked the relations between India and Africa which were interrupted by colonization. Decolonization and emergence of free countries in Asia and Africa restored this engagement, bringing India and Africa together to address the challenges of social and economic development and poverty eradication.

We have a long-standing, close and multi-layered relationship with Africa based on our abiding commitment to work with the continent to fulfill its aspirations. Our partnership encompasses priority sectors integral to the developmental goals of Africa in the 21st century. A vibrant India and a resurgent Africa are witnessing an intensification of relations and growing convergence of interests in their common quest for sustainable economic growth and development.

India has always been committed to elevate its special engagement with Africa into an enduring partnership by developing an institutional mechanism for India-Africa dialogue. The first-ever India Africa Partnership Forum Summit held in New Delhi in April 2008 was convened in partnership with the African Union. It is the African Union which worked with us in choosing the participants and in defining the roadmap of Africa-India cooperation in accordance with Africa's priorities. The Delhi Declaration and the Africa-India Framework for Cooperation adopted at the Summit highlight our shared political vision and world view and provide a solid foundation for a systematic and stepped-up engagement in the years to come.

The vision of the Delhi Declaration is based on equality and mutual respect. The Framework of Cooperation, adopted at the Summit, outlines the priority areas of our future engagement. These are in line with the priorities of the continent and include capacity-building, agriculture, infrastructure development, health and food security and technology cooperation. Our Prime Minister also announced the enhancement of the available concessional Lines of Credit for Africa to US\$ 5 billion. India sincerely aspires for a long-term partnership with Africa and is therefore investing in building economic infrastructure including railways, IT, telecom and power.

India has made a unilateral announcement of duty free and quota free market access to goods from 34 Least Developed Countries in Africa. This will spur economic activity in manufacturing, particularly for African SMEs, by allowing them enhanced market access to one of the fastest-growing economies in the world.

At the India Africa Partnership Forum Summit, India and Africa also decided to work together on pressing global issues of shared interests and concerns. These include climate change, WTO issues, reform and democratization of international institutions, the fight against terrorism, combating diseases, eradication of hunger and poverty and promotion of pluralism and democracy.

For many decades, capacity building in human resource development in Africa has been an area of priority. In 1964, India launched the Indian Technical and Economic Cooperation (ITEC) Programme. It was at a time when we ourselves were faced with acute scarcity of resources and colossal economic challenges. The ITEC programme has benefited thousands of students from Africa who came to study in professional institutions under Indian scholarship schemes. This programme is in the true spirit of South-South cooperation. Over 15000 African students are currently studying in Indian universities and colleges. India will over the next five to six years, undertake, on a grant basis, projects in critical areas focusing on education, science, IT, agriculture and renewable energy. India has offered a substantially higher number of training slots and has also doubled long-term scholarships. We have allocated half a billion dollars for this purpose.

The pan-African e-network project is a shining example of India-Africa partnership. India has gifted a dedicated satellite for e-connectivity in sub Saharan Africa to help bridge the digital divide. This project is fully financed by the Government of India and was launched from Addis Ababa with a satellite hub in Dakar. It is linking major universities in different regions of

Africa with major Indian universities and centers of excellence in India and major hospitals in Africa with super-specialty hospitals in India. Thirty countries have already joined this Project to provide quality tele-education and tele-medicine.

Distinguished co-chairs,

We feel that the time has come when our age old political ties will mature into a vibrant economic partnership. India's FOCUS AFRICA policy, launched in 2002, which targeted seven countries, has yielded visible results. Our bilateral trade with Africa has grown manifold and reached a level of USD 31 billion in 2006-07 up from USD 3 billion in 2000-01 and is expected to reach a level of USD 35 billion in the current year. The Indian private sector's initiative and investments in Africa in core sectors, in particular in agriculture, pharmaceuticals, IT and health, complement India's commitment. Through this, it is enabling and empowering young local men and women in Africa.

I would like to conclude, Distinguished co-chairs, by reiterating India's commitment to continue to work closely with the countries in Africa to meet the diverse challenges that they face, to achieve the developmental targets and fulfill the aspirations of the people of Africa.

Thank You



660. Press release on the high level meeting of the Millennium Development Goals at UN

New York, September 25, 2008.

Prime Minister attended the inaugural plenary of the High-level Meeting on the Millennium Development Goals (MDGs) at UN Headquarters in New York. The meeting was specially convened by the Secretary-General of the United Nations, Ban ki-moon, at the mid-point of the identified target date of the year 2015, by which all stakeholders are expected to meet the MDGs. Prime Minister's presence at the inaugural plenary of the MDGs was a sign of India's commitment to the achievement of MDGs. This was also in keeping with the high-level presence of a number of other Heads of State and Government.

The plenary event was inaugurated by the President of the UN General Assembly. Other speakers included UN Secretary -General Ban, president Kikwete of Tanzania the Amir of Qatar; Prime Minister Brown of the United Kingdom; Premier Wen Jiabao of China; and President Barrosa of the European Community. Special invitees of the UN Secretary- General included Bill Gates of the Bill and Melinda Gates Foundation, and Elabehn Bhatt of India, who is the founder of the Self-Employed Women's Association(SEWA).

The MDGs are a set of eight targeted objectives, established by Heads of State/ Government in the year 2000 at the Millennium Summit of the United Nations. These include the achievement of universal education; gender equality; improved child and maternal health; combating HIV/AIDS, environment sustainability; an end to poverty and hunger; and the creation of a global partnership.

Following the inaugural plenary, discussions in the High Level Event continue in three separate thematic roundtables, the themes of which collectively include the eight MDGs. Finance Minister P. Chidambaram is representing India at the round- table on "Poverty an Hunger". Separately, the Chief Minister of Delhi Smt. Sheila Dixit, is also participating in the MDG event as a special invitee. She will be making a presentation on the theme of environmental sustainability.

At the end of the inaugural plenary session, Prime Minister Singh had brief "pull-aside" meetings with Prime Minister Jan-Pieter Balkenende of the Netherlands, and Prime Minister Bruce Golding of Jamaica.



661. Intervention by Finance Minister P. Chidambaram at the Round Table on "Poverty and Hunger" during the high-level event on the Millennium Development Goals convened by the Secretary-General and the President of the General Assembly at the United Nations.

New York, September 25, 2008.

Mr. President,

In 1990, more than 1.2 billion people, 28% of the population of developing countries, lived in extreme poverty. By 2004 this had been reduced to barely 980 million.

We are particularly concerned that in sub-Saharan Africa 41.1 per cent of people were still living in extreme poverty in 2004 and the poverty gap ratio was the highest in the world.

In India, a growth rate of around 8.9 percent for the past four years has allowed us to make considerable progress in the eradication of extreme poverty.

But, we still have more than a quarter of our population surviving on less than a US\$ 1 a day.

Mr. President,

In India, we recognize that economic growth must be socially inclusive and regionally balanced. We have taken major initiatives in agriculture and rural development, in industry and urban development, in infrastructure and services, and in education and healthcare, aimed at promoting inclusive growth.

A unique social safety net has been created through the National Rural Employment Guarantee Act, which guarantees 100 days of employment to every rural family in India. Through Bharat Nirman, a massive rural development scheme, we are investing huge sums in rural infrastructure.

We have recently adopted our Eleventh Five Year Plan for the years 2007-2012. Its monitorable targets include generation of 58 million new work opportunities, reduction in the head-count ratio of consumption poverty by 10 percentage points and reduction in infant mortality rate (IMR) to 28 and maternal mortality ratio (MMR) to 1 per 1000 live births, and by 2011-12

increasing the literacy rate of children of age 7 years or more to 85%, reducing the dropout rates of children at the elementary level to 20%, and the gender gap in literacy to 10 percentage points.

Mr. President,

The last year has seen major changes in the global economy with the very high food and oil prices and the disproportionate impact of climate change seriously jeopardizing the gains against hunger, poverty and disease in many developing countries.

An argument is made that large developing countries are "over-consuming" leading to increased food costs. Nothing could be further from the truth. Developing countries continue to have high child malnutrition levels and still need to battle chronic hunger. In India, in-fact, this is a major issue and our Eleventh Five Year Plan aims at reduction in malnutrition among children of age group 0-3 to half from its present levels.

Mr. President,

To prevent food shortages and continuing hunger in the developing world in particular, there is a need for a quantum leap in agricultural productivity, food grain output and farm incomes in the developing countries.

We are confident that the world has enough resources and ability to cope with this crisis.

Mr. President,

All studies on attainment of MDG goals have identified lack of finances as the main impediment and have called for vast increases in Official Development Assistance (ODA).

Despite many developed countries having increased their ODA, the imperative to reach the goal of 0.7% of Gross National Income on an urgent basis cannot be overstated.

This urgency is underscored by the very limited time that we have to reach the MDG targets.

Mr. President,

MDGs comprise the core human development agenda. They embody our collective vision of human dignity and solidarity.

When we adopted the Millennium Declaration we wanted to mount a frontal attack on poverty, hunger, ignorance and disease, and that its benefits would percolate across the globe.

But eight years later, and more than half-way to our target date of 2015, we are discussing implementation of the MDGs with a realization that most developing countries will not be able to achieve these goals. This situation must change.

We welcome the initiative of the UN and others, and urge that we act urgently and collectively in a global partnership to translate commitment into concrete action in the interest of our future generations.

Thank You.



662. Statement by Prime Minister Dr. Manmohan Singh at the General Debate of the 63rd UN General Assembly.

New York, September 26, 2008.

Your Excellency, Mr. President,

Excellencies,

Ladies and Gentlemen,

May I first congratulate you on your election as the President of the 63rd UN General Assembly. I am sure that your wisdom and experience will guide us as we deliberate the many challenges that the world faces today.

Mr. President,

The United Nations is the embodiment of our faith in the benefits of collective action and of multilateral approaches in resolving global issues.

At the 2005 World Summit, we pledged ourselves to an agenda for early and meaningful reform of the United Nations. However, we must acknowledge frankly that there has been little progress on the core elements of the reform agenda.

We need to make more determined efforts to revitalize the General Assembly to enable it to fulfill its rightful role as the principal deliberative organ of the United Nations.

The composition of the Security Council needs to change to reflect contemporary realities of the twenty-first century.

It is only a truly representative and revitalized United Nations that can become the effective focal point for the cooperative efforts of the world community. We need to expeditiously hold negotiations towards this end.

Mr. President,

Globalisation has contributed to ever widening circles of prosperity and we in India have benefited from it. But its benefits have not been equitably distributed. Ensuring inclusive growth within nations, and inclusive globalization across nations, is a central challenge that faces us.

The development gains that many countries have made are today threatened by a possible food crisis, a global energy crisis and most recently, unprecedented upheavals in international financial markets.

The net impact of these problems is that both the industrialised economies and the developing economies face inflation and a slow down in growth after several years of robust expansion. Industrialised countries can afford periods of slow growth. Developing countries certainly cannot.

There is therefore urgent need for coordinated action by the global community on several fronts.

The explosion of financial innovation unaccompanied by credible systemic regulation has made the financial system vulnerable. The resulting crisis of confidence threatens global prosperity in the increasingly interdependent world in which we live. There is, therefore, a need for a new international initiative to bring structural reform in the world's financial system with more effective regulation and stronger systems of multilateral consultations and surveillance. This must be designed in as inclusive a manner as possible.

The world food crisis is the cumulative consequence of the neglect of agriculture in the developing world, exacerbated by distortionary agricultural subsidies in the developed world. Diversion of cultivable land for producing bio-fuels is compounding the problem.

The world needs a Second Green Revolution to address the problem of food security. We need new technologies, new institutional responses and above all a global compact to ensure food and livelihood security. This will require transfer of technology and innovation from developed to developing countries. India is very keen to expand cooperation with Africa in Africa's quest for food and livelihood security for its people.

Trade liberalization in agriculture can help provided it adequately takes into account the livelihood concerns of poor and vulnerable farmers in the developing and least developed countries.

It is feared that many of the conflicts of the 21st century will be over water. We must reflect on how to use this scarce resource efficiently. We need to invest in new technologies and new production regimes for rainfed and dryland agriculture and explore cost effective desalination technologies.

Mr. President,

Poverty, ignorance and disease still afflict millions of people. The commitment to achieve the ambitious targets set as part of the Millennium Development Goals was an acknowledgement by the international community that global prosperity and welfare are indivisible and affluence cannot coexist with pervasive poverty.

Unfortunately, solemn commitments made for transfer of financial resources from the developed to the developing world have remained largely unfulfilled. The commitment of developed countries to move to the long-set target of 0.7% of Gross National Income as ODA needs to be honoured as a matter of priority. In this context, special efforts have to be made to address the concerns of Africa for adequate resource flows to support its development.

Poverty alleviation and livelihood security are closely linked to energy security. We need a much greater measure of predictability and stability in the oil and gas markets. We need to think of ways and means, such as early warning mechanisms, to help countries cope with oil shocks.

We must put in place a global cooperative network of institutions of developed and developing countries engaged in R&D in energy efficiency, clean energy technologies, and renewable sources of energy.

India is registering rapid economic growth and has combined it with declining energy intensity. However, our total demand will keep increasing and we are actively looking for all possible sources of clean energy.

The opening of international civil nuclear cooperation with India will have a positive impact on global energy security and on efforts to combat climate change.

This is a vindication of India's impeccable record on non-proliferation and to our long-standing commitment to nuclear disarmament that is global,

universal and non-discriminatory in nature. The blueprint for this was spelt out by Prime Minister Rajiv Gandhi in this very august assembly twenty years ago.

I reiterate India's proposal for a Nuclear Weapons Convention prohibiting the development, production, stockpiling and use of nuclear weapons and providing for their complete elimination within a specified time frame.

Mr. President,

Climate change can be overcome successfully only through a collaborative and cooperative global effort.

We support the multilateral negotiations taking place under the UN Framework Convention on Climate Change. The outcome must be fair and equitable and recognize the principle that each citizen of the world has equal entitlement to the global atmospheric space.

I believe that the pursuit of ecologically sustainable development need not be in contradiction to achieving our growth objectives. As Mahatma Gandhi said, "The Earth has enough resources to meet people's needs, but will never have enough to satisfy people's greed".

India has unveiled an ambitious National Action Plan on Climate Change. Even as we pursue economic growth, we are committed to our per-capita emissions of greenhouse gases not exceeding those of the developed countries.

Mr. President,

The growing assertion of separate identities and ethnic, cultural and religious intolerance threatens our developmental efforts and our peace and stability. It is vital that we strengthen international cooperation to combat terrorism and to bring the perpetrators, organisers, financiers and sponsors of terrorism to justice. We should conclude expeditiously the Comprehensive Convention on International Terrorism.

In this context, the situation in Afghanistan is a matter of deep concern. The international community must pool all its resources to ensure the success of Afghanistan's reconstruction efforts and its emergence as a moderate, pluralistic and democratic society.

We welcome the return of democracy in Pakistan. We are committed to resolving all outstanding issues between India and Pakistan, including the

issue of Jammu and Kashmir, through peaceful dialogue. We also welcome the coming to power of democratically elected governments in Nepal and Bhutan. We seek to expand areas of cooperation with all these countries to deal with the challenges of sustainable development and poverty eradication.

Mr. President,

The United Nations is a living symbol of pluralism. It has weathered many storms. It is the vehicle through which our combined will and efforts to address global challenges must be articulated and implemented. Unless we rise to the task, we would bequeath to succeeding generations a world of diminishing prospects.

Thank you.



663. Press Release of the Ministry of External Affairs on the visit of External Affairs Minister Pranab Mukherjee to New York : 28 September - 2 October 2008.

New Delhi, September 29, 2008.

External Affairs Minister of India, Shri Pranab Mukherjee, reached New York on Sunday, September 28, 2008. He is visiting New York from September 28 to October 2, in context of the ongoing 63rd session of the UN General Assembly. During his stay, the Minister will participate in an informal plenary meeting of the UN General Assembly to commemorate the second International Day of Non-Violence on October 2, 2008.

On Monday, September 29, the External Affairs Minister held bilateral meetings with H.E Mr. Sergey Lavrov, Foreign Minister of the Russian Federation. He also met H.E Ms. Paula G. Scoon, Foreign Minister of Trinidad and Tobago; H.E Mr. Ojo Maduekwe, Foreign Minister of Nigeria; H.E Dr. N Dlamini Zuma of South Africa and H.E Mr. Salaheddin Al-Bashir of Jordan. He also participated in three Ministerial meetings, including the India-Brazil-South Africa (IBSA) initiative, the India-Gulf Cooperation Council, and of the South Asian Association for Regional Cooperation (SAARC).

During EAM's meeting with his Russian counterpart, the two Ministers took stock of the strategic partnership between the two countries, and the state of preparations for the annual Summit-level meeting between the two countries. Foreign Minister Lavrov will soon be visiting India in context of the detailed and substantive agenda that is planned for the visit, which will seek to provide a fresh impetus to the wide-ranging bilateral relationship.

During the meeting between EAM and his counterpart from Trinidad and Tobago, the two sides discussed the close bilateral relationship based on shared cultural and historical links. These ties were set in the context of growing cooperation between India and the countries of the CARICOM, and the efforts on both sides to further expand these ties.

Recalling the visit of Prime Minister Manmohan Singh to Nigeria in October 2007, the two Ministers discussed ongoing efforts to expand bilateral ties, in particular, the economic and commercial relationship, and the possibility of intensifying our bilateral cooperation in the hydrocarbons sector, beyond the buyer-seller relationship.

In his meeting with his Jordanian counterpart, EAM discussed the situation in West Asia, as well as the state of the cordial and cooperative bilateral relationship that the two countries enjoy. The Jordanian dignitary expressed his appreciation of India's close involvement and interest in his region.

Finally, during EAM's meeting with the Foreign Minister of South Africa, the two Ministers exchanged views on the historically close bilateral relationship, and the close cooperative ties between the two countries in the multilateral fora.

The meeting between India and the GCC took place in the format of the IV India-GCC Political Dialogue. The meeting was Chaired by H.E Sheikh Hamad bin Jassim bin Jabar Al-Thani, Foreign Minister of the State of Qatar. During this Dialogue, the two sides reviewed the state of India-GCC relations, before proceeding to discuss the situation in West Asia, in the particular context of the Middle East Peace Process and the Situation in Iraq.

An informal meeting of the SAARC Council of Ministers was convened by H.E Mr. Rohitha Bogollogama, Foreign Minister of Sri Lanka. Apart from EAM, Bhutan, Bangladesh, Pakistan and Nepal attended the meeting at Ministerial level. Afghanistan and Maldives were represented at the senior official level. The Secretary General of SAARC was also present. The

Ministers reviewed progress in implementing the decisions and recommendations of the 14th and 15th SAARC Summits, held in New Delhi (April 2007) and Colombo (August 2008) respectively.

Finally, EAM participated in a Ministerial meeting of the India-Brazil-South Africa group, at which H.E Mr. Celso Amorim, Foreign Minister of Brazil, and H.E Dr N Dlamini Zuma were also present. At the end of the meeting, the Ministers issued a press statement, as attached.



**664. Statement by External Affairs Minister Pranab Mukherjee
on the Second International Day Of Non-Violence at the
63rd session of the UN General Assembly.**

New York, October 2, 2008.

Your Excellency Rev. Brockmann, President of the General Assembly,

Your Excellency Mr. Ban, Secretary General of the United Nations,

Your Excellency Dr. Zuma, Minister of Foreign Affairs of South Africa

Excellencies, distinguished delegates,

It is a great honour for me to address the United Nations General Assembly on the Second Anniversary of the International Day of Non-violence and the 139th birth anniversary of Mahatma Gandhi. Last year, on this very day, Mrs. Sonia Gandhi, the Chairperson of the United Progressive Alliance in India, while speaking from this podium, conveyed the gratitude of the people of India to the General Assembly. May I today add my own voice to hers, and express my deep appreciation to all member states that supported this initiative to pay tribute to the life and legacy of Mahatma Gandhi, truly one of the greatest men the world has seen.

Excellencies,

Sixty years ago an assassin's bullet silenced forever the voice of the Mahatma. His mortal body was consigned to the flames. But the message, for which he lived and died, could not be extinguished. That almost sixty years after the death of Mahatma Gandhi, the General Assembly decided last year to commemorate his legacy, is eloquent testimony to this.

Today, on the second International Day of Non-Violence, we pay tribute again to this great apostle of peace. But even as we do so, we must ask ourselves, what is his relevance? Why should the message of a man, who preached peace and non-violence, be relevant in a world stockpiled with weapons that can destroy our planet a hundred times over? Why should the deeds of a man, who sought to counter hate with love, be relevant in a world where terrorism has become a global menace? Why should the legacy of a man, who wore the livery of the poor as a badge of honour, be relevant in a world where even today millions are deprived of food and safe water to drink? Why should the voice of a man, who opposed insensitive materialism, be relevant in a world bent on destroying its own sustaining climate and environment?

I submit that it is precisely because the world continues to be plagued by these problems, that the message of Mahatma Gandhi is even more relevant today.

Excellencies,

Non-violence or 'Ahimsa' is not a mantra. It is not simply the opposite of violence, although it is fundamentally opposed to violence. Non-violence is about the absence of hate, and the victory of love and compassion. It stands for principle in the face of expediency. It is about changing people's hearts and minds.

Central to the idea of ahimsa, which literally translates into "non-injury", is the notion of justice and equity. If our current economic and political order is based on unjust methods and stark inequalities, that too is a form of violence, which requires urgent resolution. In this globalized age of instant communications, we cannot continue to indefinitely maintain islands of prosperity in a larger sea of poverty. The Mahatma's message reminds us of the need for a moral compass that would guide all our actions, to enable us to evaluate the impact of our deeds upon the poorest person in our memory. He called this his "talisman", and as history affirms, it never failed him.

Excellencies,

If non-violence was the message of Mahatma Gandhi, satyagraha or peaceful non-cooperation and civil disobedience was his tool. Satyagraha, he proclaimed, is for the strong in spirit, not the doubter or the timid. Its aim is to convert the repressor, but never through coercion. For those who practice it, there is no enemy. 'I can combine the greatest love with the

greatest opposition to wrong', Gandhiji said. It was a policy that brought to an end the British colonial rule in India but, in tribute to this policy, the British left India as friends, not enemies.

In the practice of satyagraha, the means were as important as the ends. For Mahatma Gandhi, principles could not be flexible. Truth was not a convenience. Conviction could not be bartered on the altar of expediency. This moral argument continues to be relevant, including in two vital areas affecting us. These are terrorism and non-proliferation. If we accept the premise that a worthy objective can be achieved only through the most carefully considered measures, we should never be able to condone our failure to act unitedly, determinedly and decisively to stop international terror once and for all. No matter what the objective is, no cause and no religion either justifies or sanctifies recourse to acts of terror. There is no right way to do a wrong thing. In the area of non-proliferation, the dichotomy between means and ends explains why we have moved so far away from our objective of universal nuclear disarmament. The core difficulty is the notion that some may retain nuclear weapons while others may not. Unless we begin to move towards a genuine, comprehensive disarmament programme, we will not be able to achieve our objective.

Excellencies,

We have set ourselves the Millennium Development Goals (MDGs) which above all aim at the eradication of poverty and hunger. Each of our nations has reaffirmed its political commitment to achieving the MDGs by 2015. However, we need to display greater collective urgency if we are to achieve these goals. Recognizing the mismatch between our capacities and our actions, the Mahatma said that "the difference between what we do and what we are capable of doing would suffice to solve most of the world's problems". The chasm between our enormous collective capacity and our modest action on the ground, should stimulate us into greater efforts in the seven years that remain to achieve the MDGs.

Excellencies,

Some may argue that this degree of idealism is not practical. It is unrealistic. Undoubtedly, such a path is not easy. But, I would like to ask a counter question: Has violence succeeded in bringing an end to our problems? Has bloodshed been a more effective way to resolve disputes? Has over exploitation of nature's bounty led to a better life? Has inequity in global institutions helped promote international understanding?

Mahatma Gandhi will always remain an inspiration in the troubled world we live in. That is why Martin Luther King believed, and I quote: 'Gandhi was inevitable. If humanity is to progress, Gandhi is inescapable. He lived, thought and acted, inspired by the vision of humanity evolving toward a world of peace and harmony. We may ignore Gandhi at our own risk'.

Excellencies,

It is my hope and conviction that the message of Mahatma Gandhi will not remain a call in the wilderness. He held no office. He commanded no army. But millions in India, and, indeed, across the world, revere him because he had the courage to dream of a saner and more civilized world, and was prepared to walk alone to achieve it. A song written by Gurudev Rabindranath Tagore in Bengali was his enduring favourite:

***Jodi tor dak shune keu na ashe tobe ekla cholo re
Ekla cholo, ekla cholo, ekla cholo, ekla cholo re***

If they answer not to thy call, walk alone
If they are afraid and cower mutely facing the wall
Open thy mind and speak out alone

I thank you.



665. Statement by Minister of State E. Ahamed on Agenda Item 45 – Interfaith Dialogue, “Culture of Peace” at the UN General Assembly.

New York, November 12, 2008.

Mr. President, Excellencies, Distinguished delegates

I am deeply honoured to represent India at this important meeting. India welcomes the initiative of Custodian of the Two Holy Mosques His Majesty the King of Saudi Arabia to promote a high level Inter-faith Dialogue. In the context of today's challenges, His Majesty's effort to spread understanding and goodwill amongst the peoples of the world is both very timely and highly commendable. It will enable us to better work together in a genuine partnership for a peaceful and equitable global order.

Mr. President,

Just as a genuine partnership is based upon better understanding, the foundations of such better understanding are built on goodwill, tolerance and receptivity to differing viewpoints. A true partnership derives from a willingness to engage with each other in a dialogue based upon equality and mutual respect. In India, we strive in our daily lives in a million different ways to practice such a dialogue of equals. This is an indispensable part of the process of building our nation as a shared endeavour. Such a dialogue is more than merely a conversation over issues of importance: it lies at the very core of our national existence.

Mr. President,

For millennia, the Indian subcontinent has provided shelter to countless strands of religious and philosophical thought and it is very much part of our historical tradition to accept all religions and spiritual experiences as true and valid. India is the birthplace of Hinduism, Buddhism, the Sikh and Jain faiths, while the great teachings of Islam, Judaism, Christianity and Zoroastrianism, quickly found fertile ground on our shores. Today, every one of the world's major religions has a home in India, making it a nation of unparalleled diversity. Thus, Islam has flourished in our subcontinent for over thirteen hundred years and modern day India has 150 million members of the *ummah*. Put another way, today approximately one in ten Muslims worldwide is an Indian. Christianity too came to our shores shortly after its birth in the holy lands. Indeed, the Christian tradition reached India well

before it reached most other parts of the world. Similarly, the Jewish and Zoroastrian people have an ancient history of having freely and peacefully practiced their faith in India.

Mr. President,

Inter-religious and inter-cultural dialogue is not new to India. The first philosophical dialogue between India and the West goes back to the time of ancient Greece. As Islam found a home in India, it too became part of the dialogue of our civilization. From this dialogue came new philosophic ideas, as well as an entire structure of Indo-Islamic culture. This culture is not only represented in the historical record of the art and architecture of our subcontinent, it also flourishes today in numerous spheres. The quest for a dialogue was also to find an echo in the life and works of the father of our nation, Mahatma Gandhi, who viewed receptivity to other cultures and traditions as a source of strength and cohesion for any society. To quote the Mahatma, "I do not want my house to be walled in on all sides and my windows to be stuffed. I want the cultures of all the lands to be blown about my house as freely as possible".

Mr. President,

The historical tradition of dialogue in India has drawn upon respect for knowledge, a willingness to question, as well as a desire to learn. Thus, for instance, the Buddha urged his followers not to accept his beliefs without questioning them. This philosophic tradition of questioning ideas is based on our recognition of the consequences of allowing belief to become blind faith. It finds expression even in the Indian Constitution, which declares our nation to be a secular republic and simultaneously underlines both the freedom of religion and faith, as well as the duty of the State to inculcate a scientific temper among the people. While faith and belief sustain us in our search for answers to existential questions, in our daily lives, we also recognize the importance of science and a scientific temper, rational and liberal social practices and economic growth and productivity, to help us improve the lives of our people. It is for this reason that newly-independent India valued factories and universities as much as it did its places of worship, seeing them as the temples of modern India.

Mr. President,

The State that I hail from in India, Kerala, is an outstanding example of the tradition of promoting dialogue and understanding that is to be found in my

country. Through the ages, Kerala has witnessed the peaceful co-mingling of different cultures and religions. Kerala was the state where Arab Muslim traders first arrived as messengers of the Islamic faith. The village of Methala, near the city of Cranganore in Kerala, hosts the first mosque to be built in the Indian subcontinent, the Cheraman Juma Masjid. It was constructed around AD 629, during the lifetime of the Holy Prophet [Peace Be Upon Him]. Our history also records that in AD 52, St Thomas, one of the thirteen apostles of Christ, brought Christianity to Kerala, landing on its shores in a ship owned by a Jewish merchant. The ship docked at a port which was home to a large trading settlement of Jewish and other people, including from Rome, Syria, and elsewhere. Indeed, it is in Kerala too that the Jewish people built what is now one of the oldest synagogues in the world. Today, the population of Kerala is almost equally divided amongst Hindus, Muslims and Christians.

Mr. President,

Dialogue amongst different cultures and religions is also important because it is precisely in the absence of such dialogue and understanding, that intolerance, bigotry and violence flourish. This is one reason why extremist ideologies, violence and terrorism, have grown in a world in which we seem to be moving away from dialogue and understanding. There can be no disputing that terrorism, which is a manifestation of extremism, intolerance and violence, is the antithesis of all religions. All acts of extremism and intolerance run counter to the central teachings of any religion, as all faiths are based on the universal values of peace, goodness and humanity. No religion condones violence or the killing of human beings.

In India, we are disturbed by the rise of intolerance worldwide. We are troubled by the increase in resources, financial and otherwise, that are being made available to violent and intolerant groups that misuse religion to justify and propagate their extremist agendas. The effort to counter such tendencies diverts attention and much-needed resources from development efforts in a country like ours. Moreover, the destructive activities of such groups can have potentially serious consequences to social stability, peace and tranquility. It is therefore increasingly urgent that the nations of the world come together to tackle such evils. Modern societies cannot and should not tolerate extremism and violence. Those who consciously or unconsciously abet extremism and terrorism would be well served to remember that these are monsters that may not easily go away.

Mr. President,

We need to send out a clear message emphasizing the importance of tolerance for the faiths and beliefs of others. The UN Charter states that the peoples of the United Nations are determined to practice tolerance and live together in peace. We need to emphasize the responsibility of member states to do all in their power to promote tolerance and respect. Eventually, however, we will need to build a larger platform based upon tolerance, which stresses the fundamental equality of all cultural traditions, religions and faiths, and the essential truth that all human beings are equal before their creator. The world is home to such a diversity of faith and culture that proactive dialogue-based initiatives are essential to ensure better understanding between peoples. Such dialogues should expand mutual comprehension and reduce misunderstandings and misgivings; indeed, they should aim to celebrate the infinite diversity that makes up our world.

Mr President,

I would like to conclude with a quotation from the revered saint and social reformer of Kerala, Sri Narayana Guru. In a message to an All Religions Conference held in 1924, he stated that: "This great Parliament of religions makes it abundantly clear that the ultimate goal of all religions is the same, so there is no need for followers of different religions to indulge in mutual conflict."

Thank you, Mr. President.



666. Statement by Minister of State E. Ahamed at the High-level Conference on the Central Emergency Response Fund at the UN General Assembly.

New York, December 4, 2008.

Mr. President,

India is happy to participate in this High-level Conference on the Central Emergency Response Fund.

The involvement of the UN in the coordination of the response of the international community to emergencies is one of the more important roles that it plays. While Member States have the primary responsibility for provision of humanitarian assistance in response to all emergencies, the UN has a critical role in supporting and supplementing such efforts. The UN is also an important forum for fostering international cooperation to deal with disasters and to coordinate effective utilization of disaster management capabilities. Greater cooperation is required not only in the emergency phase of reacting to disasters but also in relief and rehabilitation, in disaster preparedness, and in setting up and maintaining early warning systems. These all are, and should be, parts of effective disaster management strategies.

Mr. President,

The Central Emergency Response Fund is a key component of these efforts. The Fund has completed two years of existence. It has become, in a short time, a valuable and impartial tool for humanitarian action. We would like the Fund to acquire a greater profile and role in both rapid response to humanitarian emergencies as well as to under-funded emergencies.

The Fund is not only an effective coordination tool but also a symbol of international solidarity. India notes with satisfaction that 79 countries have pledged or made contributions to the fund. The importance that India assigns to CERF is evident from our decision to contribute US\$ 2 million to the fund at its inception. CERF has raised about US\$ 1 billion since then and today accounts for about 5% of annual global humanitarian assistance flows. As a developing country with strong faith in the universality, impartiality and multilateral nature of UN assistance, India would like to see this share increase.

Mr. President,

India has adopted a forward-looking approach to disaster management and mitigation. We have constituted a National Disaster Management Authority, headed by the Hon'ble Prime Minister of India, as well as State Level Disaster Management Authorities. The National Authority has come forward with a new approach to disaster management, moving away from a relief-centric, post event approach, to a holistic, integrated and preventive approach. The focus will be on disaster prevention, preparedness and mitigation, based on state-of-the-art technology and environmental sustainability.

India is also committed to mainstreaming disaster management into the development planning process and to creating an institutional and legal framework and an enabling regulatory environment and a compliance regime. It believes that an efficient humanitarian response must give special attention to those who are vulnerable and weak.

Mr. President,

India has taken a lead in promoting regional cooperation in disaster risk reduction in South Asia. We host the SAARC Disaster Management Institute located in New Delhi at the National Institute of Disaster Management. We organized the 2nd Asian Ministerial Conference on Disaster Risk Reduction in November 2007, which adopted the Delhi Declaration, paving the way for establishing a Regional Platform for disaster risk reduction in the Asia-Pacific region.

Mr. President,

India is deeply concerned by the increasing incidence of attacks on humanitarian personnel and UN premises. India condemns such attacks in the strongest possible terms.

India has also been always forthcoming in extending assistance to countries affected by disasters. We did this after the tsunami and the earthquakes that hit our region in the recent past, even though we were ourselves affected by those disasters.

Mr. President,

In conclusion, I would like to state that India stands ready to share its

resources and experiences with the international community and to exchange best practices and lessons learnt in the field of humanitarian assistance and disaster management. As a sign of our commitment to strengthening the UN's role in coordinating responses to natural disasters as well as to CERF, I am happy to pledge that India will contribute US\$ 1.5 million to CERF, in three tranches of \$500,000 each, over the next three years.

Thank you, Mr. President.



667. Statement by Minister of State E. Ahamed on Agenda Item 70[A] & [B] – Oceans and Law of Sea at the UN General Assembly.

New York, December 4, 2008.

Mr. President,

At the outset I would like to thank the Secretary General for his useful reports on issues relating to the oceans and law of the sea. The 1982 UN Convention on the Law of the Sea [UNCLOS] lays down a comprehensive regime for the world's oceans and seas, establishing rules governing all uses of the oceans and their resources. The use of ocean resources is fundamental to human well being and development. The long term sustainability of oceans is critical as any change that alters the state of oceans can have immense socio-economic consequences. Therefore, there is an urgent need to address the conservation and sustainable use of marine biodiversity in areas beyond national jurisdiction.

The threats to biodiversity in areas beyond national jurisdiction range from open access to fisheries, destructive fishing practices like bottom trawling, pollution from ships and other land based activities, and new threats deriving from bio-prospecting and geo-engineering activities. A combination of measures, including monitoring, scientific investigation, and improved governance, are required to prevent or reduce harmful impacts of such activities on biological diversity. The management and governance of high seas areas presents a formidable challenge for the international community as development of an effective regime for the

protection of biodiversity in areas beyond national jurisdiction is seen to be circumscribing some of the traditional high seas freedoms. The challenges of protecting, conserving and ensuring sustainable management of marine biodiversity beyond national jurisdiction are thus enormous. Marine Protected Areas (MPAs) can be a useful marine ecosystem management tool for securing protection from threats to marine biological diversity.

The developing literature on MPAs reveals the potential benefits that they could offer not only to the resilience of vulnerable marine systems, but also to the productivity of fisheries. However, in respect of MPAs in areas beyond national jurisdiction, information on governance aspects and costs and benefits is still very sparse. This is an area where more information on both scientific and economic aspects would be useful. It is essential to continue to develop and facilitate the use of other approaches and tools for conserving and managing vulnerable marine biodiversity in areas beyond national jurisdiction.

The time bound measures proposed in UNGA Resolution 61/105 to protect vulnerable marine ecosystems from destructive bottom fishing practices is an important first step in addressing that problem. The Regulations on Prospecting and Exploration for Polymetallic Nodules adopted by the International Seabed Authority also constitute an important input. Over fishing, destructive fishing practices and illegal, unreported and unregulated [IUU] fishing continue to be great threats to the conservation, management and sustainable use of biodiversity on the high seas. To combat IUU fishing it is essential to give priority to compliance and enforcement measures, including effective port State measures, listing of vessels, and developing and implementing integrated monitoring, control and surveillance packages. It is important to sustainably manage fish stocks and protect vulnerable marine ecosystems and thus balance sustainable use and conservation.

We would also like to emphasize the importance of the principle of freedom of navigation including the right of innocent passage as well as transit passage through straits used for international navigation. States bordering straits may adopt laws or regulations relating to transit passage through straits, but such laws should be enforced in a manner that is non-discriminatory and fully consistent with Article 42 of UNCLOS.

Mr. President,

In the area of maritime navigation, it is a matter of serious concern that the number of incidents of piracy and armed robbery is once again on the rise, particularly off the coast of Somalia. These attacks threaten maritime security by endangering the lives of seafarers and security of navigation and commerce. Therefore we fully support and are involved in the recent efforts to address this problem. Nevertheless, action by the Security Council through Resolutions 1816, 1838 and 1846 became necessary due to the particular situation in Somalia and is not considered as establishing customary international law. Most armed robberies occur in the internal and archipelagic waters. Law enforcement against armed robbers thus primarily falls within the domain of the coastal States concerned. Therefore, enhancement of coastal States' capacity to combat such crimes is very important. In addition, a need for increased bilateral, multilateral and regional cooperation to combat piracy and armed robbery by coastal states cannot be overemphasized. Such co-operation must be based on respecting the coastal States territorial integrity, sovereignty, sovereign rights and jurisdiction in accordance with international law.

Developing States require assistance and resources to participate in maritime security arrangements. The Secretary General's report rightly places emphasis on the continuous need to assist developing States to take measures relating to maritime security. Lack of expertise and specialized knowledge can also be addressed through capacity building programs including transfer of equipment or technology. There has been a decrease in the number of attacks by pirates and armed robbers in the Asian region through increased national action and regional cooperation.

There are several commendable regional initiatives in this regard that serve to enhance the safety of navigation, environmental protection and security in the Straits of Malacca and Singapore, while respecting the sovereignty and sovereign rights of littoral states. In February this year, India too launched an important regional maritime security initiative, namely, the "Indian Ocean Naval Symposium" with focus on 'Constructive Engagement' amongst all littoral states of the Indian Ocean Region. Its primary aim is to sustain a regionally relevant, consultative forum to promote a shared understanding of issues and concerns relevant to the Indian Ocean region, which bear upon maritime security.

In conclusion, I would like to note that there is an urgent need to promote additional research and information sharing on new and emerging activities that impact the oceans. Deep seabed research is still largely the domain of select developed countries. It is imperative that there be an increased flow of scientific data and information and transfer of knowledge to developing countries so as to improve their understanding and knowledge of oceans and deep seas. International cooperation remains a critical component not only for enhancing maritime security and safety but also the sustainable use of marine resources and rational utilization of the oceans and seas.

Thank you Mr. President.



668. Statement by Minister of State for External Affairs E. Ahamed on Threats to International Peace and Security caused by Terrorist Acts at the UN Security Council.

New York, December 9, 2008.

Your Excellency, **Mr. President,**

Excellencies, Ladies and Gentlemen,

At the outset, let me express my deep gratitude for the strong condemnation and condolences expressed by the Members of this august body over the heinous attacks in Mumbai.

The terror attack in Mumbai from November 26 to 29 marked a qualitatively new and dangerous escalation of the terrorism that India has faced for over two decades. Through this period, as in the Mumbai attack, major terrorist acts in India have been sponsored and organized by groups and forces from across our borders. The Mumbai attack also made it clear that terrorism is a direct threat to international peace and security.

Mr. President

Let me briefly recall what our investigations have revealed so far about the attack.

A group of ten terrorists from the global terrorist organization Lashkar-e-Toiba reached Mumbai in the evening of 26th November 2008. The group

divided themselves into four smaller groups and proceeded to pre-selected targets which included a café, popular with Indian and foreign tourists and two major hotels. Each terrorist was armed and equipped with AK rifles, pistols, grenades, explosives and communications. The terrorist attack was conducted like a commando operation indicating that the perpetrators had received professional training both generally as well as specifically regarding this attack itself. They were indoctrinated with ruthlessness and barbarity - innocent passengers including women and children were indiscriminately sprayed with bullets at the railway station and public places; hostages were taken in the hotels who were subsequently massacred. It is significant that this was the first terrorist attack in India where foreigners were specifically segregated and targeted.

Nine terrorists were killed in the action taken by our security forces while one of them was apprehended. His interrogation has revealed that they were trained in Pakistan and were launched from a ship from Karachi. They traveled into Indian waters, took control of an Indian boat, killing the crew. Thereafter, they came to Mumbai to cause mayhem and murder.

179 persons, including 26 foreigners lost their lives while 296 persons including 22 foreigners suffered injuries in the attack, which was designed to kill and maim as many people as possible.

Other Indian cities, including Jaipur, Delhi and Ahmedabad, have also been the victims of terrorist attacks.

We have requested the Security Council to proscribe Pakistani group Jammāt-ud-Dawā since it is a terrorist outfit and should be proscribed under Security Council Resolution 1267. All those who were in any way responsible for the Mumbai terrorist attacks, wherever they may be, should be brought to justice.

Mr. President,

The fight against terrorism demands effective international cooperation so that those who are responsible, wherever they may be, are brought to book. The organizers, financiers and logistical providers of these terrorist attacks have to be punished. Those who give ideological and moral support to this evil phenomenon must also be brought to justice.

Terrorism does not happen by chance or at random. Terrorism is planned; terrorism is financed; it requires meticulous organization; it needs arms;

and requires safe havens. When it occurs, the world is shocked. What is not easily visible is the back-stream of terrorist acts. Mumbai's case is clear. The back-trail is marked and definite, but in cases where terrorists' acts are aided and abetted to cover their tracks, all of us separately and together must ensure that they are discovered and the terrorists are brought to justice.

Nothing, no religious grievance, dispute, or ideology, can be used as a *raison d'être*, by anyone, to justify terrorism. This is totally unacceptable. Raising dust to confuse the trail so that the merchants of terror can hide is not acceptable; not to us, not to any civilized society.

Mr. President,

Terrorists are the enemy of the people. When actions of terrorist groups are used to serve the political interests of States, a deadly combination emerges. A terror machine is created. India has had experience of such machines which need to be eliminated. The nexus between State--or elements within the State--and terror outfits must be broken and groups or individuals that indoctrinate, organize, plan and finance terror have to be uprooted along with other measures.

Therefore, in the context of this discussion, we call for the following actions by the Security Council, the General Assembly, and the international community:

- The Jamaat-ud-Dawa and other such organizations need to be proscribed internationally and effective sanctions imposed against them. Their country of origin needs to take urgent steps to stop their functioning. A message must also go out that perpetrators of terrorist acts must be brought to book and not given sanctuaries in some states.
- Practical measures at the global and national level need to be immediately put in place to see that the menace of terror is uprooted.
- The Comprehensive Convention on International Terrorism that India tabled in 1996 needs to be adopted immediately to provide a framework of international law against terrorism. This cannot be held hostage to definitions while terrorists continue to take innocent lives.

Mr. President,

Our people ask the international community to determinedly pursue and eliminate terrorist organizations. The world needs to act decisively and in a coordinated manner to prevent further attacks. India will act to safeguard and protect its people from such heinous attacks; however long and difficult that task may be. We have acted with restraint in the face of terrorist attacks. We must do our duty by our people and take all actions as we deem fit to defend and protect them. The Charter of the United Nations and provisions of international law, including the right of self-defense, gives us the framework to fulfill these responsibilities.

This is the message to the Security Council that I bring from my Government and my people.

Thank you, Mr. President.



DISARMAMENT

669. Statement By Permanent Representative of India to the Conference on Disarmament Hamid Ali Rao at th Meeting of Group of Governmental Experts on Cluster Munitions.

Geneva, 14 January 2008.

1. Mr. Chairperson, my delegation is pleased with your assumption of the Chair of the Group of Governmental Experts to look at the issue of cluster munitions and we pledge our fullest support in ensuring the success of your endeavours.
2. India fully appreciates the humanitarian concerns arising from the employment of cluster munitions and is committed to addressing these concerns through the CCW process. We were, therefore, pleased that the meeting of the High Contracting Parties to the CCW held in Geneva 7-13 November, 2007 agreed on a mandate for the GGE on cluster munitions to hold a number of meetings in this year.
3. We believe that the CCW process has proved its worth with regard to addressing various humanitarian concerns arising from the indiscriminate use of conventional weapons as it brings together all the main actors from diverse political and geographical standpoints. The work of the GGE must, therefore, aim to build on this strength of the CCW process. At the same time nothing we do must impact on the integrity of the CCW process or in any way dilute the commitments of States Parties to the five Protocols that have been elaborated. It is a sign of commitment to the CCW process that India has ratified all the five protocols.
4. Mr. Chairperson, India is aware of the distinct military advantages of cluster munitions. The use of cluster munitions is lawful and legitimate, if such use takes into account existing International Humanitarian Law. Our stance on the military use of such munitions is guided by:-
 - (a) Civilians and those not in combat must be protected against the effect of these munitions. Superfluous injury and unnecessary suffering results from the distinction between civilians and combatants not being maintained.

- (b) Cluster weapons offer distinct military advantages over other munitions in terms of economy of effort and wider area coverage in combat zone.
 - (c) Incorporation of “alternatives” with advanced technical features for greater accuracy and reliability geometrically could increase the cost of these weapon systems, thereby negating the advantages that the other features have to offer. Moreover, the proposed standards of accuracy and reliability need to be weighed against the level of our present technological threshold and the cost and time required to replace them. The indiscriminate adverse consequences of cluster munitions may result primarily from indiscriminate use of these munitions.
 - (d) Moreover, States, especially developing ones, will have an incentive to move towards improved cluster munitions only if the higher costs are offset by access to the new technologies or by the development of other economically viable alternatives.
5. Mr. Chairperson, as we commence the work of the GGE under your leadership we must recognize and give due importance to the fact that there are divergent views on addressing cluster munitions. This became amply clear in drawing up a mandate for the GGE in November last year. We were, however, pleased that the meeting of the High Contracting Parties was able to take a decision on a mandate that could be adopted by consensus thus bringing on board all the main actors.
6. The work programme that we develop must take into account the need to find common ground amongst the various divergent approaches. This would necessarily be a step by step process. The work of the Group of the Governmental experts involving technical expertise from the armed forces is essential to provide clarity on the way forward.
7. India supports the proposal that the Group should give itself the full opportunity to discuss all issues without imposing any preconceived solutions. We can proceed along two tracks. We must give due consideration for the implementation of the existing principles of international humanitarian law and possible measures, in particular,

with regard to cluster munitions aimed at minimizing the humanitarian risks of these munitions becoming explosive remnants of war. The work of the GGE must in no way dilute the advances that the CCW process has made through the adoption of the Protocol V. On the second track, we must endeavour to strike a balance between military and humanitarian considerations in addressing cluster munitions. Clarity on definitions would be essential to determine the scope of a possible future instrument on cluster munitions. India is prepared to work constructively with other delegations on these two tracks so that the outcome of our meetings can result in meaningful proposals to ameliorate the humanitarian consequences of cluster munitions. We are open to these proposals taking the form of suggested action on part of States Parties, or elaboration of 'Best Practices' or even negotiation of binding principles.

8. Mr. Chairperson, in conclusion, let me assure you that once again of our support in your discharge of your onerous responsibilities that you have assumed.

Thank you.



670. Presentation by Special Envoy of the Prime Minister Shyam Saran on “India and the Nuclear Domain” at the India International Centre.

New Delhi, February 18, 2008.

Ever since India and the United States declared their intention to resume bilateral cooperation in civilian uses of nuclear energy on July 18, 2005, there has been a national debate on India's place in the nuclear domain, both civilian and strategic. This debate is welcome. It enables public opinion to be educated on what has hitherto remained a relatively esoteric field. In this connection, may I commend the IIC for sustaining this initiative in the public domain. Attention has been focused on the significance of nuclear energy to our achieving energy security. There has also been a scrutiny of our strategic weapons programme and how that relates to our national security. These are important issues and need sober and objective reflection based on reliable information.

In the course of this debate, we have also drifted away from what has been, for decades, independent India's conviction that it must lead the way towards a non-violent, equitable and peaceful world, a world free from the shadow of mass annihilation.

My objective today will be, as someone associated with the negotiations on the Indo-US civil nuclear agreement, to endeavour to explain the original motivation behind the initiative and its implications for our strategic programme. I will also touch upon the issue of nuclear disarmament and explain why, in the current international context, it is a goal that India should advocate with renewed vigour.

Let me share with you the mandate which Prime Minister gave to us as negotiators when we took up this initiative with the United States. Since 1974, India had been the target of an increasingly selective, rigorous and continually expanding regime of technology-denial, not only in the nuclear field but encompassing other dual use technologies as well. It was our aim to seek the dismantlement of these inequitable regimes, which would become progressively more detrimental and significantly impact upon India's maturing economy, as its key sectors, required constant technological upgradation.

In pursuing this objective, we were acutely aware of the following:

(i) The multilateral technology-denial regimes whose targeting of India we sought to end such as the Nuclear Suppliers' Group (NSG) and the Missile

Technology Control Regime (MTCR) would require the United States to take the initiative as the principal initiator and leader of these regimes, and also because it remains the world's pre-eminent source of new and innovative technologies.

(ii) Since our PNE in 1974, technology denial was first limited to nuclear-related technologies and then progressively expanded to cover a growing range of dual-use technologies. For this historical reason, it was clear to us that unless we tackled the nuclear issue, we would not be able to obtain access to other useful technologies. It is only by turning the nuclear key that we would be able to open the door to enter global trade in dual use and sophisticated technologies.

There was another important consideration behind the initiative we took in July 2005. We were becoming increasingly aware that we would face a progressively more depleted market for conventional energy resources. Concerns over climate change would act as a further constraint on us. We had to adopt a strategy of diversifying our energy mix, with a graduated shift from fossil fuels to non-fossil fuels, from non-renewable to renewable sources of energy and from conventional to non-conventional sources of energy. Nuclear energy occupies a key place in this strategy and for good reasons. Despite the technology denial regimes which we had to contend with, our scientists had succeeded in putting in place a comprehensive, sophisticated and innovative nuclear industry, with a highly trained manpower able to sustain a major expansion in nuclear power. Our constraints in this regard were availability of domestic uranium and a technological capability still limited to smaller capacity reactors of about 700 MW, when the world was moving to 1600 MW reactors. If we were to envisage a major expansion in nuclear power in the medium term, to say 60,000 MW plus by the year 2030, then import of higher capacity reactors and uranium fuel, would be necessary.

This in no way detracts from the continued pursuit of Dr. Bhabha's visionary 3-stage nuclear energy development programme, which may yield significant results in the longer term. But in the short and medium-term, a significant expansion of nuclear power is only possible if the constraints we face on import of uranium and of large-capacity reactors, are removed.

Furthermore, it is not really correct to put indigenous development and international collaboration as antithetical to one another. In fact they are integrally linked. Each cycle of international collaboration prepares the ground for higher level of indigenous development. A higher level of

technological sophistication then enables a much more discriminatory and productive new cycle of technological collaboration and eventually partnerships. Let us not forget that Dr. Bhabha himself vigorously promoted international cooperation in nuclear energy which enabled India to lay the foundation of our current nuclear programme. He was, in his time, one of the most highly respected scientists among the international nuclear community.

Let me repeat, the mandate to the negotiators was:

- (i) to seek the dismantlement of the multilateral technology denial regimes targeting India;
- (ii) to seek an accelerated development of our nuclear power generation capability to enable a significant contribution to India's energy security in an environmentally sustainable manner.

The negotiators were also given a firm guideline: in seeking to achieve the above objectives, we should not accept any limitation whatsoever on our strategic weapons programme, which must remain inviolate and fully autonomous. In practical terms, this implied that

- (i) our strategic weapons programme would be outside the purview of any international safeguards regime or any form of external scrutiny;
- (ii) our ability to further develop and produce such weapons would not be constrained in any manner; and
- (iii) we would retain our legal right to conduct a nuclear test should that, at any time in the future, be deemed necessary in our over-riding national interest.

The negotiating team was further instructed to ensure that India's indigenous R&D programme i.e. the 3-stage long-term nuclear development strategy envisioned by Bhabha, would also proceed uninhibited and not be subject to external scrutiny. It was felt that this being a programme which had major potential for commercial exploitation of thorium-based nuclear energy in the future, we ought to safeguard its integrity for the present.

The July 18 Joint Statement incorporated a series of reciprocal commitments. On India's side, there was reaffirmation of some existing commitments, such as continuing a moratorium on nuclear testing and participating in multilateral negotiations on a Fissile Material Cut Off Treaty.

There was acknowledgement of steps already taken by India as part of its responsibilities under UNSC resolution 1540 and under the already concluded Next Steps in Strategic Partnership. These relate to strengthening controls on the export of sensitive technologies including reprocessing and enrichment technologies. These controls provided assurance to our partners that whatever we received under international cooperation would not be diverted to third countries. The new element was our commitment to separate our civilian from military nuclear facilities and offer the former voluntarily for IAEA safeguards. This was necessary in order for us to give our international partners the assurance that whatever we would receive as technology or equipment for our civilian facilities would not be diverted to benefit our strategic programme. This was, to our mind, a legitimate expectation on part of the international community. Nevertheless, we reserved to ourselves the right to determine which facilities would be designated as civilian; further the separation process would be carried out in graduated steps upto 2014 so as to avoid any dislocation in our nuclear industry.

What India obtained, reciprocally, in return, was a U.S. commitment to adjust its own laws so as to permit full civil nuclear energy cooperation with India, which is bilateral; and also a commitment to work with friends and allies to bring about a change in international, multilateral regimes, such as the NSG, to enable the international community to also engage India in full civil nuclear energy cooperation, which is multilateral. With the U.S. delivering on these commitments, India would become fully integrated into the global nuclear energy market after a gap of over 40 years. And this, it would be able to achieve without accepting any limitation or constraint on its strategic weapons programme. In this regard, the negotiators fulfilled the mandate given to them by the Prime Minister.

The July 18 Joint Statement was then translated into more elaborate and specific arrangements in a Separation Plan, presented to Parliament in March 2006 and in the text of a bilateral cooperation agreement, or the so-called 123 Agreement, between India and the U.S., concluded in July 2007.

In working out these arrangements, the mandate given to the negotiators was to stay within the parameters of the July 18 Joint Statement and to ensure that there would be no repeat of the Tarapur experience. In practical terms this meant ensuring that there would never again be a threat of reactor operations being disrupted due to a suspension of fuel supplies. We would also need to ensure that India has the right to reprocess foreign

origin spent fuel. In both these respects, the U.S. aided Tarapur nuclear facility had suffered and this hung over the negotiations as a negative legacy. There had been U.S. unilateral suspension of fuel supplies, just as there had been a refusal to allow India to reprocess spent fuel, which kept accumulating as hazardous waste, which the U.S. was also not willing to take back.

This is the background to the multi-layered fuel supply assurances which were spelt out in the Separation Plan, and incorporated in toto in the 123 Agreement. This is also the reason why India was prepared to engage in difficult and sometimes frustrating negotiations to ensure its upfront entitlement to reprocess foreign origin spent fuel. Eventually, the U.S. side agreed to India's demand.

The negotiators have been criticized by some for having agreed to permanent IAEA safeguards on its civilian facilities. Our position right from the outset had been that we have no problem with permanent safeguards provided there are permanent supplies of fuel. The multi-layered fuel supply assurances are unique in international nuclear negotiations and include India's right to take "corrective measures", should any disruption still occur despite these assurances. India's entitlement to build strategic reserves of fuel for its civilian reactors, to last the lifetime of such reactors, is also unique. Frankly, I do not think that we could have secured any better safeguards for our interests.

Criticism has been leveled at various provisions of the Hyde Act and it is argued that irrespective of what the 123 Agreement may say, we would be subject to the several onerous provisions of the Act.

Let me clarify that the operative heart of the Hyde Act, incorporates three permanent and unconditional waivers from relevant provisions of the U.S. Atomic Energy Act of 1954. In layman terms, the Hyde Act allows the U.S. Administration to engage in civil nuclear cooperation with India, waiving the following requirements:

- (i) that the partner country should not have exploded a nuclear explosive device in the past; this waiver is necessary because India exploded a series of nuclear explosive devices in May 1998;
- (ii) that the partner country must have all its nuclear facilities and activities under full-scope safeguards; this waiver is necessary because India has a strategic programme which would not be subject

to international safeguards; nor would its indigenous R&D programme; and

- (iii) that the partner country is not currently engaged in the development and production of nuclear explosive devices; this waiver is required precisely because there is no freeze or capping of India's strategic weapons programme. It is an acknowledgement that we will continue to develop and produce additional strategic weapons.

Irrespective of what else the Hyde Act may contain, these 3 permanent and unconditional waivers are extremely significant because they acknowledge that India has an ongoing strategic programme. No restraint on this programme is envisaged as a condition for engaging India in civil nuclear energy cooperation. This is a significant gain for India and should not be lost sight of. Just juxtapose this with the UNSC Resolution 1172 of June 6, 1998, which called upon India to stop, roll-back and eliminate its strategic programme and join the NPT as a non-nuclear weapon state.

There are, of course, several extraneous and prescriptive provisions in the Hyde Act which we do not agree with and in negotiating the 123 Agreement we have been more than careful to exclude such provisions. If the U.S. Congress considers the 123 Agreement, as currently drafted, as being in contravention with their own understanding of the Hyde Act, the agreement would be voted down. That would be the end of the matter. If, however, the U.S. Congress does approve the 123 Agreement, then this would confirm that the provisions of the Agreement are what would govern the commitments of the two sides.

While there has been intense focus on the Indo-US bilateral agreement, much of the commentary on the subject has lost sight of the multilateral regime whose adjustment in favour of India is what we are aiming at. Our objective is not merely to seek the U.S. as a partner. Our objective is to enable India to have a wide choice of partners in pursuing nuclear commerce, and high technology trade. But we cannot attain this objective without the U.S. taking the lead on our behalf. Yes, Russia and France are countries which are friendly to India and extremely keen to engage in nuclear commerce with us. However, there should be no doubt that neither they nor others will make an exception for India unilaterally unless the Nuclear Suppliers' Group adjusts its guidelines in the same manner as the U.S. is prepared to do. Whatever be the reservations that have been expressed about our relations with the U.S., no other friendly country, member of the NSG has the necessary standing to lead the process of opening up the

existing multilateral regime to accommodate India. The U.S. is in a unique position precisely because it initiated these restrictive regimes in the first place and also because it remains the pre-eminent source of new sensitive technologies.

The process we are engaged in will face several challenges ahead even if the controversies at home were somehow resolved. We still await the finalisation of the India-specific safeguards agreement with the IAEA. Thereafter, the NSG will meet to consider exempting India from its current guidelines. These guidelines, like pre-Hyde Act U.S. legislation, require that its members engage in civil nuclear energy cooperation only with countries that have all their nuclear facilities and activities under full scope safeguards. It is our expectation that there would be a fairly simple and clean exemption from these guidelines, without any conditionalities or even expectations regarding India's conduct in future. Finally, the U.S. Congress has to vote to approve the 123 Agreement. Only when these separate landmarks have been achieved, can we really have the practical possibility of resuming civil nuclear energy cooperation with the international community.

I am certain that you will agree that this initiative of the Prime Minister represents a significant and unprecedented effort to expand India's choices, create a more conducive and supportive international environment to advance India's developmental goals and mark the emergence of India as a major global player, in a rapidly transforming international landscape.

What enabled India to even attempt such a major and pathbreaking initiative? Would it not have been wiser and more prudent to engage in an incremental pursuit of more limited gains which would, cumulatively, and hopefully add up to something significant eventually? Let me try and address these very relevant questions.

In pursuing this initiative in 2005, India took advantage of a significant change in international, including U.S. and Western perceptions of India. This change can be traced to the following developments

- (i) Fifteen years of accelerated and sustained economic growth, coupled with the steady globalisation of the Indian economy, marked the emergence of India as an economic power-house, even as its democratic structures gave it a reputation for political stability. The prospects for continued and steady growth of India's economy made it an indispensable partner for countries across the globe.

- (ii) A globalising world found itself confronted with a number of transnational, cross-cutting issues such as international terrorism, drug trafficking, global pandemics and the twin challenges of energy and climate change. In seeking solutions to such global challenges, the active involvement of India as a large, populous and continental sized economy, has become indispensable. This is another reason why India's global profile has increased.
- (iii) India had emerged as a country with significant defence capabilities and has an enviable record of activism in UN peacekeeping. In December 2005, its swift response to the Tsunami disaster and its ability to extend significant assistance to affected countries also demonstrated its capabilities to contribute to maritime security and help deal with natural disasters and;
- (iv) Despite a 4-decade effort to put India in a technological corral and constrain its nuclear and space capabilities, Western countries led by the U.S., had failed to achieve their objective. Technology denial may have slowed down India's development in some respects, but on the other hand, India was now a country with a wide-range of sophisticated and sensitive technologies, isolating which made no sense, particularly at a time when engaging India promised much more by way of political and economic gains, not the least by partnering its outstanding scientists in the collaborative development of cutting edge technologies such as the International Thermo Nuclear Energy Reactor (ITER) project. India was able to get a clear message across to the world – you cannot continue to treat India as a target, even as you seek to engage it as a partner.

India was able to move with a sense of confidence to leverage the above favourable developments not merely to seek an upgradation in its relations with key regional and global players but to mobilize them collectively to reflect India's emergence in multilateral regimes. These had so far excluded India such as the UN Security Council or worse, targeted it as an adversary like the Nuclear Suppliers' Group.

In pursuing this objective, India was able to also take advantage of the fact that post-Cold War, as a result of the increasing globalisation of the world economy and the emergence of transnational, cross-cutting issues, the international landscape was characterized by the presence of a cluster of major powers, who were compelled to collaborate as much as to compete with one another. The potential for military competition and conflict between

them was constrained by the increasing interdependence of their economies. India could, therefore, upgrade its relations with all major powers, without this becoming a competitive zero-sum game which was the hall-mark of the bipolar Cold war. One may characterize this as a strategy of global de-hyphenation. It was our assessment that this favourable international constellation could change and therefore, we needed to take advantage of this window of opportunity so as to fix our diplomatic gains for the long-term. There are already some changes such as renewed tensions between the U.S. and Russia, and there may be further changes down the road. The international environment for India may not be as propitious as it has been during the past few years.

It is legitimate to expect that Government would not do anything to compromise the autonomy of its strategic programme. However, the strategic programme that we are talking about is one based on our own nuclear doctrine. This incorporates the concept of a deterrent which is credible at a minimum level of nuclear and delivery assets. There is also a non-first use pledge, which implies that those assets must survive a first strike and retain retaliatory capability. The need for a triad of forces, including a submarine based deterrent, derives from this. This also imposes requirements for secure and survivable command, control and communication systems. While we strive to retain strategic autonomy for the future, it is equally important that we ensure as expeditiously as possible, that all the elements of our credible minimum deterrent are in place.

We should also examine what is the likely role of nuclear weapons in terms of ensuring India's security. The traditional concept of nuclear deterrence is with reference to States and that is how we have defined our deterrent as well. However, even in this respect, our nuclear doctrine affirms India's conviction that its security would be enhanced, not diminished, if we were able to achieve a world free of nuclear weapons. It is this conviction which underlines our continued advocacy of nuclear disarmament. While asserting our right to a nuclear deterrent, we should not forget this other dimension of our security posture.

In fact, recent developments have made nuclear disarmament, compelling and urgent and India is well-placed to lead a global effort in pursuit of this objective. The nature of the dangers which nuclear weapons pose has dramatically intensified with the growing risk that such weapons may be acquired by terrorists or Jihadi groups who could threaten to use, or worse, even utilize such weapons to carry out attacks against targets which may

be located anywhere in the world. No country, including India, is safe from such attack. The mounting concern over the likelihood that, in a situation of chaos, Pakistan's nuclear assets may fall into the hands of Jihadi elements, fired by the ideology of extremism and mindless violence, underscores how real this danger has become. While States may be deterred by nuclear weapons, terrorist or Jihadi groups cannot. How do you threaten nuclear retaliation against such non-State actors?

The danger posed by proliferation of nuclear weapons to non-State actors is of a different and more threatening dimension than that from proliferation to additional States. A different approach is required, based on a new global consensus, but which in fact would be more effective in dealing with proliferation in all its aspects.

India has all along argued that as long as the world is divided between those who possess nuclear weapons and those who do not, there will always be a strong incentive for countries outside the club to seek to enter it. Recent experience indicates that the NPT and technology denial regimes may delay the emergence of new nuclear weapon states. They are unlikely to prevent it. As long as there exists such motivation among states, there will inevitably be a clandestine market for nuclear technology and material, as demonstrated by A.Q. Khan's nuclear super-market. If such a clandestine market continues to flourish, as it does even today, the danger of nuclear explosives or fissile material and technical know-how enabling the manufacture of nuclear weapons, falling into the hands of non-state actors, such as Jihadi groups, will continue to haunt our world. India has to be deeply concerned about the danger it faces, as do other states, from this new and growing threat.

The elimination of a clandestine, world-wide market in nuclear know-how, material and possibly, even nuclear explosives, can only be achieved by returning to what India had proposed as a grand-bargain, when it sponsored negotiations on a Non-Proliferation Treaty in 1965. India had proposed that non-nuclear weapon states should commit themselves to never developing or acquiring nuclear weapons, in return for a legal and time-bound commitment by nuclear weapon states to eliminate their arsenals. Today, as a nuclear weapon state, India is in a unique position, to take the lead in resurrecting the original grand bargain, because the danger of nuclear terrorism today threatens to engulf all states, including nuclear weapon states.

On January 4, 2007, Messrs George Schultz, William J. Perry, Henry A. Kissinger and Sam Nunn, put nuclear disarmament back on the international agenda, in an article they jointly wrote in *The Wall Street Journal*. They have now followed up their original initiative with a second article in the same newspaper, which appeared on January 15, 2008. What has led these Cold War veterans, to espouse the cause of nuclear disarmament? Why have they now seen it fit to quote approvingly from Rajiv Gandhi's Action Plan for Nuclear Disarmament of 1988, when at that time most Western governments dismissed it as fantasy?

The disturbing new element in dealing with nuclear weapons is precisely the danger that they could fall into the hands of non-state actors, against whom no deterrence could work. However, for Messrs Shultz and his compatriots, nuclear disarmament is still a distant goal, while in the meantime, they suggest graduated steps to reduce nuclear arsenals and reliance on them, more rigorous controls over the spread of sensitive technologies and a further strengthening of the current non-proliferation regime. They continue to rely on an asymmetrical approach, in which states with nuclear weapons and with advanced nuclear technology, would be treated differently than those who did not possess them. India is today in a position to take the initiative of Shultz and Co. forward, towards framing a new global consensus, which brings the goal of nuclear disarmament from a distant destination, "the top of a very tall mountain", as they call it, to being accepted as an urgent and compelling mission. India understands the danger from nuclear weapons and has suffered from the clandestine proliferation of nuclear weapons in its neighbourhood. It has also been a victim of terrorism for several decades. It is perhaps the best placed to fashion a global consensus on achieving nuclear disarmament as an urgent objective, not only because of the mass-destruction character of these weapons, but also because their link with international terrorism, poses a global threat. A multilaterally negotiated treaty which prohibits the development, production and use of nuclear weapons, on the model of the Chemical Weapons Convention, is within our grasp. Elaborate verification and intrusive monitoring methods that would be required to ensure compliance, would only be accepted if they are universally applicable.

India was justified in exercising its nuclear weapons option at a time when nuclear disarmament seemed all but abandoned by the existing nuclear weapon states. Its security was also being threatened by clandestine

proliferation in its own neighbourhood, without any remedial action being taken at the international level. In a world, populated by states producing and deploying nuclear weapons, India's strategic autonomy must be safeguarded. However, we must not forget that despite being a nuclear weapon state, India remains convinced that its security would be enhanced, not diminished, if a world free of nuclear weapons were to be achieved. Today, the country's security is further threatened by the risk of proliferation to non-state actors and terrorist groups. So also is the security of all other states, nuclear weapon and non-nuclear weapon states alike. It is only through the urgent and complete elimination of nuclear weapons that it may be possible to minimize, if not entirely dispel the threat of nuclear terrorism by non-state actors. Therefore, even as we work to strengthen our credible minimum deterrent, we ought to take a fresh initiative to realize Rajiv Gandhi's vision of a non-violent world, free from the scourge of nuclear weapons.



671. Statement by Permanent Representative at the Conference on Disarmament Hamid Ali Rao on Nuclear Disarmament.

Geneva, February 28, 2008.

Mr. President,

It gives me great pleasure to extend our warm congratulations to you on your assumption of the Presidency. I would also like to extend our thanks to your predecessor, Ambassador Labidi of Tunisia for the able manner in which he conducted the business of the Conference. We also associate ourselves with the statements made on behalf of the G-21.

Mr. President,

It is an honour and privilege for me to make my first statement in the Conference representing my country. The magnificent frescoes of Jose Maria Sert have a time-less quality and evoke in me, the same sense of awe, as when I first entered this Chamber, as a member of my delegation more than a decade ago. These frescoes underline the message that to move the wheel of disarmament on and forward, we require to exert no less than the men and women that adorn these walls.

This Chamber has also been compared to a hall of trick mirrors, in which, nothing is what it seems to be. It is my fervent hope that in the weeks and months ahead we are able to replace these, with mirrors that truly reflect each others interests and concerns, so that the reality of our collective interests becomes the basis of our work here. Our success will be measured by our ability to negotiate forward-looking agreements that are global and non-discriminatory, thus enhancing global security .

It is in this spirit that India attaches high importance to the CD as the single multilateral negotiating forum, whose mandate is drawn from the consensus of SSOD 1. Since its decisions impact on national security of member-states, it is logical that the CD should conduct its work and adopt its decisions by consensus. In doing so, we should abide by the well-established rules of procedure, which have served the Conference well.

Mr. President,

We are deeply conscious of the fact that the Conference has been unable to commence substantive work for nearly a decade. During this period,

India has joined other delegations to explore 'various proposals to advance the CD's work. Despite commendable efforts, the momentum that was created last year to move the CD out of its longstanding stalemate did not advance far enough so as to command consensus.

We remain committed to participating constructively in ongoing discussions so that the Conference can commence substantive work by reaching consensus on a programme of work that takes into account the interests of all its stake-holders. We believe that any decision on a programme of work must be consistent with the rules of procedures, preferably on the basis of a clear and integrated text. We also believe in the significance of common understandings on fundamentals and clarity on mandates to ensure the smooth and successful conduct of negotiations.

Mr. President,

India has consistently maintained its principled position- it attaches the highest priority to the goal of nuclear disarmament, both as a national position which has enjoyed strong and consistent domestic support as well as a member of the Non-Aligned Movement, and here in the CD as member of the G-21. A holistic framework seeking negotiations for a time bound commitment for the complete elimination of the nuclear weapons to usher in a world free of nuclear weapons and rooted in non-violence was presented by India's Prime Minister Rajiv Gandhi to the United Nations in 1988.

India has made several proposals in the CD on nuclear disarmament and has joined G-Q 1 positions on the subject including in CD /1570 and 1571. The General Assembly approved, as in previous years, a resolution sponsored by India on a Convention on the Prohibition of Use or threat of Use of nuclear weapons, which calls upon the CD to commence negotiations on an international convention prohibiting to use or threat of use of nuclear weapons under any circumstances.

India has also sponsored a resolution on 'Reducing Nuclear Danger' to highlight the risks posed by hair-trigger posture of nuclear weapons and the related unintentional, unauthorized or accidental use of nuclear weapons leading to a nuclear war with catastrophic consequences. Last year, India submitted a working paper on Nuclear Disarmament in CD/ 1816.

Over the years, several international groups and NGOs have lent their voice in favor of nuclear disarmament. The goal of a world free of nuclear

weapons has now received the support of eminent personalities like Henry Kissinger, George Shultz, William Perry and Sam Nunn- all knowledgeable and experienced in this field. This Conference cannot be oblivious to the shifting currents of informed opinion, which are now moving ever stronger in favor of nuclear disarmament.

As the sole multilateral negotiating forum on disarmament, there is a heavy responsibility on the Conference on Disarmament to make progress on nuclear disarmament. The first priority is binding commitments, accompanied by negotiation of specific steps that would reduce and finally eliminate the nuclear threat globally, in a verifiable and irreversible manner, where no state- would claim exclusive security based on its possession of nuclear weapons.

India would suggest enunciation of concrete steps towards achieving the goal of nuclear disarmament based on the following elements:

- Reaffirmation of the **unequivocal commitment** of all nuclear weapon States to the goal of complete elimination of nuclear weapons;
- **Reduction of the salience** of nuclear weapons in the security doctrines;
- Taking into account the global reach and menace of nuclear weapons, adoption of **measures by nuclear-weapon States** to reduce nuclear danger, including the risks of accidental nuclear war, de-alerting of nuclear-weapons to prevent unintentional and accidental use of nuclear weapons.
- Negotiation of a global agreement among nuclear weapon States on '**no-First-use**' of nuclear-weapons;
- Negotiation of a universal and legally-binding agreement on **non-use of nuclear weapons** against non-nuclear weapon States.
- Negotiation of a Convention on the complete prohibition of the use or threat of use of nuclear weapons;
- Negotiation of a **Nuclear Weapons Convention** prohibiting the development, production, stockpiling and use of nuclear weapons and on their destruction, leading to the global, non-discriminatory and verifiable elimination of nuclear weapons with a specified timeframe.

We recognize that these are complex issues on which divergences of approach persist amongst member states. We propose that the Conference consider the appointment of a Special Coordinator to assist in carrying out consultations on specific measures or a set of measures that have the potential of commanding consensus which can form the basis of a mandate for a possible Ad Hoc Committee on Nuclear Disarmament. We further recognize that consensus will not be easy, but that should not deter us from taking the first steps towards meaningfully addressing the priority of nuclear disarmament.

India supports the establishment of an Ad Hoc Committee on FMCT as part of the CD's Programme of Work. In 1993, India joined as one of the original co-sponsors of UNGA resolution 48/75L, which envisaged FMCT as a significant contribution to nuclear non-proliferation in all its aspects. That remains India's position. The international consensus on FMCT in 1993 reflected with clarity the common understanding of the basic objective of the Treaty and enabled India to join that consensus and on that basis, support the negotiation in the Conference on Disarmament of a non-discriminatory, multilateral and internationally and effectively verifiable Treaty banning the production of fissile material for nuclear weapons or other nuclear explosive devices. It is obvious that the Treaty would have to meet India's national security interests.

India supports the establishment of an Ad hoc Committee on NSAs to negotiate with a view to reaching an agreement on effective international arrangements to assure non-nuclear weapon states against the use, or threat of use, of nuclear weapons. We believe, that the negotiation of such an instrument will compliment other measures to reduce the saliency of nuclear weapons in security doctrines and improve the international climate for promoting nuclear disarmament and non-proliferation in all its aspects. As part of its credible minimum nuclear deterrent, India has espoused a policy of no-first use and non-use against non-nuclear weapon states and is prepared to convert these undertakings into multilateral legal arrangements.

Over the last four decades, India has consistently underlined the developmental dimensions of the use of outer space for the benefit of its people. Today, India is ranked among the advanced space-faring nations in the world. Space-based connectivity and navigation are now critical to our economic development and a factor of national security importance. We are deeply conscious of the need to strengthen the present international legal framework to ensure the safety and security of space assets and to prevent the placement of weapons in outer space.

In this regard, we welcome the tabling of the draft Treaty by the Foreign Minister of the Russian Federation on Prevention of Placement of Weapons in Outer Space, along with China, as a further contribution of filling the existing gaps in the international legal regime. We agree with Russia that the CD is the appropriate forum to take forward discussions on this issue.

There is no legal regime governing the possession and use of Missiles. The complexity of this issue arises mainly due to the untenable claims made by some states for the exclusive rights for the possession of advanced weapon systems and their continued modernization. Any initiative, to address these concerns in a sustainable and comprehensive manner, should be through an inclusive process based on the principle of equal and legitimate security. Discussions are underway at the UNGA on the issue of missiles in all their aspects. We hope that they lead to the adoption of a multilateral, universal and non-discriminatory approach to missiles as a contribution to international peace and security.

Mr. President,

While we share the disappointment of delegations with regard to delay in getting down to substantive work, we should not be overly pessimistic about the future of the Conference. Here I would like to quote from the farewell statement of Ambassador Arundhati Ghose who said the following in September 1997.

"Many apprehensions have been voiced of late about the future of this forum; there has been much doom and gloom about CD's apparent imminent collapse. I do not agree with this assessment. The CD is not an organization with programmes and projects. It is a forum ready to be used when there is need for it and when we, the members, wish to do so. It was set up by us to negotiate multilateral treaties which, while responding to the needs of international security, safeguarded vital national security interests as well. Agreement to negotiate such treaties is reached, I believe, when views coincide on the bases and the objectives of a treaty."

In conclusion, let me reiterate the commitment of my delegation to contribute to all efforts for making this Conference productive "and worthy of the immense trust and hope that the international community has placed on it.



**672. Statement by Permanent Representative at the UN
Nirupam Sen at the Substantive Session of the UN
Disarmament Commission.**

New York, April 8, 2008.

Mr. Chairman,

Please accept our congratulations on your election as the Chair of the UNDC. We will extend all possible support to you and the members of the Bureau. We would also like to place on record, our appreciation for the efforts of the Chairpersons of the 2 Working Groups. We value the statement made by the UN Secretary General at the UNDC yesterday. We thank the High Representative of the Secretary General for Disarmament, Mr. Sergio Duarte for his contribution to our common endeavors.

Mr. Chairman,

India attaches high importance to the UNDC, which is the deliberative leg of the triad of the disarmament machinery put in place by consensus by the 10th Special Session of the General Assembly on Disarmament. As the universal deliberative forum, it provides for in-depth consideration of specific disarmament issues for submission of recommendations to the General Assembly. We cannot over emphasize the role of this body at a time when the international disarmament agenda is under severe strain. The UNDC offers a unique opportunity for Member-States to bridge differences and arrive at common approaches of a universal character. We feel that this body can play a central role in bringing back coherence and consensus to address the security challenges of our time. Member-states should resist the temptation to transplant in the UNDC, frameworks and parameters that may be relevant elsewhere. The deliberations of the UNDC will yield positive and substantive results, if Member-States are willing to use this body to draw-up guidelines and recommendations of a universal character conveying a forward looking vision for a more secure world. Mr Chairman, India joins the statement made by Indonesia on behalf of the Non-Aligned Movement.

Mr. Chairman,

With regard to Working Group No. 1 "Recommendations for achieving the objective of nuclear disarmament and non-proliferation of nuclear weapons" India has made detailed and substantive interventions in previous sessions of the UNDC, including a Working Paper that was submitted on 9th April last year. India joins NAM in reaffirming that achieving nuclear disarmament

continues to be the highest priority of the international community, as underlined by the Final Document of the 10th Special Session of the General Assembly devoted to Disarmament.

The International Court of Justice, in its land-mark advisory opinion of 1996, pointed out that there exists an obligation to pursue in good-faith and bring to a conclusion, negotiations leading to nuclear disarmament under strict and effective international control. The UN Millennium Declaration underlined need to strive for the elimination of weapons of mass destruction, in particular, nuclear weapons. Successive NAM Summits have underlined the importance of nuclear disarmament.

Mr. Chairman,

This year we mark the 20th Anniversary of the Rajiv Gandhi Action Plan, which provided a holistic framework for seeking negotiations for a time-bound commitment for the complete elimination of nuclear weapons to usher in a world free of nuclear weapons and rooted in non-violence. This Action Plan remains by far the most comprehensive initiative on nuclear disarmament. India has co-sponsored Resolutions, which have been adopted by significant majorities in General Assembly, on a Convention Prohibiting the Use of Nuclear Weapons and on Reducing Nuclear Danger. We have also co-sponsored a Resolution, adopted by consensus by the General Assembly, on Measures to prevent terrorists gaining access to Weapons of Mass Destruction.

Mr. Chairman,

The UNDC must send a strong signal of the international community's resolve to initiate concrete steps towards achieving objective of nuclear disarmament and nonproliferation of nuclear weapons. Member-States should use this forum to intensify dialogue so as to build consensus that strengthens the ability of the international community to initiate concrete steps towards achieving goal of nuclear disarmament based on the following elements:

- Reaffirmation of the unequivocal commitment of all nuclear-weapon States to the goal of complete elimination of nuclear weapons.
- Reduction of the salience of nuclear weapons in security doctrines
- Taking into account the global reach and menace of nuclear weapons, adoption of measures by nuclear-weapon States to reduce nuclear danger, including the risks of accidental nuclear war, de-alerting of nuclear weapons to prevent unintentional and accidental use of nuclear weapons.

- Negotiation of a global agreement among nuclear-weapon States on "no-first-use" of nuclear-weapons.
- Negotiations of a convention on the complete prohibition of the use or threat of use of nuclear weapons.
- Negotiation of a nuclear weapons convention prohibiting the development, production, stockpiling and use of nuclear weapons and on their destruction, leading to the global, non-discriminatory and verifiable elimination of nuclear weapons with a specified time frame.

Mr. Chairman,

We draw satisfaction from the fact that a large measure of common-ground already exists with regard to issues discussed in Working Group II on Practical Confidence-building Measures in the field of conventional weapons. UNDC deliberations between 2001 and 2003, though inconclusive, were also useful. India supports practical CBM initiatives - unilateral, bilateral, regional or global. We believe that such measures can promote a stable environment of peace and security amongst states by building trust and confidence and enhancing transparency to minimize misunderstandings. Guided by this principle, India has initiated several confidence building measures with countries in our neighbourhood, including with China and Pakistan.

The implementation of appropriate types of confidence building measures in specific regions should take into account the specific political, military and other conditions prevailing in that region. Such arrangements have to be freely agreed upon by the States of the region concerned while taking into account specific conditions and characteristics of the region. A step-by-step approach should be adopted. A prescriptive approach that negates the sovereign right of States to choose CBMs best suited to their interests should be avoided. We believe that focus on extraneous political issues will only erode the large measure of agreement that already exists in this Working Group and also dilute and weaken the practical confidence building measures that we hope to adopt during this session.

Thank you,



673. Statement by Permanent Representative to Conference on Disarmament Hamid Ali Rao at the Third Meeting of The GGE on cluster munitions.

Geneva, July 7 , 2008.

We would like to join other delegations in conveying to you our deep appreciation for your efforts as Chair of the GGE on Cluster Munitions, and for undertaking informal consultations in the intercessional period. We pledge to you our full support. We also thank you for your Paper on Cluster Munitions In which, inter alia, you have emphasized that the list of topics contained therein should not be regarded as exhaustive or exclusive. While it is a good basis for discussion, there is still need for in depth consideration of certain fundamental conceptual issues. We hope that the programme of meetings for the third session of the GGE will provide the platform for such in-depth discussions.

Mr. Chairman,

India's commitment to the CCW Process is demonstrated by the fact that we have ratified all the five Protocols. We believe the CCW Process brings together diverse countries and includes the main producers, possessors or users of conventional weapons. It is, therefore, indispensable to international efforts for regulating use of specific types of weapons in order to mitigate the humanitarian risks associated with such use. The international instruments of a binding nature that we in the CCW Process negotiate, can have the greatest impact in regulating weapons that have indiscriminate effects or cause excessive harm. It is this potential that we must harness with regard to addressing Cluster Munitions.

We share the international community's concerns about the humanitarian impact of the irresponsible use of Cluster Munitions. The use of Cluster Munitions is lawful and legitimate if such use takes into account existing International Humanitarian Law. India is prepared to negotiate an instrument in the CCW consistent with the mandate of the GGE that strikes a balance between military and humanitarian concerns. We should focus on effective regulation rather than the prohibition of use of CMs. We believe that such an instrument will have a realistic prospect of achieving universality.

It is clear that a comprehensive, universal ban on Cluster Munitions is not within the reach of the international community, either in the CCW or outside. Cluster Munitions offer distinct military advantage and until these can be

replaced by other alternatives which are cost effective and perform the required military tasks, CMs will continue to find a place in military armories as both point target as well as Area target weapons.

A definitional approach, however expeditious, that excludes one class of CMS only to allow technologically more advanced types is unlikely to yield the results that we all aspire. We therefore support a generic definition of CMS. The emphasis on using technologically advanced munitions with advanced technical features to achieve greater accuracy and reliability will increase costs thereby negating other advantages such munitions offer. The proposed standards of accuracy and reliability need to be weighed against the level of our present technical threshold and the cost and time to replace or phase them out. States will have an incentive to move towards improved Cluster Munitions only if the higher costs are offset by access to new technology or by the development of other economically viable alternatives. Therefore consideration should be given to provision of transfer of technology for increasing the reliability and accuracy of Cluster Munitions.

As states parties to the CCW we stress that existing IHL rules of distinction, proportionality and prohibition of indiscriminate attacks must be duly implemented and enforced. We believe that the proposed Protocol should contain provisions that clarify the principles of IHL that are of specific relevance to the use of Cluster Munitions. Based on discussions in the previous sessions, the Chair's paper provides a useful basis for further discussions to find acceptable text. We are also keen to discuss Best Practices to further strengthen the current IHL framework in so far as they are relevant to our mandate. States parties of the CCW have varying security concerns and concepts such as reliability and accuracy are at best relative concepts and can be addressed through 'Best Practices' and cannot constitute legally binding provisions.

Efforts must be undertaken to minimize humanitarian risk so that these munitions do not become explosive remnants of war. Nothing in the future Protocol should negate the positive outcome of Protocol V which contains clear obligations and 'Best Practices' for all state parties with regard to Explosive Remnants of War. It is, therefore, essential that we maintain the integrity of Protocol V and the proposed Protocol on CMs as that would negatively impact on achieving universality of both Protocols.

In negotiating the proposed protocol, countries such as India, which are not part of any military alliance, will have to assess its implication on its national security. India is also a major contributor to UN Peace-keeping

operations which is a relevant factor in approaching this issue. We believe that it is important to keep in mind that the proposed protocol should not lead to escalation of costs or induce conditions for an unintended arms race due to an externally imposed imperative for countries to replace existing stocks with technologically advanced varieties in advance of their 'Shelf Life'. Therefore, it is essential to look at Life-Cycle Management issues and discuss Best Practices along the lines of the Technical Annex of Protocol V.

We support the proposal for banning the Transfer of all CMs to non-state actors. We are also willing to discuss issues related to victim assistance, protection of humanitarian missions and international cooperation and assistance. We would like detailed discussions on aspects relating to recording and transmission of information of use of Cluster Munitions, given the fact that there are limitations to generation for accurate data. Consideration should also be given to supporting international cooperation including through voluntary funding for developing detection equipment for clearance of CMs.

Mr. Chairman,

As you are aware, there are still fundamental differences in the approaches favoured by various delegations. Given these deep differences, it may be appropriate to continue purposeful discussions that could lead, at a later stage, to consideration of text. However, that does not mean that we should set aside valuable inputs contained in your Paper which should continue to be available to delegations to take forward discussions on some of the less contentious issues.

In taking forward these discussion, Mr. Chairman, please be assured of the fullest cooperation of our delegation.

Thank you.



674. Statement of Permanent Representative at the Conference on Disarmament Hamid Ali Rao at the Plenary Session of the Conference.

Geneva, July 7 , 2008.

Madam President,

Since this is the first time that we have requested the floor under your Presidency, allow me to convey to you our warm congratulations and say how pleased we are with the most efficient manner in which you have been discharging your important responsibilities. We would like to assure you of the full cooperation and support of our delegation.

I would also like to take this opportunity to extend a warm welcome to colleagues who have joined us recently in the Conference on Disarmament: Ambassador Christian Strohal of Austria, Ambassador German Mundarain Hernandez of Venezuela and Ambassador Luiz Filipe de Macedo Soares of Brazil. We also look forward to participating actively in the informal discussions on all agenda items that are planned for the 3rd Session.

Madam President,

As we begin the Third Session of the CD, we would like to recall and appreciate the efforts that have been undertaken by you and your predecessors with the aim of finding common ground to enable the CD to commence substantive work. We would also like to recall our statement of 28th February this year detailing our overall approach on this subject. In this context, we appreciate the efforts that seek to build on the commendable efforts and the momentum that was generated last year to move the CD out of its long-standing stalemate. India will work with other delegations to make progress towards our common goal, which is reaching consensus on a Programme of Work to enable the CD to move forward. We are confident that under your Presidency, no efforts will be spared to find solutions taking into account the interests of all stake-holders.

Thank you, Madam President.



675. Statement of Permanent Representative at the Conference on Disarmament Hamid Ali Rao at the Meeting of Experts.

Geneva, August 18, 2008.

Mr. Chairman,

We would like to join other delegations in conveying to you our warm congratulations on your assumption of the Chairmanship of the BWC's deliberations this year. We would also like to convey our appreciation to you and to the Implementation Support Unit for facilitating consultations and laying the ground work for this meeting. I would like to assure you of my delegation's full support and cooperation for the success of our common endeavours. India fully associates itself with the Statement made by Cuba on behalf of the Non-Aligned Movement.

Mr. Chairman,

India attaches the highest priority towards the further strengthening of the Biological Weapons Convention and its full implementation. Along with the CWC, the Biological Weapons Convention eliminated an entire category of weapons of mass destruction. As mandated by the 6th Review Conference, we are now undertaking inter-sessional work with the participation of experts to facilitate our deliberations. While these deliberations are useful, only a multilaterally agreed mechanism for verification of compliance can provide the assurance of observance of the legal obligations by the States Parties and can act as deterrence against non-compliance. We also believe that decisions regarding strengthening the Biological Weapons Convention should be taken by the Review Conferences based on the principle of consensus.

Mr. Chairman,

Recent advances in biotechnology, genetic engineering and life sciences, and their dual use nature pose particular dangers of proliferation and the hostile use of biological agents. The possibility that non-state actors, including terrorists could acquire and resort to the use of biological warfare agents and toxins has added a new dimension to this danger. India, therefore, supports international cooperative efforts to address these challenges. We have undertaken initiatives at the United Nations General Assembly, including sponsoring a resolution on 'Measures to prevent terrorists from Acquiring Weapons of Mass Destruction.'

In May 2005, India adopted a legislation called the 'Weapons of Mass Destruction and their delivery Systems Act' which builds upon existing regulatory framework relating to prohibiting unlawful WMD activities and strengthen national exports controls. This Act covers all the prohibitions that are required under the Biological Weapons Convention. India continues to take further measures to update and strengthen controls on biological agent and toxins. It is against the above background that we welcome a discussion on bio-security, bio-safety as well as oversight education, awareness, raising and adoption and/or development of Codes of Conduct with the aim of preventing misuse in the context of advances in bio-science, technology research with the potential of use for purposes prohibited by the Convention.

Mr. Chairman,

Though the concepts of bio-safety and bio-security are not defined per se by the Convention, there is merit in a discussion amongst the States Parties to see how we can meet the aims and objectives of the Convention. We are also aware that these two concepts, which are mutually related and reinforcing, have also been addressed in other international fora. We believe that we should focus our deliberations on exchange of ideas and experiences to see whether best practices can be evolved, which can be implemented by national authorities which should continue to bear the main responsibility for implementation of the Biological Weapons Convention, in accordance with relevant national laws, regulations and policies. We also believe that while evolving Codes of Conduct cannot be a substitute for legally binding measures to ensure the strict implementation and compliance with the provisions of the Convention, an exchange of views to draw up best practices so as to increase awareness, especially with regard to the multi-faceted nature of dual use of material and technologies can be of benefit to all. Our discussions should be aimed at helping States Parties improve their national standards in the fields of bio-safety and bio-security and should be implemented on a national and voluntary basis. We believe that achieving such standards can be facilitated by international cooperation and strengthening the implementation of Article X of the Convention, to which India attaches the highest priority.

Mr. Chairman,

In recent years, India has made considerable strides in the advancement of biological sciences, life sciences and biotechnology which are critical to meeting the developmental aspirations of our people. Indian industry is today

in the forefront of global advances in bio-technology, genetic engineering and life sciences. At the same time, we are fully conscious of the heavy responsibility that rests on our shoulders as possessors of advanced technology to guard against their misuse. The Indian Government along with industry as well as the research and academic communities have undertaken measures to improve oversight education and awareness. There is a productive and expanding partnership between Government and industry to work towards this common objective. We will be happy to share our perspectives during the relevant sessions in the coming days. Our delegation consists of experts from Capital, including from private industry. Our experts look forward to actively participate in the deliberations and to interacting with other delegations, including those from the NGO community.

Thank you

Mr. Chairman.



**676. Statement by Permanent Representative to the
Conference on Disarmament Hamid Ali Rao – CCW :
Fourth GGE On Cluster Munitions.**

Geneva, September 1, 2008.

Mr. Chairman,

Let me begin by conveying our deep appreciation for all your efforts throughout the year as the Chair of the GGE on cluster Munitions. Your draft paper on cluster munitions suggesting various options for the possible draft instrument is an important urgently the humanitarian impact of cluster munitions, while striking a balance between military and humanitarian considerations.

Mr. Chairman, I would now like to briefly state, India's position.

We believe that cluster Munitions are legitimate weapons if used responsibly and in accordance with the existing humanitarian law and are not inherently indiscriminate. Cluster Munitions offer distinct military advantage and will continue to form part of armories either as point target or area target

weapons. A complete ban on cluster munitions either within the CCW or outside is not possible in near future. Our effort therefore should be consistent with our mandate to negotiate a proposal that strikes a balance between military and humanitarian considerations.

Emphasis on using technologically more accurate and reliable weapons will increase costs and will negate the other advantages that these weapons have to offer, cost implications of technological improvements. Therefore, India has suggested that the proposed protocol must look into provision of transfer of technology for increasing Shelf-Life as determined by the States Parties themselves.

We support inclusion of provisions relating to IHL in the proposed protocol. We reiterate our position that nothing in the proposed Protocol should negate the provisions of Protocol V or expand the scope of application beyond the scope of the welcome discussions on victim assistance, protection of humanitarian missions and international cooperation and assistance. We support the proposal for banning the transfer of cluster munitions to non-State actors.

Mr. Chairman,

India will work actively with other delegations to ensure that we are able to make substantial progress during this session of the GGE so as to fulfill our mandate in time

I thank You, Mr. Chairman.



677. Statement by Permanent Representative to the Conference on Disarmament, Hamid Ali Rao at the General Debate of the First Committee of the 63rd UNGA.

New York, October 10, 2008.

Mr. Chairman,

The Indian Delegation congratulates you on your election to the Chairmanship of the First Committee. We would like to assure you of our full cooperation in the discharge of your responsibilities. India associates itself with the statement made by Indonesia on behalf of the Non-Aligned Movement. The reference in that statement to universality of the NPT pertains to views of NAM states parties to the NPT and does not reflect India's position.

Mr. Chairman,

The United Nations is the embodiment of our faith in the benefits of collective action and of multilateral approaches in resolving global issues concerning global peace, stability and development. India's approach to addressing issues relating to disarmament and international security - the mandate of the First Committee, is underlined by our conviction that global contemporary challenges are best addressed through collective efforts imbued by a spirit of genuine multilateralism. We must work together, in cooperation and partnership to address threats to international security, both old and new, and to show a new spirit of unity of purpose and vision to advance global disarmament and non-proliferation goals and objectives.

Mr. Chairman,

India attaches the highest priority to the goal of nuclear disarmament, as enshrined in the Final Document of SSOD I. This year we mark the 20th Anniversary of the "Action Plan for Ushering in a Nuclear-weapon free and Non-Violent World Order" proposed by Prime Minister, Rajiv Gandhi, to the Third Special Session on Disarmament of the General Assembly. India's commitment to universal, non-discriminatory nuclear disarmament leading to the total elimination of nuclear weapons was reiterated by our Prime Minister on June 9, 2008 as well as by our External Affairs Minister on September 5, 2008. Speaking at the 63rd session of the General Assembly on 26th September, Prime Minister Dr. Manmohan Singh reiterated India's proposal for a Nuclear Weapons Convention prohibiting the development,

production, stockpiling and use of nuclear weapons and providing for their complete elimination within a specified time frame.

While the end of the Cold War created new space for action on global disarmament, with notable results such as the conclusion of the Chemical Weapons Convention eliminating, on a universal and non-discriminatory basis, an entire category of weapons of mass destruction, the goal of nuclear disarmament has remained a distant one. We call upon the First Committee to reinforce the message, now being echoed even by prominent statesmen and experts in the field, in favor of generating a new momentum to achieve the goal of a world free of nuclear weapons. No effort must be spared in building consensus to this end.

India has put forward both at the General Assembly and in the Conference on Disarmament a set of practical measures to stimulate debate and promote consensus on the way forward. The measures we suggest include:

- Reaffirmation of the unequivocal commitment of all nuclear-weapon States to the goal of complete elimination of nuclear weapons.
- Reduction of the salience of nuclear weapons in security doctrines.
- Taking into account the global reach and menace of nuclear weapons, adoption of measures by nuclear-weapon States to reduce nuclear danger, including the risks of accidental nuclear war, de-alerting of nuclear weapons to prevent unintentional and accidental use of nuclear weapons.
- Negotiation of a global agreement among nuclear-weapon States on 'no-first-use' of nuclear-weapons.
- Negotiation of a universal and legally-binding agreement on non-use of nuclear weapons against non-nuclear weapon States.
- Negotiations of a convention on the complete prohibition of the use or threat of use of nuclear weapons.
- Negotiation of a nuclear weapons convention prohibiting the development, production, stockpiling and use of nuclear weapons and on their destruction, leading to the global, non-discriminatory and verifiable elimination of nuclear weapons with a specified time frame.

Mr. Chairman,

It is clear that nuclear disarmament and nuclear non-proliferation are mutually reinforcing processes and require concerted and cooperative international efforts. India supports such efforts aimed at realizing global non-proliferation objectives. Expansion of international cooperation in the peaceful uses of nuclear energy by increasing the share of nuclear energy as a non-polluting energy source, in a manner that is safe, secure and consistent with non-proliferation objectives, will have a positive impact on global energy security and international efforts to combat climate change. We attach importance to carrying forward this process through dialogue and mutually beneficial cooperation with our international partners. India supports the negotiation in the CD of an FMCT that is universal, non-discriminatory and verifiable. India joined the consensus, as reflected in the UNGA Resolution 48/75 L which envisaged FMCT as a significant contribution to nuclear non-proliferation in all its aspects. We support efforts towards building the necessary international consensus so as to enable the CD to move forward on this important issue. India has continued to observe a moratorium on nuclear explosive tests.

India supports negotiation with a view to reaching agreement on effective international arrangements to assure non-nuclear weapon states against the use or threat of use of nuclear weapons. As part of its credible minimum nuclear deterrent, India has espoused a policy of "no first use" and non-use against non-nuclear weapon states and is prepared to convert these undertakings into multilateral legal arrangements.

We support international efforts to strengthen the present international legal framework to ensure the safety and security of space assets and to prevent the placement of weapons in the outer-space. While noting that there is no legal regime governing the possession and use of missiles, we believe that any initiative to address these concerns in a sustainable and comprehensive manner should be through an inclusive process based on the principle of equal and legitimate security.

India has contributed actively to UN efforts to strengthen regulation of small arms and light weapons as we believe that it is necessary to break the nexus between small arms proliferation and terrorism and organized crime. We remain strongly committed to the CCW process which offers the only forum of a universal character that brings to together all the main producers

and users of major conventional weapons, thus ensuring that the instruments that emerge have a greater prospect of making a meaningful impact on the ground.

Mr. Chairman,

As in the previous year, India seeks the support of the First Committee for the following three resolutions:

- (i) Convention on the Prohibition of use of nuclear weapons.
- (ii) Reducing nuclear danger.
- (iii) Measures to prevent terrorists from acquiring weapons of mass destruction.

Mr. Chairman,

In order to save time during the plenary debate we will make our detailed presentation on these resolutions during the time allocated for that purpose.

In conclusion, let me assure you of India's strong commitment of working together to ensure a successful outcome to this Committee's deliberations.

Thank you.



678. Statement by Former Member of Parliament and Member of the Indian Delegation to the UN Vishvjit P. Singh at the Thematic Debate on Nuclear Weapons in the First Committee of the UNGA.

New York, October 16, 2008.

Mr. Chairman,

It is a pleasure to see you chairing the thematic debate on Nuclear Weapons. India associates itself with the statement made by Indonesia on behalf of the Nonaligned Movement.

India has consistently attached the highest priority to the goal of nuclear disarmament, both as a national position as well as a member of the Non-Aligned Movement. Speaking at the 63rd session of the General Assembly on 26th September this year, Prime Minister Dr. Manmohan Singh reiterated India's proposal for a Nuclear Weapons Convention prohibiting the development, production, stockpiling and use of nuclear weapons and providing for their complete elimination within a specified time frame.

We recall that the only document on Nuclear Disarmament adopted by consensus by the international community - the Final Document of SSOD I accorded the highest priority to the goal of nuclear disarmament. This year we mark the 30th anniversary of the holding of SSOD I. We would like to convey our appreciation to the High Representative for Disarmament Affairs for highlighting some of the important points of the Final Document of SSOD I.

This year we mark the 20th Anniversary of the "Action Plan for Ushering in a Nuclear-weapon free and Non-Violent World Order" - presented by India's Prime Minister Rajiv Gandhi to the United Nations in 1988. This statement was a milestone in the global quest for nuclear disarmament. The Action Plan begins with the following words which remain valid to this day:

"Humanity stands at a cross roads of history. The world has lived too long under the sentence of extinction. Nuclear weapons threaten to annihilate human civilization and all that humankind has built through millennia of labor and toil. Nuclear weapon states and non-nuclear weapon states alike are threatened by such a holocaust. It is imperative that nuclear weapons be eliminated."

This Action plan proved a holistic framework for seeking negotiations for a time bound commitment for the complete elimination of the nuclear weapons to usher in a world free of nuclear weapons and rooted in non-violence. This Action Plan remains by far the most comprehensive initiative on nuclear disarmament. Its central premises listed below remain valid:

- First, a binding commitment by all nations to eliminating nuclear weapons in stages;
- Second, participation of all nuclear weapon states in the process of nuclear disarmament. All other states must also be part of this process;
- Third, demonstration of good faith and building of confidence through tangible progress towards the common goal;
- Fourth, changes in doctrines, policies and institutions to sustain a world free of nuclear weapons.

An international Conference was held in New Delhi 9-10 June this year to mark the twentieth anniversary of the Rajiv Gandhi Action Plan. The keynote address was delivered by Mr. Sergio Duarte, High Representative for Disarmament Affairs. About 200 experts participated in this Conference. Inaugurating the Conference, Prime Minister Dr Manmohan Singh said "The Rajiv Gandhi Action Plan was a comprehensive exposition of India's approach towards global disarmament and continuity in our thinking." He expressed the hope that other states will agree to a dialogue on these proposals, and will join us in committing to nuclear disarmament.

Over the years several international groups and bodies have lent their voice in favour of nuclear disarmament, including the United Nations General Assembly, the International Court of Justice, and national Parliaments of several countries. The goal of a world free of nuclear weapons has received the support, of eminent people like Henry Kissinger, George Shultz, William Perry and Sam Nunn- all knowledgeable and experienced in this field. The Government of Norway took the initiative to host a major international conference in Oslo in February this year. Another initiative has been launched by the Governments of Australia and Japan focusing on nuclear disarmament and non-proliferation. High level pronouncements in favour of nuclear disarmament have been made by such countries as France and the United Kingdom.

While individual merits or otherwise of the various proposals need to be discussed, we must recognize that shifting currents of informed opinion are now moving ever stronger in favor of nuclear disarmament. This provides the UNGA an opportunity to create a new political momentum and for the UN disarmament machinery to bring about coherence, integration and universal consensus on the way forward. In this regard we would like to reiterate the significance of convening SSOD IV- a position supported by all NAM countries.

As the sole multilateral negotiating forum on disarmament, there is a heavy burden on the Conference on Disarmament to make progress on nuclear disarmament. The first priority is binding commitments, accompanied by negotiation of specific steps that would reduce and finally eliminate the nuclear threat globally, in a verifiable and irreversible manner, where no state would claim exclusive security based on its possession of nuclear weapons. In fact a nuclear weapon free world would enhance the security of all.

As in previous years, India will be introducing the following resolutions;

First, on behalf of the co-sponsors I would like to introduce the draft resolution entitled "Convention on the Prohibition of the Use of Nuclear Weapons." This resolution reflects the belief of the co-sponsors that a multilateral, universal and legally binding instrument prohibiting the use or threat of use of nuclear weapons will contribute to the mitigation of the nuclear threat and create a climate for negotiations for an agreement on the prohibition of nuclear weapons. It will, thus, serve as an important interim measure until we reach agreement on a step-by-step process for the complete elimination of nuclear weapons. The operative part of the resolution reiterates the call to the Conference on Disarmament to commence negotiations to reach agreement on an international convention on prohibiting the use or threat of use of nuclear weapons under any circumstances.

I also have the honor to introduce on behalf of the co-sponsors the draft resolution on "Reducing Nuclear Danger." This resolution highlights that the hair-trigger posture of nuclear forces carries the unacceptable risk of unintentional or accidental use of nuclear weapons, which could have catastrophic consequences. The operative part of the resolution calls for a review of nuclear doctrines, as also immediate steps to reduce the risk of unintentional or

accidental use of nuclear weapons, including through the de-alerting and de-targeting of nuclear weapons and requests the Nuclear Weapon States to take the necessary measures to reduce nuclear dangers.

On the behalf of co-sponsors, India is tabling, as in previous years a draft resolution on "Measures to prevent terrorists from acquiring weapons of mass destruction." This resolution highlights the concerns of the international community and calls upon all Member states to take measures aimed at preventing terrorists from acquiring weapons of mass destruction. It underlines that the international response to this threat needs to be at national, multilateral and global level. This year the resolution has been updated to take into account the "Global Initiative to Combat Nuclear Terrorism" launched jointly by the Russian Federation and the United States. It also incorporates some suggestions for improvement in Op3 and OP5 to provide clarity on the issue of national measures.

We hope that these resolutions will receive the broadest possible support. Like in previous years we hope that the resolution on "Measures to prevent terrorists from acquiring weapons of mass destruction" will be adopted by consensus.

Thank you.



679. Statement by Member of Parliament and Member of the Indian Delegation to the UN Arjun Charan Sethi on the thematic debate on conventional Weapons in the First Committee 63rd Session of the UN General Assembly.

New York, October 21, 2008.

Mr. Chairman,

While weapons of mass destruction are rightly accorded priority in the area of disarmament and arms control, conventional weapons and small arms and light weapons constitute an important concern.

We associate ourselves with the statement of the Non Aligned Movement on this subject.

India is deeply concerned that conventional weapons, including small arms and light weapons, continue to pose grave danger to the security of States. Their indiscriminate and irresponsible use, including by non-State actors, has caused enormous humanitarian concern. Such weapons disrupt political stability and social harmony, derail pluralism and democracy and hamper growth and development. They also fuel international terrorism and internal conflicts.

Mr Chairman,

The United Nations has had a measure of success in dealing with the threat posed by illicit trade in small arms and light weapons. The Programme of Action adopted in July 2001 outlines a realistic, achievable and comprehensive approach to address the problem at national, regional and global levels. The integrity of the POA and its consensus nature must be preserved and strengthened. India will contribute constructively to the follow up meetings being envisaged as part of the Fourth Biennial Meeting of States.

India will also continue to pursue the objective of a nondiscriminatory, universal and global ban on anti-personnel mines in manner that addresses the legitimate defence requirements of States. Landmines continue to play an important role in the defence of States that have long land borders with difficult and inhospitable terrains. The process of complete elimination of anti-personnel mines will be facilitated by the availability of militarily effective, non-lethal and cost-effective alternative technologies.

This we mark the 25th anniversary of the EIF of the CCW Convention, which remains the only forum of a universal character that brings together all the main users and producers of major conventional weapons, thus ensuring that the instruments that emerge have a greater prospect of making a meaningful impact: on the ground. India is privileged to be part of the small group of countries that has ratified all the instruments of the CCW package. India has proposed a broad based dialogue to consider a new and strengthened format of the CCW Convention that would by common agreement, reaffirm and strengthen of application of international law in regulating the victims of warfare and protecting the victims of warfare.

Mr Chairman,

We share the international community's concerns about the humanitarian impact of the irresponsible use of cluster munitions. India has contributed actively to ongoing discussions to negotiate an instrument in the CCW consistent with the mandate of the GGE adopted in November 2007 that strikes a balance between military and humanitarian concerns. We look forward to productive discussions in the GGE meeting in Geneva in early November.



INDIA'S FOREIGN RELATIONS - 2008
SECTION - X
INDIA AT THE UNITED NATIONS

680. Statement by Minister at the Permanent Mission of India at the UN Mrs. Ruchi Ghanashyam on Informal meeting of the General Assembly on UN System-Wide Coherence and the Report of the Secretary-General on its Recommendations.

New York, February 7, 2008.

Mr. Co-Chairs,

India welcomes you in your role as Co-Chairs for continuing the consultations of the Report of the High Level Panel on UN System-wide Coherence. We look forward to working with you in a constructive and positive manner in an open and transparent process. We would like to thank the two Co-Chairs who guided the process during the 61st UNGA. We recognize the diligent effort that went into the preparation of their report. We associate ourselves with the views expressed by the distinguished Ambassador of Cuba on behalf of the Joint Coordinating Committee of the Group of 77 and the Non-Aligned Movement. India's approach on process issues is guided by the decision of the JCC of G-77 and NAM. The Chair of NAM has already expressed the JCC position in this regard. As stated by him, an evolution in this position would depend on our consultations. Mr. Co-Chairs, India has stated on numerous occasions, including in our statement with Sweden in the Joint Board of UNDP/UNFPA, UNICEF and WFP held recently, that the objective of the reform process cannot just be the improvement of coordination or the achievement of coherence. Better coordination or coherence is only the means to an end.

Our destination is a better performing UN development system that is able to respond to the needs of developing countries in their endeavours to achieve their development goals, with the UN incurring lower transaction costs and reporting burdens. It is presumed that improved coherence or coordination should lead to a better delivery of development assistance. This presumption needs to be constantly measured against reality so that the results of improved coordination and coherence are measured against better performance while taking into account the costs incurred for achieving the improved coordination and coherence.

This reality check, Mr. Co-Chairs, cannot be done without an independent evaluation of ongoing reforms. New ways of improving the delivery of UN development assistance at the country level are being tried out in the eight

pilot countries. We have periodically been briefed about the results of the pilots. It appears from the feedback provided so far that the results have been positive and that the process has been rather smooth. We welcome this. However, an independent evaluation can go into the various aspects and implications of the reforms being tried out. We look forward to the results of such an evaluation promised by the Secretary General. At this stage, while we are still awaiting the evaluation, we are not very clear about the expectations for furthering the reform proposals at the country level. The logical way forward would be for us to receive the evaluation report, study the lessons learned and take those lessons on board before implementation of the reforms further, while leaving the choice to each member state to choose their preferred model. We need to discuss this question and need some clarity on this issue. The Chair of NAM, in his statement on behalf of the JCC, has identified funding as one of the issues important for the NAM and G-77. Indeed, without adequate funding, the UN development system cannot be expected to play a meaningful role in development.

The reports that we have been receiving over the last few years have identified the problems being caused by inadequate core funding. The imbalance between core and non-core funding has been growing to the disadvantage of core resources. Even as we recognize the contribution of non-core resources, we must also recognize the implications of a smaller base of core resources having to bear the additional burden of the growing contributions to non-core resources. One of the solutions being cited is the need for new modalities of funding, even as existing analysis has shown that a multiplicity of funding modalities adds to the transaction costs. Predictably of funding has been cited as a challenge in our discussion today by one of the pilot countries. This issue needs to be faced squarely and while discussing the way forward. The functioning of the UN development system at the country level is not the only area of reform that the Report of the High Level Panel touched upon. One of the questions that we need to address is that in the absence of an evaluation of the pilots what kind of governance reforms should be implemented at this stage.

The report recommends the setting up of a Development Policy and Operations Group chaired by the UNDP Administrator. We would need a briefing from UNDP on how they see this particular proposal while the evaluation of the pilots is awaited. We also need to look at the other proposals on governance issues in the light of the ECOSOC reforms already agreed to by the General Assembly. The implications of the recently adopted TCPR resolution also need to be taken into account.

Mr. Co-Chairs,

We recognize that you have before you the complex task of analysing the High Level Panel Report in the context of the developments that have taken place separately in the UN system. We note your view that, perhaps, at this stage it would be necessary to look at the report and identify specific areas on which movement is feasible. We look forward to the analysis that would suggest the best way for us to deal with the recommendations of the High Level Panel Report. In this analysis the issues of interest to developing countries have already been identified in our statements today, especially the statement made on behalf of the JCC of G77 and NAM. Once again, Mr. Co-Chairs, we would like to assure of our intention of working with you in a constructive and positive manner.

Thank you, Mr. Co-Chairs.



**681. Statement by Permanent Representative at the UN
Nirupam Sen on "Addressing Climate Change: The
United Nations and the World at Work" during the
Thematic Debate convened by the President of the UNGA
at the 62 session of the UNGA.**

New York, February 13, 2008.

Mr. President,

At the outset, permit me to express our appreciation of your initiative and leadership on this important issue. We associate ourselves with the statement made yesterday by Antigua and Barbuda on behalf of the Group of 77. The UN Framework Convention on Climate Change (UNFCCC) remains the only comprehensive framework to deal with climate change issues, a fact reaffirmed during the recent Bali meeting. Efforts to address climate change, including this thematic debate, must support and feed into the ongoing processes under the UNFCCC rather than create parallel processes. Such efforts should also be based on the provisions and principles of UNFCCC, particularly the principle of common but differentiated responsibilities and respective capabilities.

Other UN system entities can assist, as per their mandates, in the effective implementation of the provisions, commitments and action plans of the

UNFCCC. Bertolt Brecht once said that it is sometimes "a crime to talk about a tree because it implies a silence about injustice". For developing countries, the imperative therefore is poverty eradication and development. The UN is best placed to ensure that addressing climate change does not impede this objective. I may also add that despite the comprehensive nature of the UNFCCC, background documents for this thematic debate have erroneously referred to 'framework' / 'comprehensive global agreement' while referring to the agreed outcome of the Bali Action Plan. Other mechanisms of the UNFCCC, like the negotiations under the Kyoto Protocol for GHG reduction commitments for Annex I Parties post-2012 have also been ignored.

Mr. President,

For developing countries, the issue of adaptation is of crucial importance. They have not contributed to causing climate change, yet will be most adversely affected by it. Further, they also lack adequate means and sufficient capacities for effective adaptation actions. The UN can play a role in this area by assisting national adaptation strategies through the UN's operational activities, particularly in capacity building, financial and technical support, as well as knowledge sharing. Ultimately, the UN's most effective role in adaptation is to accelerate development, which is the best form of adaptation.

The issues of technology and financing are vital for effectively addressing climate change. We would have liked to see a detailed coverage of these issues in the background documents provided for this debate. Current mechanisms to promote cost-effective and affordable access to advanced clean technologies for developing countries have not been very successful. The UN must play a leading role in this area by promoting joint research; country-driven approaches incorporating existing capacities; adoption and diffusion of technology; greater focus on adaptation technologies; and most important of all, a facilitative IPR regime that balances rewards for innovators with the common good of humankind. The issue may be difficult: the UN must grasp the nettle and not bypass it in background documents.

Similarly, there is an urgent need to provide new and additional financial resources to developing countries for addressing climate change, without diverting resources meant for development. The role of the UN cannot merely be limited to assisting developing countries in formulating policies to enhance climate change related investment flows. It would be myopic to believe that such national efforts would be sufficient to raise the large resource flows required. Instead, the UN must assist in the development of financial mechanisms and funds for effective resource flows into developing countries.

On mitigation, rather than identifying mitigation strategies by developing countries, the UN should focus on how developed countries can sharply reduce their GHG emissions. In this regard, the UN should play an active role in advocacy by urging developed countries to meet their commitments, and to take further ambitious GHG reduction commitments. The UN should also identify various ways and means by which developed countries can take action in mitigation. The developed countries must reduce their emissions so that the developing countries can breathe and grow. In the gospel of Saint Thomas, discovered and authenticated not so long ago, it is stated that blessed are the poor for theirs is the kingdom of heaven. In terms of climate change, one can add that blessed are the poor for they have saved the earth. Perhaps it would now be time for the rich to do something in the same direction.

Mr. President,

Climate Change must be addressed in the context of sustainable development, rather than attempting to integrate it with trade, social, economic, security, migration or humanitarian issues. We would also caution against using discussions on climate change to influence other ongoing UN processes like the System-wide coherence or the International Environment Governance. While the UN Chief Executives Board for Coordination can play a role in coordinating UN system efforts, we would like to see much greater member state oversight.

Mr. President,

Partnerships will play an important role in efforts to address climate change through adaptation, mitigation, financing, technology transfer and sustainable forest management and conservation. The UN should foster and promote creative models of partnership, which can assist national efforts. We should not equate this with the commitments of developed countries to provide financing and technology. Also partnerships alone will not be able to combat climate change. Greater emphasis on South-South cooperation in areas like adaptation would be useful. India would be happy to share with our friends in the developing world, the S&T expertise and capacities that India has built over the years.

Mr. President,

India is very conscious of the challenge of climate change and the serious impact it will have on all of us. Yet, like other developing countries, we have to ensure accelerated and sustained development so that millions of

poor people can secure a better life. This will inevitably require increased energy consumption. Nevertheless, we have stated that even as we pursue development, our per capita GHG emissions would at no stage exceed the per capita GHG emissions of developed countries. Our per capita emissions of 1 ton per annum are only a fourth of the world average, and our cumulative historical emissions of 23 tons is a fraction compared to the 1100 tons emitted by many developed countries. At the inauguration on 11 February 2008, Mayor Bloomberg asked China and India to accept world energy efficiency standards and said that in future New York taxis would be flexi fuel. All polluting factories around Delhi have been closed down and all Delhi buses and taxis have switched to using Compressed Natural Gas. Thus, we have done what New York still has to do. As for energy efficiency, a recently released World Bank study shows that India's fossil fuel related carbon dioxide emission per dollar of GDP is the same as that of Japan and Germany and newer Indian plants in steel, cement, aluminium and paper have energy efficiencies at the global frontier. Recently India's Ministry of Science and Technology has introduced a technology based on ocean thermal energy conversion that provides clean drinking water from seawater at affordable prices.

India is also entirely sensitive to the concerns of Small Island Developing States that arise out of climate change and will join vigorously in efforts to assist them. Actions by developed countries to sharply reduce their emissions, and assist developing countries with financial and technical resources, holds the key to successfully combating climate change. We look forward to the United Nations and the world working meaningfully towards this goal.

Thank you, Mr. President



682. Statement of Minister at the Permanent Mission of India at the UN Mrs. Ruchi Ghanashyam on Agenda Item 121: First Meeting of the Ad Hoc Working on the Revitalization of the General Assembly.

New York, February 21, 2008.

Mr. Co-Chairs,

We congratulate the two Co-Chairs for their appointment and express our readiness to work constructively in this process. We would also like to express our appreciation for the two previous Co-Chairs, the Ambassadors of San Marino and Senegal, who undertook a thorough examination of all aspects of this issue. We associate ourselves with the statement made by the Ambassador of Algeria on behalf of the Non-Aligned Movement.

Mr. Co-Chairs,

Through its resolution 61/292, the GA mandated the setting up of an adhoc working group to evaluate the implementation of previous resolutions on GA revitalization, including resolutions 58/126, 58/316, 59/313 and 60/286, as well as to identify ways to further enhance the role, authority and effectiveness of the GA, inter alia by building on previous resolutions. So far through the revitalization process that has been undertaken over the last several years, progress has been made especially in the area of improving the working methods of the GA. The revitalization process needs to continue the focus on substantive measures to restore and enhance the role and authority of the GA, including in the maintenance of international peace and security; the role of the GA as the chief oversight organ; through the GA deciding on management and procurement for peacekeeping operations, among others, as provided for in the Charter.

The statement by NAM has raised the issue of implementation of previous resolutions which is also the mandate given by resolution 61/292. The process that we are beginning today needs to focus on why some of the provisions of previous resolutions on GA revitalization have remained unimplemented. The synopsis of resolutions that you propose to bring out will be useful in this regard. In particular, one area where progress had been made through resolutions 51/241 and 60/286, but which remains largely unimplemented is the selection process of the Secretary-General. We look forward to discussing this issue during our future consultations. The President of the GA can play an important role in the process of

strengthening and revitalizing the GA. Recent resolutions have, therefore, focused on strengthening the role and leadership of the PGA.

We are satisfied that progress has taken place in implementing the provisions of recent resolutions for the strengthening of the office of the PGA through measures such as provision of additional staff, and thematic debates among others. We believe that there is need to assess the usefulness and adequacy of the several measures adopted and implemented thus far. Perhaps the Office of the PGA can be consulted on the adequacy of staff and other reinforcements necessary for effective functioning of the Office so that these needs can receive our due consideration.

But at the stage of the process of the revitalization of the GA, we must think creatively of steps that would lead to substantive revitalization of the Assembly so that it can more effectively perform the various functions mandated to it by the Charter. We must look at the issue of selection of the SG, the balance between the various principal organs and the encroachment by one principal organ over the mandate of the other and how this can be addressed in the future.

Mr. Co-Chairs,

In conclusion, we emphasize the need to discuss substantive steps and creative thinking for substantively moving forward on this important issue of further strengthen the role of the chief deliberative policy-making and representative body, the General Assembly. You can expect our constructive support and participation in your efforts.

Thank you, Mr. Co-Chairs.



**683. Statement by Permanent Representative at the UN
Nirupam Sen on Financing for Gender Equality and the
Employment of Women at the 52nd session of the
Commission on the Status of Women.**

New York, March 3, 2008.

Mr. Chairman,

I would like to convey our warmest felicitations to you and other members of the Bureau on your election, and to assure you of our full cooperation in the work of this Commission. We thank the Secretary-General for his report related to the priority theme viz. "Financing for gender equality and the empowerment of women". My delegation associates itself with the statement made by the distinguished representative of Antigua and Barbuda, on behalf of the G 77.

The achievement of Millennium Development Goal (MDG) 3 viz. Gender equality and empowerment of women, would largely depend on our collective efforts in timely allocation of necessary financial resources. This session of the Commission would be important not only for sharing best practices on mechanisms and processes involved in financing for gender equality, but also in giving meaningful direction in mobilizing and effective utilization of financial resources at national, regional and international levels. The UN Secretary-General in his report notes that the global commitments on gender equality have not yet been implemented, and also adequate resources have not yet been allocated.

The UN Member States have individually as well as collectively made commitments on financing for gender equality and women's empowerment at the Fourth World Conferences on Women in Beijing in 1995, and also at the International Conference on Financing for Development in 2002. While primary responsibility for allocation of finances rests with the country concerned, it has been recognized that the international community should match up to its commitment by provision of new and additional financial resources, transfer of technology, sharing of experiences, expertise, information and data, technical cooperation and capacity-building. The Expert Group meeting held in September 2007 pointed to the shortages in ODA flows, and the concomitant negative impact on financing gender by developing countries, particularly the Least Developed countries. The twin challenges of decreasing ODA levels to developing countries as well as

devising mechanisms to bridge the gap between policy and practice at the national level on financing gender, should be addressed at this Commission. This year provides yet another opportunity to integrate gender perspectives in the Follow-up to the International Conference on Financing for Development to review implementation of the Monterrey Consensus.

Mr. Chairman,

Gender equity and equality has been a key guiding principle of the Common Minimum Programme of the Government of India. India's planning process is fully committed to enabling women to be equal partners in development. A separate Department for Women and Child Development, created in 1985, was upgraded to a Central Ministry in 2005. The Joint Parliamentary Committee of the Indian Parliament on Empowerment of Women plays a crucial role in monitoring the application of gender equality principles in all legislation and also to ensure that legislation in India is gender responsive. The reservation in India twelve years ago of one-third of urban and local self-government seats for women marked a turning point in our effort to empower women. As a result, over one million Indian women at the grassroots level have been brought into political decision-making, which effectively gives them a significant say in utilization of financial resources allocated to the local-self governing bodies in rural and urban areas. A similar reservation of seats for women in the Indian Parliament remains under consideration.

We are guided by the knowledge that economic growth does not automatically reduce gender inequality on which separate public action is also needed including for ensuring more rapid social change; women's empowerment impacts positively on the lives of men and of children (female education reduces child mortality rates); women are agents of social justice and social change and without their full emancipation there is no social progress.

Mr. Chairman,

India undertook a gradual shift in policies particularly since the Seventh Five Year Plan (1985-90) to provide explicit attention to allocation of programmes as well as schemes that directly benefited women. Starting in 1980s with the concept of beneficiary-oriented schemes for women, India in 1990s moved towards policies that highlighted gender perspective and the need to ensure a definite flow of funds from the general developmental

sectors to women. This was followed by the Women's Component Plan as one of the major strategies envisaging that at least 30 per cent of the funds/benefits were earmarked in all women's related sectors. The National Policy for Empowerment of Women in 2001 further envisaged introduction of a gender perspective in the budgeting process as an operational strategy. India adopted in 2004 'Budgeting for gender equity' as a goal. As a result, gender budgets have become an integral part of the budget exercise in India. In the Union Budget for 2008-09 presented a few days back, the Indian Finance Minister has acknowledged that gender budgeting has gained wider acceptance and credibility, and noted that 4 more gender budgeting cells have been set up in Indian Ministries/Departments increasing the total to 54.

The total magnitude of gender budget has increased from 3.8% to 5% of the total Union Government expenditure during the last four years, covering demands for grants from 27 Ministries/Departments. We are now going beyond the Women's Component Plan towards gendering all facets and aspects of the 11th Five Year Plan (2007-12), apart from continued strict adherence to gender budgeting across the board. To improve the financial independence of women, particularly in rural areas, a number of schemes have been launched with women as the primary beneficiaries. A National Rural Employment Guarantee programme launched in 2006, providing 100 days assured wage employment annually to every rural household, includes at least one-third women beneficiaries. The Government actively encourages and supports group initiatives in formation of women's self-help groups. At present, there are more than 2 million women self-help groups in the country supporting more than 10 million rural families. The Unorganised Sector Workers Social Security Bill 2007 has been introduced in the Upper House of the Indian Parliament to provide legislative backing to all social security schemes, particularly those for women workers. Recent measures taken to improve social protection include launch of the National Health Insurance Scheme for all families below the poverty line, which would benefit 300 million persons.

To enhance women's employability in high-end vocations, strong emphasis is being laid on skill building through exclusive institutes of vocational training. New schemes are being implemented to widen the base of women entrepreneurs, including special schemes promoted by financial institutions/banks. As a result, the number of women

entrepreneurs in India has risen very considerably. The number of women entrepreneurs in India is growing - from a meager 2% in 1971 to around 10% now. The proportion of women in the IT industry constitutes about 20% of the total IT work force. To widen the base of women entrepreneurs, incentive schemes have been formulated like constitution of a standing committee on women entrepreneurs, setting up of Women Development Corporations, etc. Financial institutions and banks have also evolved special schemes for extending assistance to women entrepreneurs. The National Commission on Farmers has looked into the requirements and status of rural women, as a majority of them derive their livelihood from agriculture. A number of new initiatives have been considered by this body to increase women's access to land, strengthen their land security by improving land records and to provide them with technical, financial and management support.

Mr. Chairman,

India stands ready to work with the international community for the early realization of the Millennium Developmental Goals through effective implementation of gender empowerment and gender mainstreaming both within and outside the UN.



684. Statement by Minister at the Permanent Mission at the UN Taranjit Singh at the General Debate of the Special Committee on Peacekeeping Operations.

New York, March 11, 2008.

Mr. Chairman,

Let me begin by congratulating you and the Bureau on your election. We are confident that you will guide the Committee to a positive outcome and assure our full co-operation in doing so.

We thank Under-Secretary General Guehenno and OIC Jane Lute for their annual comprehensive briefings and highlighting the priorities in peacekeeping for the coming year. We would, in particular, like to place on record, the outstanding leadership provided by Mr Guehenno for the last eight years. We also compliment the DPKO/DFS teams for their dedication and hard work.

Mr. Chairman,

The Report of the Secretary-General (Doc. A/62/627) outlines the progress made on the three broad identified challenges facing United Nations Peacekeeping. We look forward to discussing the activities mentioned in the report as well as the issues it sets out for peacekeeping in the next 12 months. We associate ourselves with the statement made by the distinguished representative of Morocco, on behalf of the Non Aligned Movement. We note with happiness that the total number of Troop Contributing Countries have reached 119 and would like to welcome Burundi, Columbia, Cyprus, Democratic Republic of Congo, Qatar and The Former Yugoslav Republic of Macedonia to the family.

Mr. Chairman,

We are all aware of the escalating demands on the United Nations for peacekeeping operations. This unprecedented surge has given rise to enormous challenges in peacekeeping - not only because new missions are being established or old ones expanded, but also due to the volatile and insecure environments in which UN forces have to function, the growing complexity of the difficult tasks assigned to them, and the tools that they are provided with. We had welcomed the efforts by the Secretary-General to respond to peacekeeping challenges by strengthening and rationalizing

structures in the UN via building military planning, management, and operational capacities. The realignment of DPKO by creating two Departments - Department of Peacekeeping Operations (DPKO) and Department of Field Support (DFS) - has been undertaken. However, we are yet to be convinced that there exist clear command structures, coherence in policy and strategy, effective coordination and integration, as well as preservation of unity of command from Headquarters to the field. While these principles do find mention in the Secretary-General's report, you have also heard several Troop Contributing Countries highlight the difficulties they are facing at present, in the restructured set up. We do hope that Secretary-General will make appropriate corrections from lessons learnt so far in order to make UN peacekeeping well integrated, effective and professional. In that context, we are willing to take a constructive look at the new proposals for strengthening the Office of Military Affairs(OMA) distributed to the Member States last week.

We also heard with attention USG describe Integrated Operational Teams (IOTs) as a central feature of the restructuring package aimed at ensuring unity of command and integration of peacekeeping efforts. In order to encourage new ideas and involvement of Member States, effort should be made to recruit officers on secondment basis on these teams.

The safety and security of UN peacekeepers is of vital concern to troop contributors who place their soldiers at risk in pursuance of the UN ideal. The 116 deaths and several injuries to peacekeepers, are a reminder of the importance of fully addressing safety and security concerns. In this context, the UN needs to focus on enhancing its capacity for information gathering and assessment on the field level. Secondly, cooperation and coordination between the Department of Safety and Security and DPKO needs to be improved with clear accountability. Thirdly, the missions must be properly planned and mandated as well as equipped with appropriate weapons and technologies. Fourthly, DPKO needs to ensure that its peacekeepers are not stretched to cover geographic areas that exceed their capacities. They should be deployed in accordance with agreed concept of operations. Last but not the least, the UN should seriously consider having seconded security personnel to enhance the safety and security of the UN peacekeeping operations.

Mr. Chairman,

India has consistently called for energizing the mechanism of triangular consultations between Troop Contributing Countries, the Security Council

and the UN Secretariat. Private Meetings under the Resolution 1353 format continue to be held on the eve of renewal of Mission mandates, leaving little scope for serious or meaningful discussions.

In this context, it is with regret that we have to point out that despite the emergency situation in UNMEE, the Security Council has not found the time to hold consultations with the Troop Contributing Countries so far, not to mention its inability to withstand a serious challenge and defiance to its authority. It is again reiterated that for ensuring the success of peacekeeping operations, TCCs must be involved early and fully in all aspects and stages of mission planning and that their views need to find way into mission mandates.

Mr. Chairman,

We appreciate the effort put in by DPKO in developing its internal document entitled "United Nations Peacekeeping: Principles and Guidelines". It has been described as a "living document that will be reviewed and updated regularly". We, therefore, look forward to continuing our constructive dialogue with the Secretariat to further clear some of the ambiguity and inconsistency in terminology in this document.

Mr. Chairman,

We note the United Nations effort to enhance its partnership with regional actors. In this context, India supports the efforts to enhance peacekeeping capacity in African countries. We share close and historic ties with Africa and are one of the oldest, largest and most consistent contributor to UN Peacekeeping missions in Africa, having participated in almost every major operation since the inception of peacekeeping. We are currently involved in bilateral capacity building in many African countries. At the same time, the UN cannot absolve itself of "its responsibility under the Charter for the maintenance of international peace and security". The real challenge before the UN is to strengthen peacekeeping without regionalizing it.

As regards conduct and discipline of troops, we are convinced that sexual exploitation and abuse are totally unacceptable forms of behaviour. We fully support the implementation of a policy of zero tolerance and encourage raising the awareness of those with managerial and command responsibilities and the establishing of standards of conduct, training and investigation. Careful preparatory training in terms of a multi-cultural, pluralistic and tolerant outlook is as important as subsequent swift punitive

action, once culpability is established. We welcome the General Assembly approved resolution on draft MOU and call upon the DPKO to implement it at the earliest. We would also like the DFS to take lead in ensuring that the spirit of GA Resolution is respected by investigative bodies of the UN.

We also note the creation of a Division of Policy, Evaluation and Training and establishment of an Integrated Training Service (ITS) within it. We would encourage the ITS to utilise and benefit from the considerable field expertise of the Troop Contributing Countries as well as develop a collaborative relationship with institutions of training within the TCCs.

Mr Chairman,

We recognize that security sector reform is an important element in the transition from United Nations Peacekeeping to sustainable peace and development. Early planning of security sector reform by national authorities with relevant partners is needed. In this context, we look forward to a meaningful and substantial consultations with Member States and Secretariat in the forthcoming session of C-34 with respect to the recently released Secretary-General's Report on SSR.

Mr. Chairman,

We have noted the establishment of Office of Rule of Law and Security Institutions that was strongly piloted by the Under Secretary-General last year. We would seek a more detailed presentation of the role it is playing in the areas of justice, corrections, mine action, disarmament, demobilization and reintegration.

The role of Civilian Police in peacekeeping has grown substantially. We take note that the authorized strength of police component in the peacekeeping operations has increased by over sixty five per cent and has gone upto 16,000 police officers in 18 peacekeeping operations. The assurance that Police Adviser continues to be a member of the senior management team with direct access to the Under Secretary-General is welcome. We look forward to engaging in constructive discussions in the C-34 regarding the future requirements of the Police Division. At the same time, we would like to emphasise the need for adequate transparency in ensuring representation of qualified candidates from Troop Contributing Countries of developing countries in senior leadership positions in the Police Division.

Mr. Chairman,

India stands solidly committed to assist the UN in the maintenance of international peace and security. We have a proud history of UN peacekeeping dating back to its inception in the 1950s. We have contributed nearly 100,000 troops, and participated in more than 40 missions. India has also provided and continues to provide eminent Force Commanders for UN Missions. We salute the 116 Indian peacekeepers, as well as those from other countries, who have made the supreme sacrifice by laying down their lives while serving in UN Missions.

The emphasis by Secretary-General on his commitment in ensuring increased participation of women in operational peacekeeping is welcome. India has traditionally been contributing lady military and police officers to a number of UN Missions. We are particularly honoured to have provided the first full Female Formed Police Unit for peacekeeping work. This unit completed its first year in January in assisting the UN Mission in Liberia and has been highly appreciated for its outreach to the most vulnerable sections of society, i.e. women and children, in a post-conflict environment, besides performing its normal duties. In conclusion, Mr Chairman, we are fully committed to the purposes and principles of the UN and look forward to making UN peacekeeping an ever more effective and efficient tool in the maintenance of international peace and security.

Thank you, Mr. Chairman.



**685. Statement by Permanent Representative at the UN
Nirupam Sen on Threats to International Peace and
Security Caused by Terrorist Acts at the Security
Council.**

New York, March 19, 2008.

Mr. President,

At the outset, I thank you for scheduling this open debate on an issue that has unfortunately become a defining element of our world. Terrorism has grown steadily through the twentieth century to become one of the leading strategic, political and developmental challenges of the twenty-first century.

Mr. President,

India's advocacy of international cooperation in order to fight the threat of terrorism predates most measures taken by the Security Council or the General Assembly; indeed, it predates serious consideration of the issue of terrorism within the UN. This is because India has been, and unfortunately remains a victim of international terrorism. In less than 25 years, over 60,000 have been killed in various parts of India as a direct result of terrorism, quite apart from the concomitant impact upon our economy. India therefore has an overriding interest in greater and more meaningful international cooperation to counter terrorism. It also underscores the rationale behind our conviction that no political cause, no argument, no belief can or should be used to justify acts of terrorism. That Mahatma Gandhi preferred to call off his mass movement and postpone the independence of India rather than compromise with violence at Chauri Chaura gives us the right to say this. We continue to call upon the world to act as one in denying terrorists, their ideologues and financiers access to arms, funds, means of transportation of their deadly goods, as well as safe havens.

However, as an unfortunate but inevitable result of our tragic history of dealing with terrorism, India has accumulated the expertise and experience for doing so. Our own efforts utilize all available tools within the arsenal of a democratic nation, governed by the rule of law. They run the gamut of efforts from surveillance methods governed by law, monitoring of financial flows and effective legislation regarding dual use items, to old fashioned police investigation work. Yet we recognize that no matter how comprehensive the effort, there is always the chance of one catastrophic

failure. It is in recognition of this that we seek a comprehensive international effort to counter terrorism.

In that context, despite counter-terrorism being taken up more seriously by the UN in general and the Security Council in particular, there is limited evidence of a genuinely common effort to create a more unified international response to terrorism. We have argued for over a decade, and we continue to believe that agreement on a Comprehensive Convention on International Terrorism (CCIT) should have been a first step in any consolidated counter-terrorism efforts within the United Nations. Such a Convention would provide the legal framework for an effective counter-terrorism strategy. We remain convinced that a CCIT must be agreed upon if we are to have a strong interlocking network of member states, international organizations and specialized agencies functioning together in unison to counter terrorism. We do not need a philosophical definition of terrorism. Paragraph 1 of draft article 2 enunciates clearly the criminal law definition of terrorist acts. Current proposals address effectively the question of offences governed by International Humanitarian Law and those governed by the Convention.

What is now needed, therefore, is the political will to conclude the Convention. The Security Council's efforts can be enduring on the basis of such a law made by the General Assembly.

Over and above our commitment to the early conclusion of a Comprehensive Convention, which we initiated in the 51st UN General Assembly, we see merit in a pragmatic approach to the various counter-terrorism mechanisms and elements that already exist. We have adopted such an approach in working with and supporting efforts of the Counter Terrorism Committee, the 1267 Committee and the 1540 Committee (we articulated our views at that time on Resolution 1540), as well as their expert panels. Not the least of these measures was welcoming a joint visit of experts coordinated by the CTED, which included experts from the Monitoring Team of the 1267 Committee and UNODC, to India in November 2006 and sharing our mutual experiences. Our approach is guided by the conviction that the sum of our collective efforts can indeed be greater than the total of each individual nation's part in the battle against terrorism.

Therefore, Mr. President, I should like to state for the record the following:

- India welcomes the revised Organizational Plan of the CTED, as contained in document S/2008/80. We hope that it will bring about greater flexibility of approach and effectiveness of operation.

- We also look forward to greater efforts to bring together inter-related aspects of the operational mechanisms of the 1267 Committee, the 1540 Committee and the CTC, and dovetailing these with the Counter Terrorism Implementation Task Force. India hopes that all these efforts within the UN body will be integrated more closely with the core tasks being taken forward by specialized bodies such as UNODC, Interpol, ICAO, the World Maritime Authority etc.
- Therefore, India strongly affirms the importance of a collective effort to focus upon technical assistance in the larger struggle against terrorism; in helping states implement the mandate of the CTC as well as other related instruments.
- India is willing to provide all assistance in the larger effort to counter the threat of terrorism. Our commitment to do so is already on record, in India's Fifth Report submitted to the CTC in March 2007; and we are willing to share information with other relevant UN mechanisms that work on these fields. We are willing to render such assistance bilaterally or multilaterally, especially in the instance of countries that are themselves not directly threatened by terrorism, but whose participation is vital to the success of the larger international effort.
- We would however urge that there be greater efforts to follow up on information obtained from member states as part of the effort against terrorism. Pooling our collective knowledge and expertise is desirable, but can only succeed when there is adequate evidence that it is both welcome and necessary.

Mr. President,

The political and socio-economic programme of fundamentalists is always deeply reactionary and exploitative. History teaches that to prevent fundamentalist terrorist forces from occupying space for dissent, democratic and secular forces must be strengthened, not weakened. The larger effort to foster international cooperation requires greater cooperation between the members of the Security Council and the larger UN membership. We hope that today's exercise is the first of more efforts to build closer cooperation within the international system.

In conclusion, let me also thank Executive Director Mike Smith, both for his presentation today, and for the impressive vigour and commitment he has brought to his post. We wish him every success in making the CTED a responsive and flexible tool in the larger fight against terror.

[In Russian]: Mr. President, as countries that have long experience in dealing with the threat of terrorism, international cooperation remains essential.

I thank you Mr. President.



686. Remarks by Permanent Representative at the UN Nirupam Sen at the Informal Thematic Debate on Recognising the Achievements, Addressing the Challenges and getting back on Track to Achieve the Millennium Development Goals by 2015 at the 62nd session of the UNGA.

New York, April 2, 2008.

Mr. President,

I thank you for organizing this debate, for the comprehensive background papers and, while recognizing the achievements, for correctly focusing on addressing challenges in order to get back on track to achieve the Millennium Development Goals (MDGs) by 2015.

A heroic figure from Latin America, Jose Marti, summed up the MDGs in a single phrase: "All the world's glory fits in a kernel of corn". Indeed the MDGs are both a quantifiable vision of human dignity and an instrument for mobilizing international action. Here MDG 8 is pivotal, though the event's focus on poverty and hunger, education and health is right in itself and reinforces MDG inter-linkages. Global partnership cannot be implemented through discussions alone but in action and implementation has to be monitored. Efforts to redefine the MDG framework by selectively including commitments from the World Summit Outcome and to dilute MDG 8 by transferring targets from MDG 8 to MDG 1 are a matter of concern. I hope the Secretariat would bear this in mind because changing goalposts can only undermine the legitimacy of the MDG framework. This is ultimately also not in the interest of the developed countries because, in Ruskin's phrase, the coloured 'tide that eddies by their doorstep is full of floating corpses' and a way to save rather than just bury these is through a meticulous implementation of MDG 8, the path to 'an unencumbered shore'.

The Human Development Report of 2003 on MDGs had already suggested solutions. The problem is that these have not been adequately implemented. The Report states that we "cannot halve hunger and poverty without restructuring trade and agriculture; the fight against HIV and malaria will be lost without affordable medicines to the poor; fiscal planning is impossible without debt relief" and technology for poverty reduction, public health (and now for addressing climate change) will not be available without addressing the Intellectual Property Rights (IPR) regime. The UN will become progressively less relevant unless it moves from words to action, unless the word is made flesh and the UN's formidable convening power is harnessed to difficult action: a periodic audit of the IMF; establishing a debt relief mechanism, such as an International Debt Commission; agreeing on some vital exceptions to the IPR regime.

Several economists have estimated that the protectionism of the developed costs developing countries \$ 700 billion a year in export income, fourteen times what they receive as ODA. Subsidies have been increasing in some sectors. As our Commerce Minister said, "We can deal with a flood of imports but not with a flood of subsidies". The problem is not lack of resources. The problem is that there seems to be little stomach for structural change. We need what Nietzsche called "the capital of spirit and will".

MDGs are a mitigation of present deprivation but can create a more just world only if combined with removing the institutional and economic causes of poverty. Bretton Woods Institutions need fundamental reform. MDGs are now virtually international customary law. The Office of the High Commissioner for Human Rights has criticized World Bank PRSPs for advocating prioritization alone rather than participation. The participation of the poor in poverty reduction and decisions affecting their lives is as important as the end result and indeed necessary for achieving the end result.

Many of the poorest developing countries remain caught in the trap of an agricultural and raw materials economy with minimal industry. That is why, as several economists have noted, they are offered debt cancellation instead of economic development enabling debt servicing; mosquito nets instead of eradication of malaria.

Unless therefore the UN and its institutions go beyond MDGs, poverty and hunger cannot be eliminated in an enduring way. MDGs would then

run the danger of becoming a kind of permanent disaster relief and even what one economist has called "welfare colonialism". India is conscious of these considerations in its economic interaction with Africa. Hence the emphasis on the dedicated satellite and fiber optics connectivity mission, IT centres, Indian companies in Africa procuring supplies locally, setting up manufacturing plants and exporting capital goods that enable Africa to process and add value for its exports to the EU and US markets. The destiny of debt relief shows what happens in the absence of an industrial policy. In 2003, eight out of eighteen HIPC countries graduated and half of these again relapsed: their debt service became 150 percent of GDP, unsustainable in terms of the HIPC initiative definition. It is worth noting that between 1980 and 2006, \$ 675 billion in debt service flowed out of Africa, more than the debt of the whole developing world in 1979. Half the annual average of \$ 25 billion, according to the UN Food and Agriculture Organization, would be enough to eradicate hunger. Incidentally, India quite sometime ago cancelled the debts owed to it by eighteen HIPC countries.

India practices at home what it practices abroad: it has waived all outstanding loans to all small and marginal farmers in India. MDGs cannot be achieved under the grim shadow of rural debt overhang. Similarly, India's National Rural Employment Guarantee Act, guaranteeing hundred days paid employment to every rural household is unprecedented and makes the right to work legally enforceable. It is neither a dole nor a digging of Keynesian holes in the ground but public investment in durable rural assets. Since Panchayats or elected local councils implement this, the scheme represents the achievement of MDGs through a movement in favour of the rural poor. Madame Sonia Gandhi, Chairperson of India's United Progressive Alliance, who called it a revolutionary measure, emphasized the need for popular mobilization. The answer therefore to questions posed in the background papers is that economic growth by itself is not sufficient and that separate action is required on poverty and hunger, education, employment and health, science and technology, free from external conditionalities or prescriptive advice. For interested delegations, we are circulating a one page statistical annex on India's fiscal and programme support to MDG related activities. Above all, popular participation is essential. Then only would MDGs be achieved in a society, rich, as the great Caribbean poet Aime Cesaire says, with the productive power of modern times, warm with the fraternity of olden days.

I thank you Mr. President.

ANNEX

Government of India's fiscal and programme support to MDG related Activities (all financial figures in Indian Rupees unless otherwise specified)

FASTER AND MORE INCLUSIVE GROWTH - ACCELERATED HUMAN DEVELOPMENT

- Agricultural credit poised to reach 2,400,000 million by March 2008
- The National Rural Employment Guarantee Scheme will cover all 596 rural districts in India with spending rising to 160,000 million in 2008-09
- Complete waiver of all outstanding loans as of February 2008-2009 for all small and marginal farmers. Between 25-75 per cent relief to all other farmers depending on income status and vulnerability. Total expenditure estimated at 600,000 million in FY 2008-09
- Rural Infrastructure Development Fund to have a corpus of 140,000 million in 2008-09 with a separate window for rural roads
- Over 250,000 million to be spent on creating additional irrigation
- US \$378 million to be spent on renovating and restoring water bodies in southern India in 2008-09. A similar amount is expected to be sanctioned for Eastern and Northern areas during the course of the year
- North East India will secure 165,000 million of targeted development spending in FY 2008-09 to overcome geographical and locational impediments
- 340,000 million will be spent on schemes directly targeted at women
- Bharat Nirman provides progress that can be measured in days not months: 290 households provided with safe drinking water, 42 villages electrified, 52 villages connected by telephone and 4113 rural houses completed -each day!

- 114 million children covered in the midday meal scheme, the largest school lunch in the world. In 2008-09 the total coverage will increase to 139 million children in primary school.
- Health sector allocations to be increased by 11 per cent in FY 2008-09. Key highlights include enhanced spending on the National AIDS Control programme, upgradation of district hospitals and village sanitation projects. In the urban areas Health cover of Rs.30,000 to be provided to every worker in the unorganized sector. The scheme will commence in Delhi, Haryana and Rajasthan from April 1, 2008 and will be rolled out to all States as intergovernmental fiscal responsibilities are agreed
- 100,000 higher education scholarships to be provided in FY 2008-09, with additional allocations for Scheduled Castes, Scheduled Tribes, and Minorities.



**687. Statement by Permanent Representative at the UN
Nirupam Sen on Thematic Debate "Towards a Common
Understanding on Management Reform" in the UNGA.**

New York, April 8, 2008.

Mr. President,

I thank you for organizing this thematic debate "Towards a Common Understanding on Management Reform". I also thank the Secretary-General for his comments on the subject. I take this opportunity to convey our appreciation to the Members States of the Four Nations Initiative for their fruitful commitment to this important issue. My delegation aligns itself with the statement made by the Distinguished Permanent Representative of Antigua & Barbuda on behalf of the Group of 77.

Mr. President,

Attempts to impose preconceived notions which are alien to the unique nature of the Organization are not only doomed to fail but are likely to undermine the very cause that we collectively seek to promote. Some of the reforms already implemented have been enumerated by the Chair of the G-77. Much more needs to be done. At best these are a work in progress. Strobe Talbott in his latest book "The Great Experiment" says that the mega threats of today "can be held at bay only through multilateralism on a scale far beyond any thing the world has achieved to date". To back this up we require a stronger and more efficient Secretariat machinery.

Mr. President,

We cannot just reform the Secretariat and think that we have reformed the UN. To do this would be to confuse the machinery of implementation with the conceptual business of decision-making, a change in apparatus with a change in structure. My friends in the G-77 quite rightly want a Secretariat responsive to the concerns of the developing countries. This cannot be accomplished by tackling personnel; only by tackling power. The reform package has to be looked at in a comprehensive manner: there is no place for cherry-picking. This is not just conceptually but operationally the case. Management reform cannot be looked at in isolation from other pending reforms in the UN, particularly the reform of the Security Council and the revitalization of the General Assembly, as mandates emerging from these principal organs have a direct impact on the effective functioning of the

Secretariat. For example, in peacekeeping operations, Security Council mandates often do not take into account capacity and resources available in the Secretariat for implementing these. These increasingly complex mandates with difficult timelines are given by the Security Council but it is the General Assembly that is left with the difficult task of raising the required resources, so essential to the Secretariat for its task. We cannot hold the Security Council accountable; it is much easier to blame the Secretariat.

Similarly, the proposal to make the budgetary period of peacekeeping missions a uniform one year and independent of the period for which the Security Council approves a mandate is excellent but would the permanent members accept it? So is the consolidation of peacekeeping accounts but would the biggest contributors go along? However, it is the Secretariat's responsibility to ensure a balanced allocation of resources for the three pillars of the Organization, by giving the Member States resource proposals based on strategic planning and in-depth analysis, which takes into account risks and eventualities inherent in the activities of the Organization. It is this that distinguishes a dynamic management from an ordinary one. The fragmented or piecemeal nature of the regular budget proposals for the 2008-2009 biennium and its consequences are still fresh in our minds. It blighted even the first resumed session of the Fifth Committee in March 2008, when decisions on important agenda items like reform of the Department of Political Affairs, HRM, Procurement, Investigations etc. were deferred, creating a sense of paralysis in our decision-making. The responsibility for this unhappy situation rests partly with the Secretariat because of its inability to present, in a timely manner, a holistic picture of its budgetary requirements to enable Member States to take well-informed decisions. On the other hand, one cannot have reform on the cheap. Either we have to live in an unreformed condition or pay for reform. The EU emphasized the optimal use of resources but not the provision of the resources. I agree with the Nordic countries who called the provision of resources 'essential' in order to ensure 'legitimacy' and efficiency. I attribute this to their being reasonable rather than merely rich.

Mr. President,

Clear accountability across the Secretariat and at all levels, particularly at the senior management level, is of paramount importance for ensuring full implementation of mandates and efficient utilization of resources. It also impacts directly on the issue of budgetary discipline, human resources, programme delivery etc. The Secretary-General's report on the

accountability framework (A/62/701), which has still not been introduced in the General Assembly, mentions that transparency in the selection of senior management builds trust in management and management-level decisions among staff and other stakeholders. The absence of this transparency, or the perception of its absence, has a demoralizing effect on staff, who, in a survey conducted during the preparation of this report, have expressed a lack of confidence in the appraisal of their performance by senior management. They have pointed to the absence of a result-oriented culture in the Organization. An environment in which performance is not rewarded and under or non performance is not penalized can never shape an efficient and effective Organization. Most important of all, holding the senior management accountable would have to be the bedrock of the future accountability framework. In that context, we find the senior management compact system inadequate. Institution of a performance-linked penalty and reward system and a transparent selection process would be some important steps in the right direction. The Four Nations Initiative proposes hearings by expert panels. We would add confirmation hearings in the General Assembly on the pattern of US constitutional practice.

Mr. President,

My delegation supports the review of mandates not as a euphemism for cost cutting based on indiscriminate elimination of mandates but as a process of consolidation and rationalization of mandates to ensure effective implementation, besides monitoring and evaluating partial or non-implementation. Rapid growth in mandates is a reality given the emergence of new and complex global challenges. Inadequacy of commensurate resources could be a major reason for our dissatisfaction with the Organization's inability to deliver what we expect of it, in terms of quality and quantity of outputs. This is particularly evident in the development-related mandates. The General Assembly in its Resolution 62/236 (paragraph 73) on the Programme Budget for 2008-2009 biennium recognized the need for strengthening the Secretariat's development pillar and asked for a comprehensive proposal with a view to improving the effective and efficient delivery of the mandates of the development-related activities of the Secretariat. The GA rightly judged that the development pillar had been sidelined in terms of budgetary allocations in the last 10 years. More so, when we are in the implementation phase of MDGs, which require provision of normative/analytical advice to Member States, an integral part of the mandate of DESA, the Regional Commissions and

UNCTAD. Authoritative statistics available clearly indicate that the total budgetary allocation for development pillar has gone down from 22.2% in 1997-98 to 17.8% in 2008-2009 [DESA-4.6% to 3.8%; Regional Commissions-12.8%to 10.2%; UNCTAD- 4.7% to 3.0%]. In terms of posts this translates into a decrease from 3,278 in 1996-97 to 3021 in 2008-2009. This decrease is all the more striking when we compare it to the challenges before the developing countries. The Secretary General has made reasonable proposals and we hope to arrive at a common understanding on adopting these. In the first 30 years of the UN, its golden period in economic terms, economic ideas emanating from it challenged orthodoxy and helped. The economic crisis of today shows that this is all the more needed today.

On the staffing of the Secretariat, the Chair of G-77 has already given a detailed statistical justification for correcting the imbalance in terms of equitable representation. I would only like to add that we sometimes hear the argument of competence when what is meant is patronage. We have been trading equity for efficiency. Has it given us efficiency? Let us, therefore, give equity a chance.

Mr. President,

I look forward to commenting on specific issues during the interactive session. However, before concluding, I cannot help feeling that the very fact that four countries took upon themselves the task of launching the Four Nations Initiative is another manifestation of Member States being forced to undertake (in fields like the budgetary process and human resource management) what should normally be the ongoing responsibility of the Secretariat, as a part of its regular management function.

Thank you Mr. Chairman



688. Summary of Extempore remarks by Permanent Representative at the UN Nirupam Sen on Security Council Reforms at the meeting of the Open-ended Working Group.

New York, April 10, 2008.

Mr. President,

I thank you for organizing this meeting of the OEWG. The United Nations Millennium Declaration of September 8, 2000 adopted by Heads of State had emphasized a comprehensive reform of the Security Council. The World Summit of Heads of State in September 2005 had emphasized early reform. We are continuing consultations on what has already been exhaustively discussed over almost three decades since 1979. Though it is so late in the day, the reform offered is partial, which does not address any of the real issues. You have circulated four documents. The paper sent by the distinguished Permanent Representative of Cyprus on behalf of the six member drafting group mentions the option of permanent membership. The letter sent by the Chair of the African Group advocates negotiations on the basis of Ezulwini consensus.

This clearly includes expansion of permanent membership. We cannot torture texts: a group that stands on dignity, is totally opposed to discrimination to the point of asking for the veto, cannot logically settle for anything less than permanent membership. Interestingly, the Organization of Islamic Conference (OIC) Resolution circulated by you together with the OIC final communiqué emphasizes changing the present paradigm: one cannot do this without new permanent members; clearly non permanent members have failed to change the current paradigm and more of these, even semi permanent ones, can only repeat the failure. This becomes clear from para 73 of the final communiqué which clearly states that the OIC member countries will "promote the comprehensive reform of the Security Council" and "ensure the equitable representation of the OIC countries in all categories of the enlarged Security Council".

All categories obviously include the permanent category. Incidentally, the reference to "consensus" is clarified in the Resolution as "the broadest possible agreement". Those members of the OIC who are leading lights in the Coffee Club or Uniting for Consensus [UFC] (which opposes permanent membership) may wish to explain the contradiction in their position. I am

reminded of the conflict between Catholics and Protestants on the doctrine of transubstantiation in the reign of Elizabeth I: the first paragraph of Article 27 of the Church of England says that the doctrine is true; the second paragraph calls it an idle superstition. This kind of consistency may have been appropriate for the sixteenth century but is certainly not so for the twenty first. Therefore, the paper of the UFC is in a minority of one among these four documents. Moreover their insistence on negotiations being in the OEWG is an attempt to redefine the unanimous mandate of the 61st Session where paragraph (d) on negotiations says no such thing. Similarly, and even more seriously, they are trying to revise this unanimous mandate by insisting on only the interim model which ignores the mandate's "proposals and positions of all the member states". The distinguished Permanent Representative of Liechtenstein said that the G-4 and earlier proposals were not successful and therefore we should negotiate on an interim model.

It is clear that the interim model did not succeed either. Otherwise paragraph (d) would only have mentioned the facilitators' reports and not "the proposals and positions of all the member states". He also said that working methods will be neglected if they are lumped together with enlargement. History proves that the opposite is the case. Working methods have been neglected because they have not been lumped together with enlargement. Resolution 267 (III) of 14 April 1949 was radical on working methods and adopted unanimously; it was never implemented. The S-5 Resolution could not even be moved for action. It is self evident that unless there are new permanent members committed to new working methods and held accountable for doing so, working methods can never change.

Without expansion of permanent membership the real problems cannot even begin to be addressed: P-5 decisions being binding on 6.5 billion people who have no voice or representation; non implementation of Articles 31 and 32 of the Charter; access of small states and SIDS to the subsidiary bodies; a gradual change in political culture including on the use of veto. An interim model will simply add to numbers without addressing the issues. It would be reform for the sake of reform, like art for art's sake. The interim model claims to be for greater representation but there would be no representation among permanent members; it argues for checks and balances but there would be nothing to check or balance these; by merely adding to numbers it would make the Security Council unwieldy without making it more effective; it would be the worst of both worlds. Above all the interim model does not empower Africa and the developing countries

generally. Of course we understand that existing permanent members are comfortably seated at the horse shoe table and it is always a little uncomfortable to move closer together to make room for new arrivals.

Therefore the interim solution is not a solution but a problem, not a structure but gerrymandering; talking of overarching groups, it is not an arch but throwing bricks in the air and hoping that they will hold like a rainbow. It is an attempt to deny developing countries permanent membership. The structure of the Security Council is given. A comprehensive reform means that one has to expand each category and reform the working methods. Negotiations should be on detail only not on the structure which is already given.

In this sense, the position of the African Union is logical. One may then ask where does flexibility and compromise come in? Firstly, as stated, on details - expand by how many members, whether with veto etc. ; secondly, on integrating the minority into the majority view to the extent possible - by expanding permanent members through an initial election and subsequently making continued permanent membership subject to a review or even challenges, properly formulated. Let me briefly comment on the paper submitted by the Permanent Representative of Cyprus. There is only a single reference to expansion in permanent and non permanent categories and these are subject to being interpreted as alternatives because of unclear wording. At present two thirds of the UN membership are developing countries. Within the increase to 22 that is proposed, the ratio would change from 8 out of 15 to 12 out of 22: in short the proportion will remain almost constant. Just as the model does not give greater representation to developing countries, there is no reference to small states or to the concerns of Small Island Developing States such as greater access. Delinking working methods from expansion in the permanent category would reduce the new working methods proposed to a dead letter. Only two additional seats are proposed for Africa which would mean that Africa would continue to be discriminated against in the revised Council. The formulation on challenges is also neither equitable nor balanced. Permit me Mr. President to summarise our position.

Mandate for expansion of the UNSC cannot be misinterpreted to mean partial expansion, modification of the Council's structure, introduction of a new membership category or other such ideas. Genuine expansion of the UNSC must have expansion in both membership categories.

We respect the 7 principles (pillars) outlined by the PGA. We must also remember that the basic mandate for our efforts stems from the unanimous UNGA decision 61/561. This clearly mandates building on the progress achieved so far, as well as the positions of and proposals made by Member

States. Interim options seek to negate this mandate by arbitrarily excluding some options from being negotiated. The draft text sent by the PR of Cyprus appears to be focussing mainly on reaching an intermediate / interim option and this perspective resonates throughout the text. The possibility of expansion in permanent membership appears to be an afterthought and an aside. The assertion in the text about 'apparent willingness to negotiate on the basis of achieving intermediate reform' remains untested. Proposed reform of the working methods is also limited.

Attempts by a minority group to limit intergovernmental negotiations to only the intermediate option are unacceptable. This goes against the view of the overwhelming majority that genuine expansion and reform of the UNSC requires expansion in both permanent and non-permanent membership categories.

Consultations and discussions have gone on for long enough and all the views, positions and proposals are well known. There is a palpable desire among member states to move to the next step of intergovernmental negotiations. The PGA needs to lead this process by convening an informal GA plenary at the earliest, where all proposals and ideas for expansion of the UNSC can be negotiated. The convening of the informal GA plenary does not require any further discussions or debates in the OEWG. Instead, the Task Force should be requested to quickly integrate the various options conveyed to the PGA through the different letters, keeping in mind the overriding mandate of UNGA decision 61/561 to include the positions of and proposals made by Member States. This should then be presented to the informal GA plenary.

We reiterate our support to an objective and transparent method [such as a questionnaire or a straw poll] to determine the elements that command the widest support amongst UN member states. We also reiterate the following concrete elements on negotiables that could form the basis for inter-governmental negotiations at the informal GA plenary:

Expansion in both permanent and non-permanent categories
Greater representation to the developing countries
Representation to the developed countries, reflective of contemporary world
Realities
Comprehensive improvement in the working methods of the Security Council, including ensuring greater access to island and small states
Provision for a review.

I thank you, Sir.



**689. Statement by Permanent Representative at the UN
Nirupam Sen at the Informal Open Consultations on
Aspects of System-wide Coherence dealing with
Governance.**

New York, April 17, 2008.

Distinguished Co-Chairs,

We would like to thank you for organising the series of open consultations on the report of the High Level Panel on UN's System-wide Coherence as a component of the intergovernmental process to consider its recommendations. My delegation associates itself with the statement of the Joint Coordination Committee of G-77 and NAM.

The overarching objective of all development cooperation is the elimination of poverty. This is not a new battle. It has been on for some time and although much remains to be done, we often forget that much has been achieved in the developing world. It is in the light of this considerable experience that has accrued in these battles that we make our remarks.

A primary concern of developing countries remains that the current discussion is highly selective. It has the effect, whether intended or unintended, of exacerbating distortions in the global development agenda. Successful large-scale poverty eradication efforts have been complex and multidimensional exercises. It is difficult to pinpoint all the reasons for their success but an obsession with management techniques has not been one of them. We believe that the current discussions on efforts to enhance the efficiency and effectiveness of the UN system run the danger of missing this point. We run the risk of making our agenda hostage to structural objectives that remain nebulous. The means cannot become more important than the end.

At the level of the Secretariat and Funds and Programmes, the panel has recommended the creation of a Chief Executives Board and creation of a Development Policy and Operations Group to improve coordination. The CEB is already functioning and, in other debates, member states have said that it should not try to usurp the prerogatives of member states. In short, it has been a mixed blessing. We should avoid any next step that would simply be a mixture without the blessing.

Distinguished Co-chairs,

I suspect that the difficulty in agreeing on systemwide coherence is because we do not agree on the problem and cannot reconcile conflicting interests. Articles 57, 58, 63 and 64 of the Charter are unambiguous on the UN's leadership role vis-à-vis all specialised agencies including IMF and World Bank. The UN did exercise such a role from 1950s to the 1970s. Issues like GSP, SDRs, Compensatory Financing, Supplementary Financing were all first debated in the UN and then followed up in the BWIs. All vital functions have been progressively hived off and taken over by the BWIs. Incidentally, the experience of many African and Latin American countries, the Asian Economic Crisis and now the current financial crisis shows the failure of BWIs. We have seen the cult of debt finance and seen financial speculations crowding out investment while the governance of the BWIs merely watched. Are we agreed on restoring the economic centrality of the UN and ECOSOC?

The American Nobel Prize winning economist Stiglitz, a member of a former US President's Economic Advisory Council has suggested a periodic audit of BWIs by ECOSOC, hardly a radical suggestion. Nevertheless we could not agree on this or on stronger and clearer language in A/61/16 on strengthening ECOSOC. We cannot even agree on a broader interpretation of the language adopted. First let us agree on this and see if the UN or ECOSOC, can really exercise a supervisory role. After all we already have the Development Cooperation Forum and the Annual Ministerial Review. Only after that can we really discuss the issue of a Global Leaders' Forum.

The Report speaks of updating mandates and relationships with BWIs. Let us look at the Association Agreement of 16th August 1947 with the World Bank, squarely based on Article 57 and 63 of the Charter (the Agreement specifically refers to these). Article IV (para3) of the Agreement says that the UN should refrain from making recommendations only on particular loans and their terms and conditions. But, and I quote, "the Bank recognises that the United Nations and its organs may appropriately make recommendations with respect to the technical aspects of reconstruction or development plans, programmes or projects". Has the UN or ECOSOC exercised this right? We are unable to do what we are mandated to do and we are trying to do something that is of doubtful provenance.

Distinguished Co-chairs,

For the UN to fulfil its role it requires core funding. One of the reasons for the emasculation of the UN is the voluntarisation of funding. That is one

example why we have to take a decision on the entire package as a whole and not on parts. This is clearly a conceptual and operational necessity and not just a G-77 negotiating tactic. Similarly, there are other outward linkages. An ECOSOC that can exercise a meaningful and effective role requires a strengthened DESA and hence the proposal on the development pillar to be decided on by the Fifth Committee.

Distinguished Co-chairs,

Instead of going on discussing the Sustainable Development Board, we should modify the proposal radically because in its present form it leads to serious difficulties. Incremental progress on a joint mechanism which keeps the individual Boards fully functional seems optimal at present. We feel that plain speaking here is constructive since it can save a lot of time. Here let me say we share the EU's emphasis on a participatory approach, accountability and decentralisation (and one may add pluralism to this list), all essential for democratic governance. The HLP's recommendation on collapsing separate boards into the Sustainable Development Board would only lead to inefficiency, bureaucratism and an erosion of accountability. Each Executive Board has an important role to play in supervising the respective individual mandates of the Funds and Programmes. We would not like to compromise this supervisory and oversight role that member states have. We are doubtful also about the recommendation that the Board will have the discretion to reward well performing funds, programmes and specialised agencies and to fund programmatic gaps in the system. Given the Board's limited membership and the limited time it has to supervise the performance of each agency, it would be difficult to avoid donor driven preferences and subjectivity in such rewards. What is puzzling about the Sustainable Development Board is that a decentralised model of governance is recommended to developing countries but a centralised one to the UN. Obviously, what is sauce for the goose, is not sauce for the gander. Geese had saved the Roman Empire. It would take more than geese to save the Sustainable Development Board.

In conclusion, I would like to reiterate the willingness of my delegation to constructively engage in this process of intergovernmental consideration.

Thank you.



**690. Statement by the Permanent Representative at the UN
Nirupam Sen during the open debate on the
Implementation of the Measures setout in the Notes [S/
2006/507] by the President of the Security Council in the
UNSC.**

New York, August 27, 2008.

Mr. President,

Thank you for scheduling today's debate on an issue which is of significant importance to all Member States, both within and outside the Council. Let me also take this opportunity to congratulate you on your presidency of the Council.

While the Charter confers upon the Security Council primary responsibility for the maintenance of international peace and security, Article 24.1 also stipulates that it acts on behalf of all Member States in discharging this responsibility. Accordingly, the Council's working methods have always been of direct, abiding and immediate interest to all Member States. This is not only underscored by the interest of many States in today's topic, but also by the fact that issues relating to the Council's working method were identified almost sixty years ago. It was in April 1949 that the General Assembly unanimously adopted Resolution 267 (III) on this issue-which regrettably remains unimplemented. However, its adoption underlines that such criticism has substantial precedent. An equally illustrious pedigree is shared by the Council's rules of procedure, which have adamantly remained "provisional" over the decades.

While we are happy to discuss the Council's working methods in an Open Debate in this Council, I must emphasize that this is an issue that transcends the limited membership of this body. The extent of interest among non-Council Members and the fact that the Council acts on behalf of the larger membership reinforce the point that the General Assembly has a legitimate role in deliberating upon the working methods of this Council.

Nonetheless, Mr. President, the very fact that we are debating this issue here reflects recognition of the existence of a problem. Indeed, the Note of July 19, 2006 [S/2006/507] of the President of the Council voiced some of these concerns by listing some 63 action points. While the concept note for this meeting assessed the implementation of these measures, we do

not fully share its somewhat optimistic conclusions. Troop Contributing Countries have also long sought to be involved in decision-making in peacekeeping operations, rather than being consulted in a proforma manner. Concerns persist over access to information and documentation, the absence of access to the Council on particular issues as a matter of routine for both the country concerned and important stakeholders, as well as the lack of systematic access, including by island and small states, to subordinate bodies of the Council.

All of these are recognized to be amongst the problems besetting the Council. While I shall not dwell on problems in the Council's working methods through a recitation of various examples-the statement of the Distinguished Chair of NAM adequately covers the salient points-there can be no ignoring the growing chorus of voices that recognize flaws in the Council's working methods. Yet, the many flaws in the Council's working methods are only symptoms of a deeper malaise that lies in its structure and composition. The problem of the Council is not only a problem of working methods but of additional requirement of logistical, defence and financial capabilities and of reinforced legitimacy leading to wider acceptance and more effective implementation of optimal decisions. Thus, the lacunae in the working methods of the Council cannot be rectified fundamentally without an equally comprehensive reform and expansion of the membership of the Council in both permanent and non-permanent categories. And in this sense we endorse the point made by South Africa and other countries. It is sometimes argued we could consider reform of the working methods of the Council as an end in and of itself.

However, in the real world, achieving a genuine, lasting and necessary improvement in the working methods of the Council cannot be divorced from an expansion of the number of permanent members. It is necessary to underline this point since we have witnessed an expansion in the number of non-permanent members earlier, with little improvement in the working methods of the Council. To acknowledge this is not to denigrate the conscientious and strenuous efforts of many non-permanent members in the past. However, their efforts were always doomed to fail because the structure of the Council had not changed. Not the least of the limitations was the fact that, by their very nature, non permanent members are transient and lack the necessary institutional memory to follow through and implement far reaching changes. The challenge of being new members on the Council also adds to this problem. The very fact that today the arguments that

have been made to improve the working methods are the same as in the past sixty years only reinforces the point.

In conclusion, Mr. President, let me reiterate our firm conviction that genuine and lasting improvement of the working methods of the Council can only be possible as part of a comprehensive process of Security Council reform, based on both reform and expansion of its composition in permanent and non-permanent categories. It is only when there are new permanent members, who are held accountable to the wider membership through an appropriate review mechanism, that there will be a genuine response to the longstanding demand for meaningful and durable changes in the working methods of the Council. In the absence of such a comprehensive reform, a fundamental improvement in the working methods would either escape us as it has for more than sixty years or, even if miraculously achieved, would not last without the institutional memory, continuing commitment and peer example of new permanent members held accountable to the general membership.

I thank you, Mr. President.



691. Statement by Deputy Permanent Representative at the UN Ajai Malhotra, on the issues relating to the Conservation and Sustainable use of Marine Biological Diversity beyond areas of National Jurisdiction at the United Nations Ad hoc Open-ended Working Group, New York, April 28, 2008.

Mr. Chairman,

At the outset, I would like to congratulate you and your co-chair upon being appointed as the Co-Chairmen of this Working Group, and assure you of the full cooperation of my delegation at this second meeting. Our appreciation also goes to the Secretary General for his useful reports on issues relating to the conservation and sustainable use of marine biodiversity beyond areas of national jurisdiction. We align ourselves with the statement made by the Chairman of the G-77.

Mr. Chairman,

Over the past few years, the international community has focused on issues relating to management of living marine resources, and conservation and management of biological diversity of the sea-bed in areas beyond national jurisdiction. Discoveries of highly complex and diverse ecosystems in areas beyond national jurisdiction, coupled with advances in biotechnology, have led to increased interest and activities in relation to genetic resources found beyond national jurisdiction. As a corollary to these developments the general debate over the legal status of genetic resources in areas beyond national jurisdiction is also becoming increasingly intense.

The management and governance of high seas areas constitutes a formidable task for the international community, since development of an effective regime for the protection of biodiversity in areas beyond national jurisdiction is seen to be circumscribing some of the traditional high seas freedoms. The challenges of conserving and ensuring sustainable management of marine biodiversity beyond national jurisdiction are thus enormous.

Mr. Chairman,

The myriad threats to biodiversity in areas beyond national jurisdiction range from open access to fisheries, destructive fishing practices like bottom

trawling, pollution from ships and other land based activities, and new threats deriving from bio-prospecting and open ocean iron fertilisation. A combination of measures, including monitoring, scientific investigation, and improved governance are required to prevent or reduce harmful impacts of such activities on biological diversity.

Marine scientific research, which aims at exploration of biodiversity for commercially valuable genetic and biochemical resources, so-called bio-prospecting, is currently evoking great interest. Studies indicate that there is little information on the extracted quantities for initial sampling and there is no monitoring of these activities nor principles or criteria for measuring their sustainability. During the ICP 8, a detailed examination helped States to better understand the nature and purpose of this activity. Issues raised in this regard included: the relationship between marine scientific research and bioprospecting, legal aspects related to access and benefit-sharing, international cooperation in marine scientific research through the exchange, sharing and dissemination of information, the role of intellectual property rights, cooperation in technology transfer, and the protection of the marine environment.

Mr. Chairman,

The general principles of marine scientific research contained in Articles 140(1) and 241 of UNCLOS, should also apply to bioprospecting. The symbiotic relationship between the biodiversity of the deep seabed and its ecosystem makes the entire resources of the sea-bed in areas beyond national jurisdiction, living and nonliving, to be a common heritage of mankind. The task before us today is to identify the risks to this common heritage of mankind and agree on a substantive legal basis for the conservation and management of biodiversity and the use of biological and biogenetic resources of the deep-sea bed and subsoil.

We are open to looking at new approaches within the confines of UNCLOS to promote international co-operation aimed at conservation and sustainable use of living resources of the high seas and benefit sharing of seabed resources located in areas beyond national jurisdiction. However, the participation of developing countries in devising these new approaches greatly depends on the scientific information available to them.

Deep seabed research is still largely the domain of select developed countries. It is imperative that there be increased flow of scientific data and information and transfer of knowledge to developing countries so as to

improve their understanding and knowledge of oceans and deep seas, in particular the extent and vulnerability of deep sea biodiversity and ecosystems. We welcome in this regard the setting up of an Endowment Fund by the International Seabed Authority to promote the conduct of marine scientific research in the international seabed Area for the benefit of all mankind by supporting the participation of qualified personnel from developing countries in marine scientific research programmes.

Mr. Chairman,

Marine Protected Areas (MPAs) can be an important marine ecosystem management tool for securing protection from threats to marine biological diversity. The developing literature on MPAs reveals the potential benefits that they could offer not only to the resilience of vulnerable marine systems, but also to the productivity of fisheries. However, in respect of MPAs in areas beyond national jurisdiction, information on governance aspects and costs and benefits is still very sparse. This is an area where more information on both scientific and economic aspects would be useful.

We must also continue to develop and facilitate the use of other approaches and tools for conserving and managing vulnerable marine biodiversity in areas beyond national jurisdiction. The time bound measures proposed in UNGA Resolution 61/105 to protect vulnerable marine ecosystems from destructive high seas bottom trawling practices are an important first step in addressing that problem. We await the Report of the Group of Experts on Assessment of Assessments with the anticipation that it may provide guidance on the way forward towards a more sustainable management of marine biological diversity beyond areas of national jurisdiction.

Thank You, Mr. Chairman



692. Statement by Deputy Permanent Representative at the UN Ajai Malhotra at the 30th session of the Committee on Information.

New York, April 30, 2008.

Mr. Chairman,

At the outset, kindly accept my congratulations on your election as our Chair. I would also like to convey our appreciation to Under-Secretary-General Kiyotaka Akasaka for his comprehensive and insightful statement and for the two Reports of the Secretary-General on the activities of the Department of Public Information [DPI] in areas identified by the General Assembly in its Resolution 62/111. Our welcome also goes to Antigua and Barbuda as well as Zambia, who have joined as new members of this Committee. We align ourselves with the statement made by the Chair of the G-77.

Mr. Chairman,

The defining feature of the work of this Committee lies in its relationship with the DPI. The resultant cooperative effort must constantly seek to improve upon the delivery of relevant information inputs to millions of users worldwide.

The DPI's role is pivotal as it has to strategically communicate the message of the United Nations with the greatest public impact in a situation where the UN confronts a variety of complex challenges and opportunities. This debate provides an opportunity to reflect core concerns of Member States over the process of dissemination of information.

Our focus has to be on how to make the work of the Department of Information as pertinent and accessible as possible to the largest number of users, making it an effective channel for the flow of information between the UN and the peoples of the world. To achieve this, the widest possible range of technologies need to be harnessed. As many countries simultaneously span several centuries in technological terms, it is essential that the end product offered by DPI is dispensed through a wide spectrum of media channels. Thus, while the selection employed should incorporate the latest technologies, such as webcasts and broadcasts, a strong emphasis must also be retained on using traditional and very cost-effective means of communication, such as radio and print. These remain of tremendous

importance in reaching out to ordinary people in many parts of the developing world and must constantly be kept in sight.

We also fully support the effort to enable the emergence of a more linguistically equal world, in which information is disseminated not merely in the official languages of the UN, but also in other languages. We congratulate the DPI for now producing information in roughly 80 local languages and note with satisfaction that UN radio programmes are being made in Bengali, Hindi and Urdu, among other languages. This promotion of multilingualism by the DPI in its activities needs to be further widened and intensified. There is also much value in raising the level of local content and local involvement in the production of DPI programme material. Doing so will also encourage local talent and creativity to involve itself in the work of the UN.

A related issue is the question of UN Information Centres, which are crucial in enhancing the public image of the UN and in disseminating its message, particularly in the developing world. We agree with the views expressed by many that our goal should be to strengthen, rather than weaken, these information outposts of the United Nations. Hub and spoke models may appeal in certain managerial contexts, but make little sense in a people-intensive sector such as the media. We would encourage the Department to work closely with host countries in these efforts. We would also support adequate budgetary resources being made available to strengthen the public outreach and ensure the effective functioning of Information Centres in developing countries. We would like to commend the useful and creative work being undertaken by UNIC in New Delhi, including in the promotion of the Millennium Development Goals.

Mr. Chairman,

The information being disseminated has to be relevant and meaningful and, to the extent pertinent, it has to be spread in a manner that makes it not only interesting but also enjoyable for the target audience. This is not easy to achieve and those working on content management must be driven by a constant yearning for further improvement. Moreover, DPI's programmes must seek to further deepen and strengthen their coverage and projection of the most noteworthy activities of the UN, in particular, those that directly impact upon the lives of ordinary people. These include humanitarian activities as also the work performed, often under extremely demanding circumstances, by UN peacekeepers in strife-torn lands.

As regards the latter, we would like to see DPI, DPKO and DFS working closely in highlighting UN peacekeeping success stories and providing accurate, impartial and timely information on the regular activities of UN peacekeepers, as also on the exceptional work that they often do that goes beyond the routine keeping of the peace and the call of duty. To provide just one example with which I am somewhat familiar, Indian soldiers serving as UN peacekeepers have consistently carved a very special place for themselves in the hearts and minds of the local population in their area of operations as a result of their healing touch via enthusiastic involvement in providing medical and veterinary support, promoting local community development projects aimed at soil conservation and water harvesting, provision of free vocational training, etc. It is such stories of goodwill and down to earth cooperation that the world needs to hear more of! In conclusion, Mr Chairman, I would like to assure you of India's full backing as you guide the work of this Committee, as well as to the DPI as it projects the UN story and builds support for the Organization and its noble aims.

Thank you, Mr. Chairman.



**693. Statement by Permanent Representative at the UN
Nirupam Sen on Threats to International Peace and
Security caused by Terrorist Acts at the Security Council.**

New York, May 6, 2008.

Mr. President,

At the outset, please accept my felicitations on your assumption of the Presidency of the Security Council for this month. We are happy to participate in today's joint debate on three Security Council agenda items, whose implementation not only requires the fullest collective effort by the entire membership, but also their fullest participation in processes that affect the collective security of all nations equally. I will limit my remarks to a few comments, proceeding from my last statement on this subject in March this year, before this august body.

Mr. President,

To begin with, let me reiterate India's abiding determination to work towards concluding the long-pending effort to finalize a Comprehensive Convention on International Terrorism (CCIT), moving beyond debates that essentially miss the larger point. A CCIT must be agreed upon to create a strong interlocking network of member states, international organizations and specialized agencies working in unison to counter terrorism. The adoption of a CCIT, through exercising the law-making powers of the General Assembly, is in the interests of all member States and would reinvigorate the multi-lateral and collective dimensions of counter-terrorism efforts. India continues to call upon the world to act as one in denying terrorists, their ideologues and financiers access to arms, funds, means of transportation of their deadly goods, as well as safe havens.

For these overarching goals to be achieved there is also need for a more genuinely inclusive approach to be adopted by the Security Council taking along the larger membership of the General Assembly. While India remains committed to fully cooperating with all existing counter-terrorism mechanisms, as a State with a long experience of dealing with terrorism, we are of the view that better cooperation between the Council and the General Assembly will provide our collective efforts greater legitimacy and ownership. There are also operational benefits to be achieved from greater collective pragmatism in tackling terrorism through multilateral mechanisms.

Not the least of these potential benefits are better implementation of resolutions relating to counter-terrorism, namely UNSCRs 1267, 1373 and 1540, and their successor resolutions.

However, to reach that stage of pragmatic, goal-based cooperation, we need to do much more than we have done thus far. It is also unclear whether better implementation of these resolutions can be secured by "upgrading" their existing mandates, as in the recent case of the UNSCR 1810, or by working to identify genuine barriers to better implementation, and promoting a more collaborative system of extending assistance, utilizing available regional expertise and appropriate technologies.

Implementation of UNSCR 1540, including reporting, remains a national responsibility on the basis of national legislation, arrangements and regulations. There may also be merit in an approach that 'incentivizes' cooperation rather than the current effort to continually raise the bar for implementation, by adding newer and more intrusive reporting obligations, irrespective of whether these are currently described as voluntary tasks. That apart, however, I also wish to reiterate at this juncture, India's continuing emphasis on the need for closer and more comprehensive international cooperation to root out the phenomenon of illicit activities, such as clandestine proliferation of sensitive technologies which could contribute to the manufacture of WMDs.

The Security Council should also consider whether its existing procedures need some overhauling, in particular, with regard to the sanctions regime imposed upon Al- Qaeda and Taliban operatives, entities and their supporters. While at one level the effort to improve review and delisting modalities are to be welcomed, there is also a need for the Council to examine its own practice of selectively evaluating the provision of information that it seeks from Member States, which is sometimes not utilized for unrelated and procedural reasons. With regard to the Counter Terrorism Committee (CTC) and the CTED, we are encouraged by the positive efforts of the dynamic new Executive Director. Greater dialogue and consultation with all member States, and better operational coordination with the CTITF is the correct way forward for a mechanism that eventually has a larger responsibility to the entire membership of the UN. Ultimately, we will collectively benefit from the furtherance of the ongoing process of making the CTED a completely professional, apolitical body that goes beyond analysis of reports. However, the CTED can only transcend the minutiae of examining reports and PIAs once it is no longer perceived as a

largely political body, but as an apolitical, professional organization. In conclusion, Mr. President, I would venture the following suggestions:

- Better coordination between the various arms of the Council's counter-terrorism mechanism must begin at home; in other words, inter-related aspects of the work of the 1267 Committee, the 1540 Committee and the CTC should be dovetailed with those of the CTITF. These tasks should also be more closely linked with the core tasks of UNODC, Interpol, ICAO, IMO and others.
- While supporting the greater emphasis on the extension of technical assistance bilaterally, regionally and internationally, we should keep in mind the primary task of ensuring the fullest implementation of the relevant UNSCRs, before we take the process forward to more technical and potentially intrusive areas of implementation that may add to the sense of report fatigue among many member states.
- India remains willing to provide all assistance in the larger effort to counter the threat of terrorism. Our commitment to do so is already on record, in India's Fifth Report submitted to the CTC in March 2007; and we are willing to share information with other relevant UN mechanisms that work in these fields. Such assistance can be provided by India bilaterally or multilaterally, especially to countries that are themselves not directly threatened by terrorism, but whose participation is vital to the success of the larger international effort.

Mr. President,

Our comments here today are in the spirit of pressing for further forward movement in bringing existing mechanisms to deal with terrorism closer together in operational terms. We welcome more efforts to use such open dialogues as a mechanism to build closer cooperation within the international system. Therefore we look forward to working in a pragmatic manner to alter the regrettable perception outside these walls that the UN's role in combating terrorism is limited to statements and speeches, but not to concrete measures. For this, we must not only work to foster better institutional cooperation and "jointed-ness" within the international system, we must also focus on implementing goals that can be achieved before mandating new and potentially challenging new commitments.

I thank you Mr. President.



**694. Statement by Permanent Representative at the UN
Nirupam Sen during the thematic discussion on Africa
at the 16th session of the Commission on Sustainable
Development.**

New York, May 8, 2008.

Mr. Chairman,

At the outset, we associate ourselves with the statement made by the Chair of G-77. The special needs of Africa have long been recognized by the international community and I am happy that Africa is among the cluster of issues identified for separate consideration at CSD-16.

Our focus must be on concrete measures that support the development efforts of African countries. We recognize the initiatives that African countries have been making towards achieving sustainable development. The thematic cluster of agriculture, rural development, land, drought and desertification is critical to these efforts. The international community must effectively support these efforts through provision of greater financial resources, technology transfer and capacity building.

On its part, India has been honoured to be able to contribute, within the limits of its capacity and capability as a developing country, to the development efforts of African countries. Our interaction has been at bilateral, regional and pan-African levels in the true spirit of South - South cooperation. India's trade and investment with Africa has risen sharply over the last few years. Indian companies have made investments worth several billion dollars in diverse sectors. These include capital goods industries that add value to Africa's exports, particularly to the EU and the US. A pan-African e-connectivity project to connect 53 African countries is a flagship project. Current two-way trade between India and Africa stands at over US\$ 30 billion. Yet, the true potential for trade and investment is much greater.

I am particularly happy to share that the 1st India - Africa Forum Summit held in New Delhi recently marked a new chapter in the long history of civilizational contact, friendship and cooperation between India and Africa. Our Prime Minister emphasized that "it is our intention to become a close partner in Africa's resurgence".

Allow me to highlight some of the new initiatives announced at the Summit:

- India has undertaken numerous projects in African countries, supported by concessional lines of credit offered by the EXIM Bank of India. Over the last 5 years, these credit lines have amounted to US\$ 2.15 billion. India has now pledged to more than double this amount by offering credit lines worth US\$ 5.4 billion dollars over the next five years. This will be used to promote projects prioritized by Africa for its development needs and objectives, particularly all dimensions of physical infrastructure. We would also encourage participation of small, medium and micro enterprises, as well as involve the private sector, particularly through public-private partnerships.
- India has been implementing grant-based projects in critical areas focussing on human resources development and capacity building in many African countries. We have pledged to enhance these efforts by providing grants in excess of US\$ 500 million during the next five years. These efforts will also focus on creating regional and pan-African institutions of higher education, particularly in science, IT and vocational education, as well as invest in R&D in renewable energy and agricultural development.
- India believes that cooperation to enhance capacity building and develop human resources must be a key focus of international assistance. India has provided a large number of long-term scholarships to African students to pursue undergraduate, post-graduate and higher courses in India. The number of such scholarships will now be doubled.
- Technical capacity development is a key component of developing human potential and enhancing governance capabilities. Towards this end, India's ITEC programme annually supports the short-term training of over 1100 Africans in India in various technical fields. This will now be enhanced to 1600 trainees per year.
- India has always recognized the crucial importance of market access in ensuring the development dimension of international trade. Towards this end, India announced a Duty Free Tariff Preference Scheme for LDCs, which would also be applicable to the 34 African LDCs. The scheme will provide preferential market access on tariff lines that comprise 92.5% of global exports of LDCs and cover 94%

of India's total tariff lines. In conclusion, Mr. Chairman, I would like to reaffirm India's long-standing commitment to close cooperation with Africa.

Thank you.



**695. Statement by Permanent Representative at the UN
Nirupam Sen on Post-Conflict Peacekeeping at the
Security Council.**

New York, May 20, 2008.

Madame President,

Let me begin by adding India's heart-felt condolences at the loss of life sustained in two of our close neighbours - the People's Republic of China and Myanmar - as a result of natural calamities. Let me also record our appreciation for the leadership of the Security Council by the United Kingdom Presidency for the month of May.

It was in recognition of the international community's less-than-stellar record of securing lasting peace, after more successfully stopping conflict, that we established the Peace-building Commission as the centerpiece of an international effort to promote post-conflict peace consolidation. In that context, Madame President, our delegation aligns itself with the statement by the Permanent Representative of Jamaica on behalf of NAM.

Madame President,

I shall try to address the questions posed in the concept paper. The roots of Peace-building go deep into the Security Council mandate on peacekeeping. It is therefore important to implement Article 44 of the UN Charter and involve Troop Contributing Countries in shaping the mandate. For instance, our armed forces have effective "winning minds and hearts" programmes.

National ownership is essential in peace-building. This is not just a question of sovereignty but a functional matter. For instance, schools and clinics have on occasion been constructed by multiple agencies and NGOs in post-conflict situations, which later were found unsustainable, leading to

duplication and wastage. National ownership mitigates this. While the paper correctly points out the need for better operational coordination among international agencies on the ground, empowerment of SRSGs is not necessarily the solution, especially if such concentration of authority is achieved at the expense of nascent national leadership-which is often an inevitable if unintended consequence. It is national ownership that has to assess critical requirements and gaps, and share this assessment institutionally with those who have the ability to deliver on these gaps. This will also help us answer the problem posed by the inadequacy of international resources to help stabilize post-conflict countries "when everything is urgent".

As for the "planning and running of operations", including the International Financial Institutions, the Peace-building Commission has the mandate to bring together and mobilize all actors, especially in marshalling resources. Above all it signals the commitment of the international community to the State concerned, unique as a hedge against political risk to private capital. Bretton Woods Institutions need to be brought into an optimal agenda. They advised Cambodia to reduce its civil service by 20% after Pol Pot had already decimated it (the downsizing was apparently not enough for the BWIs). Four countries in Africa that collapsed into civil war were in the preceding ten years 62 to 83% under an IMF programme. Mining companies sometimes leave next to nothing to government for expenditure on social infrastructure. IMF pressure to privatize makes such imbalanced contracting more likely. It would be useful for World Bank or another expert body to develop model auction procedures and model contracts.

The concept paper touches upon factors that hamper efforts of the UN and the international community in country. The UN contractual system needs to be streamlined and conditions of service of the Secretariat staff in the field harmonized with those of funds and programmes to get better quality personnel and retain them.

The concept paper outlines the need to establish a rapidly-deployable civilian capacity. This idea must be elaborated through open, inclusive and transparent negotiations, to give the end result greater legitimacy. India hopes to participate fully in discussing this concept, which potentially holds the promise of a new paradigm of cooperation between developed and developing states. Once the concept is fully elaborated, recruitment of those who can deploy the appropriate talents, skills and technologies would greatly help in peacebuilding.

Madame President,

In conclusion, I would like to underline our support for the notion that post-conflict peace consolidation remains one of the most serious challenges that the UN faces collectively. We cannot however produce more creative and flexible approaches to address this challenge unless we are willing to move beyond fixed positions. Outside these walls, the world sees only one United Nations, not its constituent organs or member States. Our effort must therefore be based on a more collective and inclusive approach, one that justifies the first word of the title, the United Nations.

I thank you.



696. Statement Freely adapted from extempore remarks by Permanent Representative at the UN Nirupam Sen on the Global Food Crisis at the Special Meeting of the UN Economic and Social Council.

New York, May 21, 2008.

Mr. President,

I appreciate your timely initiative in organizing this special meeting today on a topic that is of concern to all, but of vital importance to developing countries.

In terms of consumption, the problem is not low per capita levels in developing countries but excessive and unsustainable consumption levels in developed countries. But the projection is the opposite: as Oscar Wilde predicted, 'nothing succeeds like excess'. The 'road of excess', here at any rate, does not lead to the 'palace of wisdom'. The Issues Note for this meeting surprisingly mentions this argument, especially the rising consumption levels of the middle class in developing countries without mentioning that this trend has existed for a decade and therefore cannot explain rising prices over the last one year.

Over the last two years, oil demand has increased by one percent annually but the prices in dollar terms by ninety percent. The response of the international community to this has been dismal. It is not just a question of

the direct contribution of these prices via agricultural and irrigation equipment, fertilizers and pesticides to high food prices. The initial conjunction of lower food prices and high oil prices led to sale of grain to energy producers for conversion into energy bolstered by a climate change argument that was overdone. In several developed countries, land for food crops shrank as it was lost to biofuels. While Dr. Joachim von Braun yesterday called only for a moratorium, it is heartening that Prof. Jeffrey Sachs called for a rollback and elimination. For the first time, there is a direct link between oil prices and food prices, oil markets and food markets, as our Prime Minister has said. It is this structural consequence that is disturbing and complicates policy. The financial crisis has also had an impact. A consequence is that speculators, encouraged by the dollar's relative decline, 'invest' in food futures to profit from the 'commodities super cycle'. While not a primary cause of the crisis, it makes it worse; hopefully this bubble would also burst with at least a marginal beneficial effect on food prices.

Therefore, apropos the Issues Note we would caution the WFP against using such a mechanism. The speaker before me referred to the right to food. The UN Special Rapporteur on the right to food, Jean Ziegler in his recent report points to systemwide incoherence with FAO, WFP, UNDP working for this right and the Bretton Woods Institutions advising countries not just to export surplus food (which is right) but to shift from food crops for the domestic population to cash crops for export (which is harmful). The BWIs also seem to feel that subsidies are good for the rich but bad for the poor, with a predictable negative impact on food production. Last year, when one African country reintroduced fertilizers and seeds subsidies, it became self sufficient and even a net exporter. It is therefore appropriate that the Hon'ble President of this country, Malawi, addressed us via videolink. I must therefore take issue with Dr. Joachim von Braun's prescription of eliminating restrictions on food exports in the interest of market purism. This continues the tradition of BWI's advice, partly responsible for the crisis in the first place. It is sometimes forgotten that during the Green Revolution, there were improved seeds and IPRs were in the public domain. Now, thanks to TRIPS, they are in the private domain, with monopolistic pricing of agricultural inputs. Dr. von Braun had nothing to say on this profoundly anti-market source of food price inflation.

The international community collectively can do much. IFAD could engage more intensively on solutions to problems of small and marginal farmers. For various international bodies, key areas are land development, water

management and seed technology. Addressing TRIPS is as important as eliminating the agricultural subsidies of the developed. We are heartened by Prime Minister Gordon Brown's support for this in his message yesterday. Crucial to the entire exercise is a global response to the Third Energy Crisis (totally missing so far) at least as adequate as the response to the first two energy crises and addressing the link between oil and food prices via bio-fuels. In short, as Prime Minister Dr. Manmohan Singh has said, "we need a new global compact between the developed and the developing countries, between the land surplus and labour surplus economies, between food exporters and food importers".

I thank you, Sir.

Annexure

Some measures taken by India some of which may be replicable in other developing countries.

India feeds seventeen percent of the world's population on less than five percent of the world's water and three percent of its arable land. Over a period of time, India has taken several measures to increase agricultural output and food security such as revitalizing agricultural research and extension; National Agricultural Development Plan; a national food security mission; the National Rural Employment Guarantee Scheme; waiver of bank loans to small and marginal farmers; easier rural credit; strengthening the public procurement and public distribution system; banning futures trading in a range of food items. Many of these measures owe much to the leadership of Mrs. Sonia Gandhi, Chairperson of India's ruling United Progressive Alliance. The latest estimates show that India will have a record harvest in 2007-08, thereby continuing its four decades old self sufficiency in food-grains.



697. Statement by Counsellor at the Permanent Mission of India at the UN Anupam Ray at the 2nd closed meeting of the Ad Hoc Working on the Revitalization of the General Assembly.

New York, May 30, 2008.

Distinguished co-chairs,

I would like to begin by thanking the co-chairs for organizing today's meeting of the ad hoc working group on the revitalization of the General Assembly in accordance with UNGA resolution 61/292 and the wishes of the member states expressed during the first meeting of the working group. My delegation would like to align itself with the statement made by the distinguished representative of Cuba on behalf of the Non-Aligned movement.

I would like to particularly commend the efforts of the co-chairs in painstakingly cataloguing all the relevant provisions on revitalization and in dividing the relevant provisions into three main clusters. The clusters, that deal with firstly, working methods, documentation, agenda, etc; secondly, with Selection of the Secretary General; and finally, with the role and authority of the General Assembly have been further conveniently subdivided into thematic areas. This is an admirable effort and helps us obtain an overview about where the revitalization process stands.

My delegation acknowledges the importance of progress on these issues, particularly progress in those areas where practical results can be obtained. However, there is a limit to which discussions relating to time limits on speeches and provisions relating to modern technologies will serve the essential purpose of revitalizing the General Assembly.

Distinguished co-chairs,

Hobbes said in the Leviathan that "Covenants, without the sword, are but words." This is the crux of the issue when it comes to revitalization of the General Assembly. We all accept that the disparity of authority between the Security Council and the chief deliberative, policy-making and representative organ of the United Nations, its General Assembly needs to be addressed.

My delegation believes that Member States will be unsuccessful in addressing this disparity unless, like the Leviathan, the General Assembly

is given its sword. Leviathan requires the sword to lift man out of the state of nature and to uphold justice. The General Assembly needs to be given its sword which will take its role to something beyond just deliberation, representation and policy-making. It needs the tools and the mechanisms that will enable it to have a role in the creation and implementation of international law and in the creation and maintenance of a just and equitable world order.

Distinguished co-chairs,

The General Assembly requires to be empowered in order for it to be revitalized. My delegation believes that debates on procedures and working methods by themselves are sterile. When an advisor warned him against conflict with the Catholic Church, Josef Stalin apparently asked , "How many divisions does the pope have?" This was of course a rhetorical question. However it brings home the point that there is a limit to the usefulness of discussing procedural issues.

The General Assembly will not be empowered by strengthening procedures. It will only be strengthened if the Member States, like the Commonwealth in the Leviathan, decide to give it a sword. Without agreeing with David Lloyd George's statement that diplomats were invented to simply waste time, my delegation would like to submit that it is only the presence of political will that will revitalize and empower the General Assembly.

Distinguished co-chairs,

What form will this sword take? My delegation has a number of suggestions. Control over legislations, over materials and over men, confers power. Within the United Nations system, it is the Security Council, with its limited representation and its opaque working methods, that controls the legislation and the manpower. The General Assembly has a role in the control of materials through the Fifth Committee and the Budgetary process.

My delegation has in the past made a number of proposals to empower the General Assembly. These have been in the areas of making the Security Council more responsive to the General Assembly, in the General Assembly taking a greater role in the maintenance of international peace and security, through the process of mandate review, in the process of selection the Secretary General and in the strengthening of ECOSOC. We believe that this require serious consideration if any useful discussion on revitalization is to be followed through.

Further to these proposals, my delegation also believes that the General Assembly should have a greater role in the appointments of senior personnel in the United Nations system. My delegation would like to suggest that senior personnel of the rank of Under Secretary General and those vested with substantial executive authority obtain the approval of the General Assembly.

Distinguished co-chairs

I would like to conclude by quoting George Barnard Shaw who once said that if all economists in the world were laid side to side they would not reach a conclusion. I hope that this is not the case with our current discussion. The revitalization of the General Assembly is too serious a task to be left to a sterile death in the very committees that it is meant to empower.

Thank You



**698. Statement by Permanent Representative at the UN
Nirupam Sen at the High Level Meeting on Comprehensive
Review of the Progress Achieved in Realizing the
Declaration of Commitment on HIV/AIDS and the Political
Declaration on HIV/AIDS.**

New York, June 12, 2008.

Mr. President,

I would like to thank you for convening this High Level meeting on HIV/AIDS. India recognizes that political commitment is essential to combat HIV/AIDS. Our National Council on AIDS is chaired by the Prime Minister and the State Councils by the Chief Ministers. This political commitment at the highest levels has been critical in containing the epidemic. India has a low adult HIV prevalence of 0.36% and it is estimated that the HIV positive population is between 2 to 3.1 million. Enormous efforts are being made to contain and roll-back this epidemic.

Mr. President,

The National Aids Control Programme in India works on the basis that prevention is better than cure. It is committed to ensuring universal access

to HIV AIDS prevention. 75% of the National AIDS control programme's budget is allocated to execution of preventive services, particularly among groups with high risk behaviour such as commercial sex workers, injecting drug users, truckers and migrant labour. Voluntary blood collections have increased and the capacity of blood banks to screen out infected blood is continuously being strengthened. Treatment of sexually transmitted infections is accorded high priority and a target of treating 10 million cases has been set. Our data collection capabilities have increased manifold. In a country of India's size and diversity this has been essential in mapping the geographical spread of the epidemic and in identifying demographic parameters of the epidemic.

Counselling and testing services, which started in a few centres in 2000, are now provided in nearly 5000 facilities. Testing increased more than six fold in two years with 7 million persons tested last year. An additional 3 million women in the antenatal period were tested under the prevention of parent to child transmission programme.

This scaling up of testing facilities has resulted in the detection of 1 million HIV infections. It is planned to further increase the number of tests by 300% in the next five years and bring it to 22 million annually by 2012. These counseling and testing services are provided free to all Indians, a practical example of our commitment to universal access.

Mr. President,

The Government of India recognizes that the stigma and discrimination associated with the disease can be as bad as the physical suffering. A comprehensive communication strategy on HIV/AIDS developed by the Government addresses this issue along with the classical prevention aspects. Special attention is being given to youth and women, who are often the worst sufferers. An adolescent education programme covers more than 100,000 schools. A Red Ribbon express was launched in December 2007 and will cover 180 stations and over 50,000 villages over a year. The efforts to promote an enabling environment and reduce societal discrimination of persons infected with HIV and their families are being made involving civil society, political leadership, grass root level workers, self help groups and others. A government policy document on gender equality and a draft law on AIDS are being finalized that will, among other things, address these issues.

Mr. President,

Mahatma Gandhi said that "It is health that is real wealth and not pieces of gold and silver." In accordance with this philosophy, the Government of India is committed, in the face of resource constraints and competing priorities, to ensuring that no Indian dies of AIDS because of lack of treatment. 140,000 of our citizens are currently being provided anti retroviral therapy and treatment for opportunistic infections. Blood monitoring services to determine when HIV positive persons might require treatment also provided free. We are also trying, again in the face of resource and capacity constraints, to make available second line drugs. AIDS treatment is as much about the treatment of opportunistic infections and related diseases such as tuberculosis (TB). Strong linkages have been developed in India between the National AIDS Control Programme and the National TB Programme for early detection of HIV TB co-infections and appropriate treatment.

Mr. President,

I would like to compliment you on your active efforts to involve civil society in the proceedings of this event. The informal civil society hearing was remarkable in the diversity and the personal commitment of the participants to the battle against HIV/AIDS. In India the Government has actively involved civil society in the war against HIV/AIDS. 764 NGOs have been enlisted by the National AIDS Control Programme to deliver targeted interventions.

Mr. President,

Although HIV/AIDS is yet to find its Edward Jenner or Jonas E Salk, anti-retroviral medications ensure that AIDS patients can live. My delegation is perturbed by para 38 of the UN Secretary General's report (A/62/780) that only 30% of those who needed anti-retrovirals were receiving these drugs. We are even more perturbed by para 41 of the report which states that these shortfalls are expected to continue.

Mr. President,

I would like to draw your attention to the Indian experience in producing anti- retrovirals. For the same amount of money that would provide 20,000 rich patients in developing countries with branded and patented medicines, Indian pharma companies can provide generic retrovirals for 2 million patients in these countries. Not only are Indian generic retrovirals a hundred times cheaper, they are also more suited to the special needs of the

developing world, besides being often far more effective than those produced in the developed world. Our companies and research have produced a unique triple anti-retroviral as well as paediatric formulations that make life far easier for patients.

Mr. President,

I would like to endorse your view that addressing the interconnected problems of AIDS, Climate Change, extreme poverty, hunger and sustainable development and rising food prices are a moral and political imperative of our time.

Thanks to TRIPS, IPRs are in the private domain and the monopolistic pricing of seeds and other inputs exacerbates the problem of food insecurity and high food prices. This increases malnutrition and the population of the malnourished. To fight climate change, adaptation and mitigation technologies need to be available at affordable rates and again TRIPS is a barrier. Global warming would increase and make more widespread disease vectors. Finally, many of those who survive these two would perish because they cannot afford medicines, thanks to TRIPS. They would not even be left with affordable traditional herbs, thanks to bio piracy and patenting and a refusal to act on CBD. Professor Stiglitz, Nobel Prize winner, in his "Making Globalisation Work", accurately states that TRIPS was "the death warrant for thousands of people in the poorest countries of the world". High prices also reduce the welfare of consumers in developed countries.

Mr. President,

The General Assembly, given its universality and convening power, can discuss and give directions on this vital issue. It is not necessary to be so radical as to try to reopen the whole of TRIPS. But it is necessary to make the public health exception simple and effective and to have similar exceptions for seeds and climate change. Paragraph 6 of TRIPS on compulsory licensing was a problem because para 31 (f) which restricted to domestic market and there was a problem for countries which do not have domestic generic manufacturing capacity. Document WT/L/540 waives 31 (f) but takes away with the right hand what it gives with the left. There has to be a notification of exact quantities; establishing lack of or insufficient manufacturing capacity; specific measures against trade diversion; another developing country with capacity has to establish that the amount is only for export to the particular country importing; it has to be specially labeled; and each batch requires a fresh procedure. The current procedure is far

too cumbersome since no country has been able to make use of this so called public health exception. It is important for those countries who have domestic generic manufacturing capability to use flexibilities. Indian law has done this. It was challenged in the Indian High Court but failed. Hopefully, affordable drugs for the benefit of all will continue to be produced by Indian manufacturers.

In this connection we take note of para 42 of the Secretary General's Report which states that "owing to advocacy by activists, UNAIDS and other partners, the emergence of competition from generic manufacturers and significant price cuts by pharmaceutical companies, prices for many first line anti-retroviral drugs have fallen sharply over the last decade."

Mr. President,

Like the vaccines that terminated the threat of polio and small pox, HIV/ AIDS needs a vaccine. India is at the forefront of global efforts to develop such a vaccine. Indian research institutes such as the National AIDS Research Institute, Tuberculosis Research Centre and the All India Institute for Medical Sciences (AIIMS) are engaged in clinical evaluations and trials. A prototype of candidate vaccine based on DNA and MVA has also been developed for HIV-I subtype 'C' at the AIIMS. It is our hope that these combined efforts will lead to the relegation of AIDS, like the Black Death to the realm of history and nursery rhymes.

I thank you.



**699. Statement by Permanent Representative at the UN
Nirupam Sen at the meeting of the Open-ended Working
Group on the Question of Equitable Representation on
and Increase in the membership of the Security Council.**

New York, June 17, 2008.

Mr. President,

Let me join my colleagues in thanking you for organizing these discussions and for your leadership of this process. Permit me also to express our appreciation of the consultations that preceded and the intense labour that has gone into Report of the Vice Chairpersons, Their Excellencies, the Permanent Representatives of Bangladesh, Chile, Djibouti and Portugal. Our remarks should not be construed as criticism but as a forthright expression and exchange of views so that we can together identify the practical measures needed to begin intergovernmental negotiations. Before I comment on the Report, permit me to respond to some remarks by a leading representative of the Uniting for Consensus who spoke of unilateralism. It seems that they do not trouble themselves with the Rules of Procedure even if there was the slightest reason to suppose that they are acquainted with these. There is nothing in the Rules or in consensus decision 61/561 against a resolution. That is why the phrase "including through" is added to the phrase "intergovernmental negotiations" in this consensus decision. Moreover it has not even been moved or tabled and is only being discussed. If a decision taken by consensus on starting intergovernmental negotiations cannot be implemented by consensus over ten months, then clearly it would have to be implemented by alternative means.

He focused on non permanent seats. The OIC communiqué clearly speaks of representation in all categories which logically includes the permanent category. He has to decide whether he belongs to the UFC or OIC. We know what we mean. It seems that they do not know what they mean and so do not know what we mean. He referred to a so called NAM fallback position which was not a part of any NAM declaration and was in practice abandon since it does not find any mention in any document for the last twelve years. The logic of his position was that the UFC are the champions of sincerity. Whether or not the champions of sincerity examine themselves, they should at least examine their arguments. It is remarkable to use such an argument and remain silent on such a sequel. An eddy may for a time

run against the stream but its time soon runs out, especially if this eddy is only the sophistries of interest. Decision 61/561 was a consensus decision. We talk of consensus but in nine months, we have not been able to implement even a consensus decision. We remain part of the consensus to hold intergovernmental negotiations. We remain part of the consensus to implement a consensus decision. What we cannot do is to become part of a minority aspiration to divert or delay this implementation or to render it devoid of meaning. The sub text of the report under consideration is still pursuing a transitional or an intermediate solution - whether through citing examples in support or through talking of timelines and what is achievable in the short term or through stating the impossibility of the Big Bang. None of this is in the consensus decision. In it there is no limitation in terms of time or a negotiating basis that would exclude some elements. Incidentally, the Big Bang is not even universally accepted in modern cosmic physics. We can pride ourselves on partially achieving the Big Bang because there has been lots of noise though no results. So we have already achieved the Big Bang. Now for the results. The pursuit of the intermediate or transitional approach is truly extraordinary. In para 2 of Section V on 'Shifting the Paradigm', the Report admits that "many member states have argued that such option could be the eventual outcome of an intergovernmental negotiations". Yet the Report contradicts itself by its sub text of a transitional approach from the beginning. One remembers some verses of Shelley: "To hope and bear, to hope till hope creates/From its own wreck the thing it contemplates"! Every hope may begin as a forlorn hope but this one is unique in continuing as a forlorn hope. The consensus decision 61/561 is clear - we have to negotiate on the basis of progress achieved and the proposals and positions of the member states. In addition such a transitional model has been rejected by the African group, by many small states, by us and by many countries supporting us. In spite of all this, in a subjective and antidemocratic fashion, the attempt seems to continue. The transitional model amounts to art for art's sake, reform for the sake of reform because it does not address any of the real problems that the Security Council faces. It does not add elected permanent members held accountable for reforming working methods, for ensuring implementation of Article 31 and 32 of the Charter, for sharply increasing access of non members and small states, for gradually changing the political culture on the use of veto, to name a few. Where permanent members adhere forcefully to the status quo or narrow national interest, consensus and action become difficult; where their interests are not involved, consensus is easily achieved but there is no incentive for them to take meaningful action; thus the Council

falls into double jeopardy and becomes doubly dysfunctional. The circle of permanent membership has to be opened through the principles of election and subsequent accountability while ensuring permanent institutional memory, with new points of view and fresh resources to ensure optimal decision making and its translation into action. It is illogical to suggest that we should leave out whatever cannot be achieved in a short time line even though it clearly means not addressing any of these problems, in short ignoring all real problems. The Permanent Representative of USA also rightly said that the time line concept is not the best way to proceed since it would lead to the lowest common denominator. The Permanent Representative of Singapore also spoke broadly in this vein. The report sees rebalancing only in terms of representation. Rebalancing has to be directed towards increasing the effectiveness in terms of optimal decisions and their implementation. To take a middle point between different positions without looking at the weight of support, the political context and above all, addressing real problems is even worse: it is not just reform for the sake of reform but a mechanical reform for the sake of reform. Therefore, it is not the model being pursued that is transitional but the illusion that it is acceptable or will work. To adapt Aime Cesaire, an organization that shuts its eyes to its most crucial problems is stricken. Let me now turn to the Seven Pillars. These cannot in the last resort supersede decision 61/561 since this decision was formally adopted by consensus by the General Assembly. These pillars are nevertheless useful and have been broadly accepted. Theoretically, we did not challenge these pillars and in a theoretical sense we still do not. But as Goethe told Eckermann, "theory my friend is grey but eternally green is the tree of life". We have to modify theory and hypothesis in the light of life's experience.

The OEWG by consensus has not been able so far to identify negotiables, modalities or framework. The Report in para 2 of Section II on "Framework and Modalities" implicitly recognizes this when it speaks of the "GA deciding to shift consideration of the reform process (even the process) to the GA plenary". The unanimous decision 61/561 is clear: the OEWG can continue its discussions aimed at promoting understanding and general agreement but paragraph (d) is categorical in mentioning the General Assembly and intergovernmental negotiations that build on the progress achieved so far as well as the positions and proposals of the member states. It is extraordinary that so much time has elapsed and yet this has not been done: a text that encapsulates all major positions can be easily drafted provided there is political will. Drafting such a text and embarking on

intergovernmental negotiations have to be recognized as two phases that move in opposite directions: the text has to initially include even contradictory positions because it has to be expansive and inclusive, to include everybody in these negotiations; the initial part of the actual negotiations will move in the opposite direction of narrowing this text and elements that do not command majority support would have to be discarded. Incidentally, it is unfortunate that when speaking of new inputs and reaffirmed views, the Report, in the part on the African group, only mentions the Ezulwini consensus without spelling out the elements which go against the transitional model and may not be widely known.

Again Resolution L69 cosponsored by about thirty developing countries of Africa, Asia and GRULAC was tabled like the other resolutions but is selectively omitted from the Report. Let me now turn to P5 perspectives presented in the Report. The position outlined in the joint declaration of UK and France is quite different from the way it is interpreted by some. The second para quoted in the Report has clear support for the expansion of permanent membership. Even the next para which considers renewable longer term seats clearly speaks of "deciding to turn these new types of seats into permanent ones". In short, it does not leave entirely to the future this issue but adopts a teleological approach where the transition is to something predetermined. Again the Report quotes the DPR of USA for whom we have all respect on not alienating a significant section of the membership by the result of Security Council reform, but is silent on his President's specific support for an expansion of permanent membership to include Japan and some others.

Fortunately, the Permanent Representative of USA redressed the balance in his remarks today. The Report also ignores an even more specific paragraph on expansion, namely Secretary of State Condoleezza Rice's article "The New American Realism" in the latest July-August 2008 issue of Foreign Affairs where developing countries from Asia, Africa and Latin America are specifically mentioned. The PR of China's remark that what is not acceptable to Africa would not be acceptable, which we had also supported, is curiously and selectively omitted. Is empowerment of Africa not important? We are happy that the Permanent Representative of China reiterated this today. The Report's section IV on "No Reform Option" states in para 2 the possibility on the basis of differing positions that we could eventually conclude that there is no common ground for intergovernmental negotiations. This can only be possible if one remains caught in the trap of looking for a uniform middle text and thereby going against the consensus

decision 61/561 which is clear that all positions have to be included even if they are not common. It is for the process of negotiations to create a greater measure of commonality. Again the Report goes against consensus decision 61/561 by implying that compromise is needed even before beginning negotiations. This is the case in both para 3 of this Section IV on 'No Reform Option' and para I of Section VI "Towards intergovernmental negotiations".

Compromise is a product of negotiations and not its precondition. Apropos of the last section "Towards intergovernmental negotiations", we must confess that we found the section misleading, in some ways deeply so. There is no agreement as seems to be implied on additional non permanent seats separately, only as part of a whole in which there is expansion of both permanent and non permanent members. Non permanent members were expanded in 1965 but the problems of the Council listed earlier have continued to mount. There would be little point in making the Council unwieldy without making it more effective. Non permanent members have not been able to resolve these problems, stop encroachment or improve working methods in any significant way. Often as in the case of resolutions on Iran or even Western Sahara, non members get the resolution before non permanent members. The delegation of Costa Rica opposed the practice where four of the five permanent members and Spain, a non member, negotiated and finalized the draft without reference to other Council members and yet, paradoxically, it is part of the UFC which feels that expansion of non permanent members is an adequate reform. New permanent members who are elected and then held accountable would be able to address these problems, making for a stronger Council in itself and above all in its accountability to the General Assembly, thereby strengthening the General Assembly also. To give an analogy, the strength of Lincoln's presidency anticipated Justice Jackson's dictum that the Executive becomes powerful by acting in conjunction with the Legislature.

The Section's words on Big Bang and time line are equally problematic: if no agreement can be achieved now, why should it suddenly and miraculously become possible after ten years? Would essential vital national interests change so completely? Why therefore stop and revisit? Would this not simply be art for art's sake, reform for the sake of reform? Isn't it better to have protracted negotiations but address the real problems? Is this momentum or the drift and downward eddy of the evasion and postponement of reform, a kind of homeopathic treatment of reform?

We were trying to examine points in the Report with which we can wholeheartedly agree. We found only two points: the summaries of different positions and the clear statement. "All (I repeat all) have expressed their disposition to enter intergovernmental negotiations". But the Report does not clearly translate this disposition into practice.

The Annex in its present form is unacceptable because it continues the old logical redundancy of permanent seats. All existing seats are permanent, five held by specific countries and ten held by specific regions. The terminology is also against the Charter because Article 23 speaks of permanent and non permanent members, not seats. It is also a move backward from the Cyprus Paper which had at least mentioned the expansion of permanent membership. It is significant that in the summary of the Cyprus Paper, this has been selectively omitted. The Annex also goes against not just the Charter but consensus decision 61/561 on including the positions and proposals of all the member states by mentioning the extended seat option and the expansion of permanent membership as alternatives instead of separately and by omitting any mention of the application of Article 27 (3), the question of working methods and the question of access of small and island developing states. Only if the Annex is amended by adding these elements can it serve as an acceptable basis for negotiations. Thus searching for points to agree with, I was reminded of Somerset Maugham's remark on old age: "There are many virtues in growing old", he began before pausing for a very long time. He then continued by saying that "I am just trying to think what they are"

I thank you, Sir



700. Statement by Advisor to the Ministry of Earth Sciences and Member of the Indian Delegation to the UN S. K. Das at the 18th meeting of the State Parties to the 1982 United Nations Convention on the Laws of the Sea.

New York, June 18, 2008.

Thank You Mr. President,

At the outset my delegation wishes to thank the Secretary-General for his comprehensive Report on Oceans and the Law of the Sea.

India attaches high importance to the effective functioning of the institutions established under the United Nations Convention on the Law of the Sea and therefore follows closely the work of all subsidiary institutions under the Convention, namely the International Sea-bed Authority, the International Tribunal for the Law of the Sea and the Commission on the Limits of the Continental Shelf.

We congratulate the Chairman of the Commission on the Limits of Continental Shelf for the efforts by the Commission under his leadership in undertaking the considerations of the submissions. We also thank him as well as the Secretariat for providing detailed information on various issues and constraints arising from the increasing workload of the Commission and the anticipated increase in the number of submissions in the coming years. We hope that the issue relating to deadline of submissions will be resolved amicably.

Over the past few years, the international community has focused on issues relating to management of living marine resources, and conservation and management of biological diversity of the sea-bed in areas beyond national jurisdiction. The Ad Hoc Working Group to study issues relating to the conservation and sustainable use of marine biological diversity beyond areas of national jurisdiction had met in May this year. The important issues that were debated related to the setting up of Marine protected Areas in the High Seas and the legal regime governing Marine Genetic Resources in areas beyond national jurisdiction and related issues of access and benefit sharing.

The management and governance of high seas areas presents a formidable challenge for the international community as development of an effective regime for the protection of biodiversity in areas beyond national jurisdiction

is seen to be circumscribing some of the traditional high seas freedoms. The challenges of protecting, conserving and ensuring sustainable management of marine biodiversity beyond national jurisdiction are thus enormous.

Mr. President,

The myriad threats to biodiversity in areas beyond national jurisdiction range from open access to fisheries, destructive fishing practices like bottom trawling, pollution from ships and other land based activities, and new threats deriving from bio-prospecting and open ocean iron fertilisation. A combination of measures, including monitoring, scientific investigation, and improved governance are required to prevent or reduce harmful impacts of such activities on biological diversity.

Deep seabed research is still largely the domain of select developed countries. It is imperative that there be increased flow of scientific data and information and transfer of knowledge to developing countries so as to improve their understanding and knowledge of oceans and deep seas, in particular the extent and vulnerability of deep sea biodiversity and ecosystems. We welcome in this regard the setting up of an Endowment Fund by the International Seabed Authority to promote the conduct of marine scientific research in the international seabed Area for the benefit of all mankind by supporting the participation of qualified scientists and technical personnel from developing countries in marine scientific research programmes.

The international seabed authority is now involved in drafting the regulation of polymetallic sulfides. We hope that the issues regarding configuration of blocks and geographic proximity of blocks in the allocated areas for exploration will be successfully resolved. The Secretary General of the International Sea bed Authority reported that an interest in exploring the ocean resources has been expressed by the private sector. This is an encouraging development.

Mr. President,

Over fishing, destructive fishing practices and IUU fishing continue to be great threats to the conservation, management and sustainable use of biodiversity on the high seas. To combat IUU fishing it is essential to give priority to compliance and enforcement measures, including effective Port State measures, listing of vessels, and developing and implementing

integrated monitoring, control and surveillance packages. It is important to sustainably manage fish stocks and protect vulnerable marine ecosystems and thus to find a balance between sustainable use and conservation.

India is implementing a dedicated programme on coastal and marine area management. Under this programme, GIS based information system has been developed for 11 identified critical habitats. Other major programs include:

Determination of Waste Load Allocation and Waste assimilation capacity at selected estuaries along coastal areas of India, Development of model Integrated Coastal and Marine Area Management (ICMAM) plans for selected sites along the coastline of India, and Development of Guidelines for Environmental Impact Assessment (EIA) studies for marine and coastal developmental activities and processes. India also has a dedicated coastal ocean and marine pollution monitoring system which regularly monitors the level of pollutants in coastal sea including the hotspots.

Mr. President,

India is pleased to report the establishment of tsunami Early Warning System for Indian Ocean with a dedicated Tsunami Warning Centre at Hyderabad. This system was set up and operationalised on 15th October, 2007. The Indian Tsunami Early Warning System comprises a real-time network of seismic stations, Bottom Pressure Recorders (BPR) and tide gauges to detect tsunamigenic earthquakes and to monitor tsunamis. The system detects all earthquake events of more than 6 Magnitude occurring in the Indian Ocean in the less than 20 minutes of occurrence. A host of communication methods are employed for timely reception of data from the sensors as well as for dissemination of alerts. A high level of redundancy is being built into the communication system to avoid single point failures with all the necessary computational and communication infrastructure that enables reception of real-time data from all the sensors, analysis of the data, generation and dissemination of tsunami advisories following a standard operating procedure. India is willing to offer Tsunami advisories to all affected countries in the Indian ocean.

Thank You



**701. Statement by Permanent Representative at the UN
Nirupam Sen on the Situation in Afghanistan at Security
Council.**

New Delhi, July 9, 2008.

Mr. President,

Let me begin by expressing my delegation's pleasure at seeing your delegation assume the Presidency of the Security Council for this month. I also express India's appreciation to you, Mr. President, for scheduling today's debate on this important topic. Let me also welcome the presence of His Excellency Dr Rangin Spanta, Foreign Minister of Afghanistan and H.E Mr. Makhdoom Shah Mohammed Qureshi, Foreign Minister of Pakistan, and thank them for their statements, as well as their expressions of concern and sympathy over the terrorist attack at our Embassy in Kabul, their clear condemnation of which has been echoed by Members of this Council today. Last but not least, I also thank Special Representative Kai Eide, and USG John Holmes for their briefings today.

Mr. President,

I am distressed to have to begin my statement by acknowledging the condolences of this Council over the barbaric attack upon our Embassy in Kabul two days ago. Not only were scores of innocent Afghan lives lost, we also lost four Indian colleagues working with a fraternal people in their hour of need. Those who perpetrated this act, and those who train and protect terrorists and enable them to commit horrific acts of violence, are no better than the basest criminals. It is for this reason that security within Afghanistan, and coordinated efforts to stop terrorists from operating with impunity beyond Afghanistan's borders must be the paramount priority of our collective efforts in Afghanistan. For those who commit these acts, and for those responsible for the greater villainy of sheltering and enabling terrorists, our response remains firm and unyielding, as our Prime Minister said: "We have lost Indians who were helping their Afghan brothers rebuild their lives and country. That endeavour must continue with renewed commitment". While mourning their loss, we believe we can best honour our fallen colleagues by redoubling our commitment to working with Afghanistan to secure stability and development in that country and consequently, in the region.

Mr. President,

Our discussion today takes place in the context of the recently-convened Paris Conference in Support of Afghanistan. Having participated in this Conference at the political level, India welcomes its outcome, and the proposed Presidential Statement of this Council in support of that outcome. We share the sense in this room of the need for the international community to provide not just the resources-important as they are-but also the much-needed political space to UNAMA to enable it to exercise its mandate to assist the national Government coordinate international assistance for Afghanistan.

In this context, I should also underline that as a regional partner and a country with strong historic and cultural links with Afghanistan, India sees merit in the approach adopted by SRSG Eide, as reflected in the report before us. The mandate provided to UNAMA by this Council through resolution 1806 provides ample scope for the UN to play a central role in the international community. Streamlining our collective efforts through UNAMA, in support of the newly adopted Afghan National Development Strategy, and through the national Budget, will underscore that international assistance is in line with priorities set by Afghanistan. What is however crucial is that such coordination must be effected in a manner that is coherent and focused. We need to avoid the temptation of trying to resolve all of Afghanistan's problems at once, just as we need to avoid the pitfalls of setting unrealistic benchmarks and objectives that are desirable for us, but less so for the very people we seek to help. While the international community collectively repeats commitments underscoring the importance of such a demand-driven approach, greater efforts are required on the ground to realize such commitments. Without an Afghan-led process of discussing and finalizing the prioritization of tasks, our collective efforts run the very real risk of losing legitimacy.

Events on the ground make it clear that any listing of challenges before the Afghan people must begin with security. We cannot afford to slacken our resolve or our efforts in combating the forces of terrorism, extremism and crime, wherever and in whatever forms these groups may take. Most importantly, this must be a collective effort: we cannot succeed if we send mixed signals through bargains for temporary and local peace, while the rest of us contend with the consequences of such deals. The rising trend of attacks, abductions and suicide bombings is also a sign that terrorist groups are emboldened by displays of wavering confidence

that such bargains imply, and therefore hope to weaken our collective resolve. We cannot have partial compromises with such forces and yet nurture hopes of prevailing in Afghanistan. We remain convinced that there needs to be a much closer alignment between the consistent application of force wherever terrorist groups are present, and the political objectives of our efforts in Afghanistan, in which UNAMA must play an important role.

Results cannot be achieved "on the ground" without adequate attention to both security and developmental components. However, to achieve sustainable success over the long-term on both fronts, the common denominator is capacity building.

Thus far, our collective effort in this vital aspect has been episodic and inadequate. We need to do better expeditiously. The report identifies some of the key areas in which such capacity building efforts are vital, and we concur in particular with the notion that strengthening of the national police and public administration have to be taken up as a priority. Limited results in this regard will be reflected by an equally paltry list for us to show for our efforts in any of the benchmarks for progress that we may have set ourselves, be they in the field of counter-narcotics or efficient utilization of budgetary resources. It is for this reason that India has made capacity-building a priority element in all our efforts in Afghanistan, even in the infrastructure projects we are executing in Afghanistan, all of which include strong capacity-building components in them. To achieve these and other core objectives in Afghanistan, we have collectively agreed to empower the UN, through its Assistance Mission in Afghanistan, to facilitate greater coherence amongst us, and between us and our hosts. However, we cannot achieve results unless we enable UNAMA to do its job, by providing it the material and human resources to execute its mandate in Afghanistan. Not only does the UN need these resources on an exceptional basis for Afghanistan, it needs these exceptionally soon. The time for us to empower UNAMA is now.

Mr. President,

India will remain fully committed to implementing the inter-related security, political and developmental challenges facing Afghanistan. We remain unflinching in our commitment to reconstruction, development and capacity-building in Afghanistan. As one of Afghanistan's largest development partners, India remains willing to support UNAMA in improving donor cohesion, in support of Afghan-defined priorities. In conclusion, Mr

President, let me also reiterate our abiding belief and commitment to our shared objective: assisting Afghanistan complete its reemergence as a modern democratic country, confident in its unique culture and pluralistic identities, at peace with itself and secure in its neighbourhood, firmly on the path to sustainable economic development and liberated from the burdens of the recent history of strife and privation. It is for this reason that we fully endorse the effort to empower the UN to bring us together in a more coherent partnership, to enable Afghanistan to secure the better future that lies within its reach.

I thank you, Mr. President.



**702. Statement by Permanent Representative at the UN
Nirupam Sen on the Global Food and Energy Crisis at
the 62nd session of the UNGA.**

New York, July 18, 2008.

Mr. President,

I thank you for convening this plenary meeting on a topic that continues to present unprecedented challenges to all, particularly to developing countries. At the outset, let me emphasize the appropriateness for dealing with the food and energy crises together, in an integrated manner. The sharp escalation in global oil prices have played a significant role in increasing input costs as well as in promoting bio-fuels, and both the energy and food crises have contributed significantly to inflation. I may add that it would have been even more useful to consider today the third crisis also - i.e. the global financial crisis, which is posing its interrelated challenges to our development efforts. Any meaningful response must address all these three issues. I thank the Secretary-General for providing the revised version of the Comprehensive Framework for Action [CFA], produced by his High-Level Task Force, and for his briefing here today. We are in the process of studying this voluminous document in detail, which has been made available only a couple of days ago. At this stage, I will only make a few preliminary comments on the document.

The CFA represents the consensus view of the UN System on how to respond to the global food crisis. Some actions suggested in the CFA are

important and need to be implemented. However, the CFA includes minimal, if any, contribution by Member States, who bear the primary burden in addressing the crisis, and as acknowledged by the CFA itself, are at the centre of the response. Let me reiterate that the contents of the CFA would have been enriched, and made easier to implement, if ideas and suggestions of Member States had been taken on board. I do note that the CFA proposes regular consultations with, inter alia, Member States. I am also encouraged that the CFA does not seek to prescribe specific policies and activities, but rather provides a range of options from which choices can be made. Nevertheless, the overall thrust of the document appears to list options that Member States and others should implement, without being part of the process of their elaboration.

The CFA also presents the food crisis as a threat and an opportunity. While every crisis can be considered an opportunity to rebuild anew, and enhanced food prices may result in improved returns to farmers, it would be unfortunate to present the desperation of millions of vulnerable people in their struggle to feed themselves as an opportunity. Mr. President, Even on substance of the recommendations, some key lacunae must be pointed out. It is clear that agricultural productive capacity of developing countries has been systematically undermined over time through astronomical agricultural subsidies in developed countries (combined with pressure on developing countries to lower their tariffs) and the harmful prescriptive advice from the Bretton Woods Institutions to indiscriminately shift away from food crops for the domestic population to cash crops for export, devastating for food security. It is good that the right to food has been recognized in the CFA - we would have hoped for better recommendations to ensure its realization. We would also have hoped that high food prices would have given the necessary impetus to developed countries for eliminating agricultural subsidies.

In 2005, the OECD countries agricultural subsidies amounted to US\$ 385.2 billion, while, in the WTO, these very countries induced developing countries to eliminate duties and barriers and expose their agriculture to this flood of subsidies. The developing countries' argument of food security was downplayed then. The very same argument is being used by the developed countries now. Earlier low food prices justified the subsidies of the rich. Today high food prices are used to justify these. Heads I win, tails you lose. This is how one squares the circle, has one's cake and eats it too.

The issue of bio-fuels has also been addressed incorrectly or hidden in the generalities of "recent supply and demand dynamics". The key difference

between foodgrain based bio-fuels and non-foodgrain based ones has been glossed over. Even if we decided to convert all of the world's grain into bio-fuel, fossil fuels would still be required and we would not be left with anything to eat. In such a scenario, diversion of land that grows cereal for human consumption into bio-fuel production is self-defeating. This morning you mentioned Sir "increasing demand from emerging economies" as one of the causes of supply-demand tension. The CFA does not mention this. Nor does FAO.

The recent World Bank Report by its senior economist Don Mitchell, who has done a detailed month by month analysis of food price inflation, has concluded that: "Rapid income growth in developing countries has not led to large increases in global grain consumption and was not a major factor responsible for the large price increases". He has even discounted successive droughts in Australia. He concludes that "without the increase in bio-fuels, global wheat and maize stocks would not have declined appreciably and price increases due to other factors would have been moderate" and that higher energy and fertiliser prices accounted for an increase of 15% while bio-fuels have been responsible for a 75% increase between 2002 and February 2008. The Report finds that biofuels production has distorted food markets by diverting grain away from food to fuel (a third of US corn and half of EU vegetable oils); taking away land for bio-fuel production; sparking financial speculation in foodgrains.

The CFA here inverts the facts when it calls speculation a consequence of food export restrictions when these restrictions are clearly a consequence of the inflation fuelled partly by speculation. Incidentally the Report finds that Brazilian biofuels (derived from sugarcane) have not had such an impact. Also missing from the CFA is any meaningful reference to technology. Agricultural research and development and transferring new technology to farmers is crucial to enhance global food production as well as to address possible climate change impact on agriculture. In this regard, addressing TRIPS is essential to avoid monopolistic pricing of agricultural inputs, and institutions like the CGIAR must be supported. At the time of the Green Revolution, IPR for seeds were in the public domain. Today, thanks to TRIPS, they are in the private domain.

The CFA appears to treat short-term response measures by various countries from a uni-dimensional perspective. Yet, such measures have ensured food security for millions and there has been commodity price stabilization, as acknowledged by the CFA. Logically, the matter is straight

forward. The CFA's analysis of causes is not optimal - in terms of their relative importance and balance. Therefore its recommendations cannot be optimal in terms of relative priorities. However, I would like to support some specific recommendations in the CFA, on nutrition intervention, school feeding programmes, enhanced safety nets, boost to small holder farmer production, investments in rural and agricultural infrastructure as well as reduction in post-harvest crop losses. These are among the measures India has been advocating and implementing itself. Mr. President, Despite its shortcomings, the CFA at least represents an effort to address a pressing global issue.

However, no such global effort is visible when it comes to addressing the energy crisis. Over the last two years, oil demand has increased by one percent annually but prices in dollar terms have increased by ninety percent. It is time to take concerted global action now to address this crisis if we are to ensure that limited development gains are not lost. Let me conclude, Mr. President, on a positive note. India has been feeding seventeen per cent of the world's population on less than five per cent of the world's water and three per cent of its arable land. Over a period of time, we have taken several measures to further increase agricultural output and food security. Latest estimates indicate that India will have a record harvest for the year 2007-08, thereby continuing our self-sufficiency in foodgrains since the late 1960s thanks to the "Green Revolution". This experience gives us confidence that current global challenges can be met. But it requires genuine cooperation and concerted action at the global level.

I thank you, Mr. President.



**703. Statement by Permanent Representative at the UN
Nirupam Sen on the Letter dated 22nd November 2006
from the Secretary General Addressed to the President
of the Security Council at the Security Council.**

New York, July 18, 2008.

Mr. President,

At the outset, I thank you for scheduling this discussion on the UN Mission in Nepal, and for enabling our delegation to express its views on this matter.

The extent and depth of the India-Nepal bilateral relationship cannot be overemphasized. It is based on ties of history, culture, language, ethnicity, kinship and geography. We enjoy the closest political ties, with close relationships between our political parties, and equally close economic and commercial relations. India is also partnering Nepal's development, in sectors ranging from energy to agriculture.

Since our two countries share an open border, with open access to each other's markets and privileged access for the citizens of the other country, no country has more to gain from peace, stability and development in Nepal than India. It is for this reason that we have remained closely involved, not only in Nepal, but also in India and at all multilateral fora, through a decade of difficulties as an armed conflict raged, and subsequently as Nepalese leaders and people brought the conflict to a halt and began a peace process to bring closure to that conflict. Just as the conflict was indigenous, so too is the peace process. All credit should go to the people of Nepal and to the wise and statesmanlike efforts of Nepalese political parties and leaders for bringing about a peace process.

India has strongly supported the peace process in Nepal, the ownership of which is entirely indigenous. We have warmly welcomed every positive step taken by Nepalese stakeholders in a complex and sensitive process, without outside assistance or advice. Against all odds, and despite cynicism, the Nepalese people not only maintained the cohesion of the Seven Party Alliance, but also proceeded to implement their Comprehensive Peace Agreement. Despite delays, Nepalese authorities conducted an extremely successful Constituent Assembly election this April, which was truly a historic moment. Despite facing complex challenges in its peace process, Nepal and its leaders have indigenously addressed each of these.

As a close and friendly neighbour, India stands ready to assist in any manner that the leaders and people of Nepal may ask of us. Mr President, India has fully supported the UN's efforts to assist Nepal, at the request of the host Government. We have been in close contact with UNMIN at all levels, including in New Delhi. Our support was never limited to words: we also provided material support at the crucial phase when UNMIN was being established. Taking into account the current situation on the ground, we fully support Nepal's request, made formally on July 8, to extend the mandate of UNMIN for a further six months. The letter makes it abundantly clear that some of the mandates relating to the Mission, as laid down in UNSCR 1740, have already been accomplished. The request for an extension of six months therefore pertains to the remainder of the original mandate: a clear statement with nothing implied and nothing to be interpreted or clarified. We also note that this request is on the basis of a consensus between key Nepalese political parties, including the CPN (Maoist), who have a plurality in the Constituent Assembly. This consensus is also reflected in the June 25 Seven Party Agreement, and is therefore fundamental to the continuation of political processes in Nepal. I have carefully listened to the excellent statement of the PR of Nepal just now, and I noted that the idea of support for the peace process as whole does not find mention. From that standpoint, it is difficult to accept parts of the Secretary-General's latest report. Bearing in mind that it is at Nepal's request for assistance on specific aspects of its peace process that UNMIN exists, it seems inappropriate for the UNSG to advise this Council to extend the mandate for one month unless Nepal's request is "clarified".

In other words, unless Nepal's request is in line with what UNMIN wants it to say, the request is not good enough! This could imply that UNMIN would be asking the new government-whose constituents have expressed their views in the July 8 letter-to reinterpret the June 25 Agreement. In doing so, UNMIN could find itself in the unfortunate position of having its role become a matter of contention, rather than being seen as a positive contributor to the peace process. It may also be seen to imply that the report is suggesting that political formations that are to form the Government are liable to changing their minds. Not only does this run counter to the trend of Nepali political parties abiding by previous commitments, it is also an extraordinary claim to make, even by implication. Furthermore, the report also suggests, in para 64, that UNMIN has "been made aware" of a broad consensus within Nepal that continuation of a UN political presence is important for the completion of the peace process. While we would welcome being made similarly aware, what should have weight is not a subjective impression

that the UN may have gained through verbal interactions, but what the people's elected representatives convey in writing.

To our knowledge, UNMIN's support has not been sought in taking decisions on issues relating to the peace process. Indeed, the greatest strength of the peace process is that it has consistently been nationally-owned, directed and implemented. The Nepalese request for UN support was with regard to the implementation of aspects of their peace process which required an internationally-accepted monitor. These included advising the national election commission in the conduct of elections and monitoring the management of arms and the forces of the two contending armies. And yet, in para 68, it is asserted that the "key requirement now is not the continuation of monitoring arrangements so much as the transition to a durable and permanent solution". While this may or may not be so, it certainly cannot be automatically assumed that the durability and permanence of arrangements to address the problem of two armed forces depends on the active involvement of the UN. Mr. President, I am constrained to point out that we have noted a consistent effort to expand the definition of what Nepal seeks in terms of support to include a role in the Nepali peace process, irrespective of the desire of Nepalese interlocutors. To insist on a role that the host nation is reluctant to provide is to risk jeopardizing the work of UNMIN thus far. This should be avoided at all costs, as it is this that risks undermining the UN's investment in Nepal; not the other way around. In this context, this Council must also seriously consider whether to permit a liberal interpretation of the principle of the sanctity of a State's requests for specific assistance. We often hear the counter-argument that it is for the Council to decide on what action is appropriate in each case, but not when parallels are drawn between Nepal and other issues on the Agenda of this Council. Let us not forget that Nepal approached the UN for assistance of its own free will; not because the situation in that country was a threat to international peace and security. Mr. President, We therefore urge the Council to accept the Nepalese request, as contained in its letter of July 8, 2008, in letter and spirit. To put it directly, the continuation of UNMIN on a smaller scale, to engage in the remainder of the mandate for a period of six months, is what Nepal has sought. It is precisely what they should get; no more, no less.

Thank you Mr. President.



704. Statement by Permanent Representative at the UN Nirupam Sen at the meeting of the Open-ended Working Group on the Question of Equitable Representation and Increase in the Membership of the Security Council and other Matters related to the Security Council at the 62nd session of the UNGA.

New York, September 2, 2008.

Mr. President,

Thank you for finally convening this meeting of the Open-Ended Working Group to discuss its draft report for the 62nd GA.

GA Decision 61/561 gave a clear and unanimous mandate to the President of the General Assembly to commence intergovernmental negotiations at the 62nd GA on the basis of progress achieved and the proposals of all the member states. Yet, with less than 2 weeks to go for the conclusion of the 62nd session, this mandate so far remains unimplemented. The report may do its best to give the impression of movement without real movement and give regress the mask of progress but nothing can conceal this failure. It was amply clear in the 61st session that we cannot have a unified internally consistent initial basis for negotiations. Hence the unanimous mandate 61/561 at the end of the 61st session. The 62nd session has tried the same experiment and failed with the same failure, only more ingloriously - instead of implementing a clear unanimous mandate which envisaged an initial internally inconsistent basis for negotiations which was envisaged to become more coherent and consistent through the process of negotiations. In place of such an implementation, all this elaborate machinery - overarching groups, seven pillars, task forces - has only meant so many diversions, false trails, red herrings, obstacles and impediments rather than concrete implementation of a unanimous mandate. Instead of going down the main road, all this rushing down blind alleys has inevitably meant coming to dead ends.

The draft OEWG report ignores the factual observation of even the Task Force Report that all delegations are in favour of commencing inter-governmental negotiations. It ignores the views of the small and island states grouped around Resolution L69 who have repeatedly called for the commencement of inter-governmental negotiations. In short it ignores the views of the majority and is simply an attempt of a tiny and unrepresentative

minority to again delay inter-governmental negotiations and to redefine and dilute the unanimous mandate of the 61st session. As in previous sessions since 1994 the draft text seeks to push this issue to the next session: as a radical thinker once wrote, history repeats itself, the first time as tragedy, the second as farce.

The same thinker in the same text said that when we do real things then the content goes beyond the phrase. When we do not do anything real, then the phrase is more than the content, in fact the phrase is everything and the content nothing. The draft that is before us today has been selectively discussed with a few chosen delegations. How can we build in an open, inclusive and transparent manner on something whose basis is non-open, non-inclusive, non-transparent, crafted by a narrow group of four who cannot be considered representative? This is not democratic but anti-democratic, not transparent but opaque, not inclusive but exclusive, not open ended but closed to the overwhelming majority. Further, the views and amendments of a minority have been incorporated, while ignoring those of the overwhelming majority. Their aspirations are clear - commence intergovernmental negotiations now, in an informal GA plenary, without preconditions, so that the long delayed comprehensive reform of the Security Council can begin. This majority does not understand why intergovernmental negotiations have not yet started; it questions why the mandate of the OEWG must be renewed year after year, when it is clear that its deliberations are not moving the process forward; it rejects attempts by a few to block commencement of negotiations through obfuscation.

As mentioned in the "Alice in Wonderland"/"Alice Through the Looking-glass" books, we have been running very fast in order to stay where we are, in fact to regress. We have been wandering not even in wonderland but in a wilderness. The draft OEWG report is but the stamp and seal of approval on this bare-faced mummery, the finishing touches on this make-believe, looking-glass world. We cannot be a party to this. There is a clear unanimous mandate given by the 61st session. We should implement it. There is still time to commence intergovernmental negotiations during this session. It is with this hope that I will outline some of our concerns with the draft report presented by you. Let me also reiterate that we cannot accept a report that does not address these concerns.

Mr. President,

Despite the serious misgivings that many colleagues articulated at the last OEWG meeting about the "seven principles", the draft report and the draft

decision repeatedly refer to these principles as having been supported and their relevance being reaffirmed. This is far from accurate. The "seven principles" may have been generally accepted as useful in the context of OEWG only but they most emphatically do not apply to inter-governmental negotiations. Out of deference to you, Mr. President, we, like the silent majority, had not theoretically challenged these principles on earlier occasions when you had referred to them though we had clearly said that life had moved on and that these principles in any case cannot supersede Decision 61/561. Most important of all these have never been inter-governmentally agreed on and therefore cannot form part of the basis for inter-governmental negotiations. Many of the principles are irrelevant at this stage, and some principles appear to be there only for misuse by some Member States. They certainly cannot be a basis for intergovernmental negotiations.

There is little point in using language about "general agreement" from the Resolution setting up the OEWG. At that time it was expected to promote such agreement and facilitate reform. Over the last fifteen years has it done so? It has become a prolonged excuse for doing nothing, a mere talking shop, an ersatz for reform, a justification of inaction. Did we follow this path for the PBC or HRC? No. That is why we have these bodies rather than mere talk about how to set up these bodies. Attempts to straitjacket the negotiations under the term "general agreement" cannot hide the true intent of its proponents, i.e., the desire of a small minority to block the yearning for change of the overwhelming majority. The reference to this term has been extracted out of context from some previous resolutions. Let us not forget that Decision 61/561, adopted not only by general agreement but unanimously, has not yet been implemented. If we need to specify the degree of support required in this process towards reform, let us use a term that has been accepted, i.e. "the affirmative vote of at least two thirds of the Members of the General Assembly" from GA Resolution 53/30. We would insist that the term "general agreement" be deleted in the chapeau of the draft decision as well as in para (c), and it be replaced with the above agreed formulation.

Let me now refer to what many will argue is the "progress" achieved in this draft decision over previous OEWG reports, i.e., para (e) that purportedly "decides" to commence intergovernmental negotiations. Yet, this para does not talk of when such negotiations are to begin or even where they are to begin. Moreover, the draft decision also includes various erroneous and

irrelevant references, which will only serve to put pre-conditions on any negotiations rather than move them forward. Actual commencement of negotiations remains a chimera.

If we genuinely want to commence negotiations, we need to be more specific, and eliminate all pre-conditions. We still have a little less than 2 weeks in this session - we would propose that we mandate negotiations to commence within one week of the adoption of the draft Decision, in an informal plenary of the GA, which is the only place for such negotiations to be conducted if they have to be open, transparent and inclusive. Further, intergovernmental negotiations, as the name suggests, should be on the basis of proposals of member states, clustered around key issues. These changes would permit us to salvage something from this session by actually commencing negotiations during this session.

That takes me to para (d), which attempts to define the basis for negotiations. It is not clear why we have to indulge in a selective identification of issues and documents, which are irrelevant to the commencement of negotiations. Once we have decided that the negotiations are to be based on the proposals of member states i.e. para (d) (1), there is absolutely no need for sub-paras (d)(2) and (d)(3). On the contrary, these can only serve to put road-blocks to the commencement of negotiations. We seek deletion of these two sub-paras. The draft decision on the draft OEWG report was first made public at a lunch in the appropriately named Racquet Club hosted by the distinguished Permanent Representative of San Marino. At the lunch, many Permanent Representatives, including those of South Africa and Singapore (the Chair of the Federation of Small States) called for the deletion of these paragraphs. Their advice has been ignored. The advice of many African states and small and island states who cosponsored the L69 Resolution has also been ignored. In short, the principle followed is to set aside the views of the majority and go by the views of a tiny minority. At lunch, there were about forty members present but this was considered unrepresentative and therefore the number was reduced to four (to make it more representative) in order to consider and craft the draft decision. The game therefore shifted from the Racquet Club to playing tennis without rackets and without nets, in fact without rules, especially the democratic rule of majority. As a Roman writer said of fifth century Gaul "Ibi totum licet" (There, anything goes).

We also presume that the reference to "a basis" rather than "the basis" at the end of para (d) is but a typographical error, which must be rectified.

A final point, Mr. President. Originally, you had correctly placed para (f), dealing with the report of the 63rd session OEWG, after current para (c). Yet, apparently at the instance of one country, its location has been changed. A similar construction in Decision 61/561 allowed some countries, quite disingenuously, to argue that since the paras before and after para (d) in that Decision referred to the OEWG, para (d) also implicitly referred to the OEWG. This was despite the clear understanding at that time that para (d) referred to negotiations in the GA plenary. We do not wish to see history repeat itself - let me be clear on our request that para (f) must be repositioned after para (c), while paras (d) and (e), which do not refer to the work of the OEWG, must be placed thereafter.

I have circulated, along with the written version of my statement, a summary of the textual changes that we are seeking. We request you to take these into account and make the necessary amendments. We remain hopeful that intergovernmental negotiations will be commenced during this session, so that a reform of the Security Council, including an expansion in permanent and non-permanent members, reform of its working methods and access for small and island states, sees the light of day. On an earlier occasion, I had referred to the great seventeenth century scientist Pierre Fermat who discovered the principle of least action. We should not go better and discover the principle of no action. It is also worth remembering that the General Assembly cannot be revitalized except through action. The debate therefore is not over phrases but over action: the choice is between language that leads to action and language that merely leads to further talk and inaction.

Thank you, Mr. President.

Amendments sought in the draft OEWG report

- Para 8: Delete the phrase "that were accepted" after the phrase "... seven principles" in line 9.
- Para 13: Delete the phrase "and reaffirmed their support for the seven principles" after the phrase "Member States exchanged views" in line 2.
- Para 15: Delete the phrase "the relevance of the seven principles and" after the word "reaffirmed" in line 3.

- Chapeau of the draft decision should be amended to read as "Mindful of the importance of the affirmative vote of at least two thirds of the Members of the General Assembly on the Question of Equitable Representation on...."
- Para (c) of the draft decision should be amended to read as "...the General Assembly aimed at achieving the affirmative vote of at least two thirds of the Members of the General Assembly in the consideration of all issues ..."
- Sub-paras (d)(2) and (d)(3) : Delete these sub-paras.
- The last line of para (d) should be amended to read as "form the basis for intergovernmental negotiations".
- Para (e) should be amended to read as "Decides also, building on the progress achieved so far, particularly during the sixty-first and sixty-second sessions, as well as the positions of and proposals made by Member States, to commence, within one week of the adoption of this Decision, intergovernmental negotiations on the basis of the positions of and proposals made by Member States clustered under key issues, in an informal plenary of the General Assembly, in good faith, with mutual respect and in an open, inclusive and transparent manner, on the question of equitable representation on and increase in the membership of the Security Council and other matters related to the Security Council, with the objective to seek a solution that can garner the affirmative vote of at least two thirds of the members of the General Assembly".
- Para (f) to be repositioned between current paras (c) and (d).

Extempore remarks by Permanent Representative Ambassador Nirupam Sen, in exercise of Right of Reply at the OEWG meeting on September 2, 2008.

I regret that the distinguished Permanent Representative of Italy is not in the Chamber. First of all, let me welcome him to New York, to this family of Permanent Representatives with all my heart and in all sincerity. I am glad that he is continuing the debating tradition of Marcello at whose departure I was worried that I was losing a debating partner. I am afraid that the distinguished Permanent Representative of Italy misinterpreted my statement. At no stage did I say that I do not want minority views reflected in the document. My demand was much more modest - that majority views

should also be reflected in the document, that minority views should not displace majority views. Incidentally, by identifying with the minority, the distinguished Permanent Representative of Italy admitted to the fact that the UFC is in a minority.

There were also a couple of factual inaccuracies when he spoke on the earlier reform process. Contrary to what he said both PBC and HRC were set up by a vote. The UNSC voted on the PBC and the GA voted on the HRC.

We have no difficulty in discussing regional seats. The point is not whether to discuss or not discuss regional seats. The point is whether to simply go on discussing regional seats or put this to the test of negotiations. Of course it is safer to just talk about regional seats. One could talk about them forever.

Apropos of the remarks of one of his UFC colleagues, I admit to being part of "the forces from multidimensional sources". The meaning of this may be obscure the rhyme is indisputable. I suppose when one is going away, one tends to be a little poetic.

As for divergences, Decision 61/561 is clear. It mandates negotiations on the basis of these divergences and implicitly envisages these being watered down and a more coherent and more cohesive text emerging through the process of negotiations. But this cannot happen if we do not even begin to negotiate.

I agree that to reform UNSC comprehensively is ambitious. I suppose those seeking to prevent this are guided entirely by lack of ambition and altruism. I suppose they do not have ambition because, as Shakespeare said, ambition is made of sterner stuff.



**705. Statement by Permanent Representative at the UN
Nirupam Sen on Agenda Item 118 - The United Nations
Global Counter Terrorism Strategy at the 62nd session
of the UNGA.**

New York, September 5, 2008.

Terrorism continues to be a pervasive and insidious threat to global security and to the core values of the United Nations. The recent attack on the Indian Embassy in Kabul and the serial blasts in Bangalore and Ahmedabad are gruesome reminders of the violence that we continue to face. Investigations are continuing and important arrests have been made. India therefore has an overriding interest in greater and more meaningful international cooperation to counter terrorism. It also underscores the rationale behind our conviction that no political cause, no argument, no belief can or should be used to justify acts of terrorism.

The future of the international campaign against terrorism hinges on success to root out terrorist networks and deter regimes from encouraging or harboring armed extremists. The General Assembly's inability to reach an agreement on concluding the Comprehensive Convention against International Terrorism (CCIT) limits the impact of its counterterrorism efforts. We urge Member States to seriously consider the package presented by the Coordinator that bridges the divergent views and facilitate the successful closure of the protracted negotiating process of concluding the CCIT. The adoption of a CCIT, through exercising the law-making powers of the General Assembly, is in the interests of all member States and would reinvigorate the multi-lateral and collective dimensions of counter-terrorism efforts. We continue to call upon the world to act as one in denying terrorists, their ideologues and financiers access to arms, funds, means of transportation of their deadly goods, as well as safe havens.

The significance of the UN Global counter terrorism strategy adopted two years ago, lies in the fact that it established a global counter-terrorism framework and presented a template that would be pivotal in guiding counter terrorism efforts of Member States as well the United Nations system.

We thank the Secretary General for his Report on activities of the United Nations system in implementing the Strategy, highlighting the efforts of the United Nations system to support implementation of the Strategy, both through its individual departments, specialized agencies, funds and

programs and through the Counter-Terrorism Implementation Task Force. We hope that the institutionalization of the Task Force would significantly strengthen its efforts to enable the different United Nations entities to effectively cooperate, coordinate and streamline the work of the United Nations system in the field of counter terrorism. In this regard we welcome the proposed "integrated implementation initiative" that will help the United Nations to deliver as "one" and avoid duplication.

Mr. President,

The primary responsibility of implementing the Strategy rests with the Member States; therefore we foresee the practical engagement of the Task Force with the Member States essentially to be at the bilateral level that would be guided by individual needs of each Member State. Nevertheless, we also encourage Member States' interaction with the Task Force that will provide them an opportunity to receive briefings from the Task Force on its work.

At the national level, as an unfortunate but inevitable result of our tragic history of dealing with terrorism, India has accumulated the expertise and experience for doing so. Our own efforts utilize all available tools within the arsenal of a democratic nation, governed by the rule of law. They run the gamut of efforts from surveillance methods governed by law, monitoring of financial flows and effective legislation regarding dual use items, to old fashioned police investigation work. Some of these measures are listed below:

I. Measures Conducive to the Spread of Terrorism

We are convinced that terrorism, in all its forms and manifestations, irrespective of its motivations, is a criminal and unjustifiable act and therefore reiterate that "no cause, no matter how just, can excuse terrorism".

The 13 major UN instruments relating to specific terrorist activities remain fundamental tools in the fight against terrorism. India is a Party to all the 13 major legal instruments. We also attach utmost importance to the fulfillment of obligations under the relevant counter terrorism resolutions of the United Nations. We have filed five National Reports to the Counter Terrorism Committee, giving a comprehensive picture of steps taken by India to counter terrorism. A 14 member composite delegation of UN counter-terrorism experts had visited India in 2006. A detailed presentation of India's counter-terrorism strategy was made to the Committee.

India is a nation inhabited by diverse cultural, religious and linguistic groups and has a long history of peaceful and harmonious existence in a multi-ethnic, multi-religious, multi-lingual and multi-cultural milieu. This has been possible only through a long heritage of dialogue and assimilation among people and myriad influences through the centuries. India believes that the process of encouraging the dialogue should also involve formulation of common approaches towards targeting eradication of poverty and fostering national and international co-operation to reduce economic and social inequalities. The Government of India through its National Common Minimum Programme addresses issues such as elimination of disparities in access, empowerment of women and securing a rightful place for the disadvantaged and the minorities. Several measures have been taken including positive discrimination to bring up their socio-economic and educational levels.

We have been following a growth process that is much more inclusive, endeavouring to raise incomes of the poor to bring about a much faster reduction in poverty, generate expansion in good quality employment, and ensure access to essential services such as health and education for all sections of the population. [Employment growth in India accelerated to 2.6% during 1999-2005 outpacing population growth. Employment generation, on a sustainable basis, has been one of the important objectives of India's planned economic development]. A notable initiative namely, National Rural Employment Guarantee programme was launched in 2006 which extends to the entire country and is one of the largest social security measures in history. It makes the right to work a fundamental right by providing 100 days of assured wage employment annually to one adult member in every rural household.

II. Measures to Prevent and Combat Terrorism

India's avowed policy is to deny safe havens and any support to terrorists. We have in place an extensive legal framework for tackling terrorism. The Unlawful Activities (Prevention) Act incorporates provisions that deal with all aspects of terrorism including incitement. The Act also criminalizes raising of funds for terrorist activities, holding of proceeds of terrorism, harboring of terrorists, unauthorized possession of any bomb, dynamite or hazardous explosive substance or other lethal weapon or substance capable of mass destruction or biological or chemical substance of warfare.

The necessary legal, regulatory and administrative framework for combating money laundering and financing of terrorism is also in place. The specific

legislations to prevent financing of terrorism include: (a) Foreign Exchange Management Act, 1999, (b) Narcotic Drugs and Psychotropic

Substances Act, 2003; and (c) Prevention of Money Laundering Act, 2003 of 1967 as amended in 2004,

A Financial Intelligence Unit-India is already in operation and is the nodal agency responsible for receiving, processing, analyzing and disseminating information relating to suspect financial transactions to intelligence and enforcement agencies.

The linkages between organized crime and terrorism also need to be more effectively addressed. The threat from nuclear, chemical and biological weapons proliferation and their use by non state actors has been always been a matter of great concern for India. To address these concerns we introduce annual Resolutions in the UNGA entitled "Reducing Nuclear Danger" and "Measures to prevent terrorists from acquiring weapons of mass destruction." India has not only adhered to the existing regulatory framework governing controls over weapons of mass destruction and their means of delivery but has proceeded to strengthen these obligations by enacting an overarching and integrated legislation prohibiting unlawful activities in relation to weapons of mass destruction and their delivery systems (The Weapons of Mass Destruction and their Delivery System (Prohibition of Unlawful Activities) Act, in 2005).

The indiscriminate and irresponsible use, including by non-State actors, of conventional weapons is also an issue which is of great concern to us as it continues to pose a grave danger to the security of States. Through appropriate legislative, procedural and administrative measures, an effective and comprehensive system has been instituted to regulate strategic exports from India to ensure that these weapons do not fall into wrong hands - whether state or non-state actors. Laws such as The Explosive Substances Act, 1908; The Narcotic Drugs and Psychotropic Substances Act, 1985; The Environment Protection Act, 1986; The Atomic Energy Act, 1962; The Foreign Trade (Development and Regulation) Act, 1992; The Customs Act, 1962 form the legal basis of India's system of export Controls. Various agencies of the Government are empowered to enforce the provisions of these laws.

The enforcement of effective customs, immigration and border controls are also necessary to prevent the movement of terrorists and the establishment of safe havens. We have appropriate controls in place. India is Party to the International Convention on Mutual Administrative Assistance in Customs

Matters (Johannesburg Convention), aimed at enhancing cooperation among Customs Administration of various countries to ensure supply chain security; and the International Convention on the Simplification and Harmonization of Customs Procedures (the Kyoto Convention) and has in place legislation and procedures to cover these Standards.

International Cooperation

The intricate linkages and networks that unite terror groups can only be challenged through concerted international cooperation and efforts by way of extradition, prosecution and information flows. India is engaged in these efforts at the regional as well as bilateral level.

India is a Party to the SAARC Regional Convention on Suppression of Terrorism. It provides for extradition of persons accused of terrorist activities within the SAARC member countries. To facilitate extradition in the absence of a bilateral agreement, the Indian Extradition Act, 1962 has provisions for treating an international convention as an extradition treaty to which India and a foreign State concerned are parties in respect of the offences dealt under that convention. In addition India has entered into bilateral extradition agreements with several countries.

India has a well developed law on mutual assistance in criminal matters which enables it to seek from and extend cooperation to foreign States in respect of mutual legal assistance in criminal matters. India has concluded Mutual Legal Assistance Treaties with 26 countries and 5 more Treaties are under negotiation. To ensure a greater sense of security within the South Asian region, recently at the Fifteenth Summit of the SAARC, a Convention on Mutual Legal Assistance in Criminal Matters was adopted which allows Member States to provide each other the greatest measure of mutual assistance in criminal matters.

India has been working with its international partners and regional organizations to prevent and combat international terrorism. We have constituted Joint Working Groups with 25 States, and regional organizations like the EU and BIMSTEC, for coordinating and cooperating in counter-terrorism efforts. These Groups meet regularly, and have proved useful in providing a forum for exchange of information and experiences.

III. Developing State Capacity to counter terrorism

We believe that capacity-building is one of the essential elements in combating terrorism. The Strategy in its entirety recommends an expanded role for the

existing counter-terrorist legal and institutional framework within the U.N, to enhance capabilities of Member States to combat terrorism. The various UN and other specialized agencies therefore have not only to coordinate their efforts but have to ensure that counter terrorism approaches and measures, cater to regional, national as well as contextual and functional specificities to facilitate multidimensional technical assistance needs. In this regard we appreciate the efforts of the Task Force which is engaged in ensuring coordinated and coherent efforts across the UN system to counter terrorism.

India remains willing to provide all assistance in the larger effort to counter the threat of terrorism. We are willing to share information with relevant UN entities and provide assistance bilaterally or multilaterally, especially to countries that are themselves not directly threatened by terrorism, but whose participation is vital to the success of the larger international effort.

IV. Measures to ensure respect for human rights and the rule of law as the fundamental basis of the fight against terrorism

Terrorism is an attack on the values that define the international community and seriously impairs the enjoyment of human rights. It intimidates the population and undermines the stability and prosperity of our societies. Nevertheless, States must ensure that all measures to combat terrorism comply with obligations under international law, in particular international human rights, refugee, and humanitarian law.

India has strong democratic institutions, an active civil society, free media and a legal community, firmly committed to the rule of law and the preservation of human rights. The security forces have strict directions to adhere to human rights standards while combating terrorism. We are committed to upholding human rights and ensuring that there is no impunity.

We appreciate the convening of the symposium on victims of terrorism that will help to put a human face on the scourge of terrorism and provide a forum for victims' voices. The best tribute we can pay to the victims of terrorism is to ensure no one else in the world suffers their fate.

It will be remiss of me not to thank Ambassador Rosenthal, the Permanent Representative of Guatemala, who has very ably facilitated the informal consultations to finalize the draft resolution to be adopted by the General Assembly.



706. Statement by Counsellor at the Permanent Mission of India at the UN Dr. Anupam Ray on Second Regular Session 2008 of the Executive Board of UNDP/UNFPA.

New York, September 8, 2008.

Mr. President,

We congratulate you and other members of the Bureau on your election. We look forward to working constructively with you and the other members of the Board during the course of this meeting and for the rest of the year. We also thank the Executive Director for her introductory remarks and for the statement.

At the outset, India would like to express its appreciation of the work of UNFPA and its consistent support, to the National Programmes, particularly those aimed at realization of the MDGs. The contribution of UNFPA as reflected in its country programmes has grown from US \$ 46.40 Million under the country Plan - 1 (1974-79) to US \$ 65 Million under country Plan - 7 (2008-2012). The country Plan - 7 as approved by Government of India, includes US \$ 60 Million from regular resources and another US \$ 5 Million from Other Resources. While this is but a small part of the total funds proposed to be invested by India in its Reproductive and Child Health Programme Phase - II, the strength of UNFPA lies in its partnership, technical support and the access to global best practices that it brings to our national efforts.

The Government of India is also appreciative, of the decision of UNFPA, to join pool financing along with the World Bank and the United Kingdom. The resultant sector-wide approach will, we hope, assist Government of India to expedite attainment of the MDGs and at the same time enhance the scope of participation of the UNFPA in the related programs of the country.

India has been making a steady progress towards attainment of the MDGs. A National Rural Health Mission has been launched in 2005. Health sector funding is expected to increase from the 2005 level of 0.9% of the GDP to 2-3% of the GDP by 2012. The total budgetary support to the health and family welfare programmes for the year 2008-09 is approximately 3 Billion USD. This is the larger framework at the national level of which the Country Programme - 7 will be a part. In particular India welcomes the focus of the programme on reproductive Health, Gender and Population and Development.

Health policy is gender sensitive. Gender analysis is used in health sector policy and planning and gender disaggregated data is being collected under all major programme interventions. Gender budgeting has been introduced across all sectors by the Government of India. A strengthened Preconception and Prenatal Diagnostic Techniques Act has, as its main objective checking female foeticide. UNFPA's partnership in this area has been particularly valuable. This has included important advocacy initiatives of working with Parliamentarians, partnering the medical fraternity, reaching out to religious leaders, working with the media & the entertainment industry etc.

In concluding, my delegation would like to state that the Government of India also values UNFPAs contribution in Government initiatives to operationalise the adolescent reproductive and sexual health strategy. This has included assistance in training and outreach and involvement of civil society.

Thank you, Mr. President.



707. Statement by Counsellor at the Permanent Mission of India at the UN Dr. Anupam Ray on Informal Plenary Consultations on System-wide Coherence.

New York, September 8, 2008.

Distinguished co-chairs,

Let me begin by thanking you for organizing today's informal plenary consultations on the issue of Systemwide Coherence. I would also like to place on record the appreciation of my delegation for the exhaustive report of the co-Chairs on System-wide Coherence as well as the options paper from the Secretary General concerning Gender Equality and the Empowerment of Women in its institutional dimension. They are both important additions to the ongoing intergovernmental process of consideration of the recommendations of the High Level Panel. My delegation at this point would like to align itself with the statement on this issue made by the Joint Coordination Committee of NAM and G77.

Distinguished co-chairs,

The report, its conclusions and recommendations, and the paper that we have before us today bring us to an important point in this inter-governmental exercise. Before we continue further, we need to remind ourselves of the objective of this exercise. It is to bring about improvements in the functioning of the development operations of the United Nations. When we talk of improvements, my delegation means genuine, verifiable improvement in the quality of development services, further enhancements in responsiveness to national requirements and a greater share for and a greater control by the United Nations of the global flows of voluntary funding in terms of budgetary discipline and Fifth Committee oversight.

Developing countries greatly value the universal, multilateral and impartial nature of UN Development Operations and would like the present process to strengthen it. Distinguished co-chairs, Keeping this overarching objective in mind, my delegation would like to express its support for the decision to restrict further inter-governmental deliberations on the issue of System-wide Coherence to Delivering as One, the Harmonization of Business Practices, Funding, Governance and Gender Equality and Empowerment of Women.

Restricting the agenda would improve the relevance of our deliberations and make them more focussed. We would, however, like to make it clear

that our endorsement of a restricted agenda does not in any way constitute a pre-judgement of its outcome or our stated positions on the items that remain on the table.

Distinguished co-chairs,

We have noted the conclusions and recommendations in respect of "Delivering as One". We have been told that this is essentially a management exercise, an exercise in rationalization that will improve delivery of services. We have apprehensions that we are pre-judging the impact of the exercise of "Delivering as One" and "One Leader". Our reservations on this topic have been reiterated on numerous occasions. We would also like to take this opportunity to stress that there is not enough data from the Pilots to analyse the impact of this structural change. We would therefore be ill-advised if we presume at this stage this change will actually make it easier for the UN system to work.

Distinguished co-chairs,

We would like to commend the Secretariat on its excellent presentation on the institutional options relating to the gender entity. The Government of India is fully supportive of the objectives of gender empowerment, gender parity and gender mainstreaming that this entity is meant to support. These are laudable objectives and the United Nations is mandated to pursue them both within and without. To those who believe that the Gender Entity will significantly improve the capabilities of the United Nations in this regard, we would like to sound a note of caution in the absence of clear proposals on funding, as we had stated to the co-Chairs. Gender mainstreaming is difficult to measure. Gender parity is easy. The United Nations was mandated in 1994, in 2000 and 2003 to bring about Gender parity amongst its employees. It is instructive to note that there has been hardly any improvement in female representation amongst UN employees in the last five years.

Distinguished co-chairs,

We believe that an invigorated gender entity must be genuinely accountable to Member States and must be adequately resourced. Genuine accountability can only be ensured if the General Assembly is involved in the process of selection of the entity through a system of confirmation hearings or through a system of vetting a short-list of qualified candidates. It would also require that the entity be subject to the financial and administrative authority of the General Assembly.

Distinguished co-chairs,

We need to ensure that the exercise of creating entities does not become an endeavour to rob Peter to pay Paul. We are distressed to note that there is no commitment to increase the availability of funds. My delegation believes that funding - core, predictable funding, funding without conditionalities, remains the key to the objective of making the United Nations deliver better and more. The Secretary General has repeatedly reported, most recently in A/63/201 that trends in financing the United Nations system, in particular the decline in core resources are of great concern. In the absence of a sound financial footing and an expanded funding base, the ability of the UN system to deliver coherently, relevantly and effectively is impaired.

Distinguished co-Chairs,

My delegation believes that the co-Chairs have correctly captured the mood of the General Assembly when they state in respect of Governance that there is no palpable appetite for establishing new inter-governmental processes. The co-Chairs subsequent remarks that the Executive Boards and ECOSOC need to be more actively involved are of particular relevance given the skewed balance in core and non-core funding.

In concluding, my delegation fears that in the absence of increased funding and accountability, the current debate on management changes and creation of entities may become an exercise in the creation of a system that is low on delivery and high on advice. Advice of a kind that the entities themselves do not or cannot follow and which developing countries do not want.

Thank you, Distinguished co-Chairs.



**708. Statement by Permanent Representative at the UN
Nirupam Sen on Symposium on "Supporting Victims of
Terrorism".**

New York, September 9, 2008.

The multiple ways in which terrorism challenges the core principles of humanity and the mandates of the United Nations are all the more evident as we convene today for this very important symposium on "Supporting Victims of Terrorism". We thank the Secretary General for this initiative.

In recent years India has been subject to horrific terrorist attacks. The recent attack on the Indian Embassy in Kabul and the serial blasts in Bangalore and Ahmedabad are gruesome reminders of the violence that we continue to face. These acts of terrorism are clearly designed to spread terror among common people, harm the economy and trigger communal clashes. It is a measure of good sense and resilience of ordinary people that these attempts fail. Investigations have been relatively quick, important arrests have been made which would give us an insight into terrorist networks and their external ramifications. This senseless killing of innocent civilians in my country and elsewhere reinforces the continuing importance of strong international resolve and a coordinated global approach to confront the threat posed by terrorism.

I salute the victims of terrorism present here. The panelist from Spain made the important point that terrorists should be de-legitimized. Here the old Christian distinction between the martyr and the suicide is helpful and relevant to our time: the blood of the martyr was the seed of the church while the suicide could not be buried in a cemetery but had to be buried at the crossroad with a stake driven through his heart. A martyr dies that others may live. A suicide bomber dies so that others may die. One cannot even accurately describe him as a fundamentalist since he does not know the fundamentals of any faith. One cannot even accurately call him a fanatic since he does not have the dignity of any religious conviction. He is just a low criminal and necrophiliac mountebank. His victims are the real martyrs asserting the right to life, the living courage of society and the right to resist terrorists.

The international conventions on terrorism focus on promotion and protection of human rights and fundamental freedoms while countering terrorism. However, for the first time the United Nations Global Counter

terrorism also recognizes the need to express solidarity with innocent victims of this scourge and specifically addresses victims of terrorism under two of its pillars: the section on measures to ensure human rights for all and the rule of law as the fundamental basis for the fight against terrorism, and in the section that addresses conditions conducive to the spread of terrorism strengthening secular nationalist forces rather than weakening them would reduce the political space open to fundamentalists. In any case, this was necessary to accord adequate recognition and support to victims of terrorism.

The support to victims of terrorism has to take into account the immediate medical needs after a terrorist attack (as so eloquently described by the panelist from Kenya) and thereafter the long term rehabilitation and support requirements. The Government of India endeavours to take all these needs into account. It has introduced a compensation scheme to assist victims of terrorist violence. Under this scheme, financial assistance is admissible to the family member(s) in the event of death or permanent incapacitation of the victim, who was the bread-winner/householder of the family, by terrorist violence. Families of the victims are eligible to get assistance under this scheme even if they have received any other assistance, by way of payment of ex-gratia or any other type of relief from the Government or any other source.

In addition, those permanently incapacitated, and the members of the family of the victims killed/permanently incapacitated by the terrorist violence are given a health card by the District Health Society, functioning under the National Rural Health Mission. This card entitles them to free medical treatment in respect of injuries due to violence and all other major illnesses.

The Central Government has also earmarked a special quota for dependents of civilian victims in medical education and entitled beneficiaries are given admission on fulfillment of minimum eligibility requirements for the course. Apart from the above, the State Governments have also been compensating victims in accordance with their policies.

As regards victims belonging to security forces, every state has laid out its own compensatory policy for security forces killed under its jurisdiction. The central paramilitary forces, besides compensation, are also entitled to liberalized pension awards.

The above-mentioned Government of India schemes are complemented by numerous other victim assistance programs that are managed by state

governments and civil society. Terrorism is an attack on the values that define the international community and seriously impairs the enjoyment of human rights including the right to life. The provision of assistance to victims and solidarity with them helps facilitate normalization of their lives whilst uniting public opinion against the terrorists. India remains fully committed to do its utmost to look after victims of terrorism and protect their dignity.



**709. Statement by Permanent Representative at the UN
Nirupam Sen at the meeting of the Open-ended Working
Group on the Question of Equitable Representation and
Increase in the Membership of the Security Council and
Other Matters related to the Security Council at the 62nd
session of the UNGA.**

New York, September 10, 2008.

Mr. President,

Thank you for convening this meeting of the Open-Ended Working Group to further discuss its draft report for the 62nd GA.

We have stressed on various occasions, the need for an open, inclusive and transparent approach in a matter as important as that of reform of the Security Council. You have yourself voiced support for such an objective. Yet, in practice, these goals remain on paper. We are dismayed that, except for one open-ended meeting on September 8, 2008, the entire process of consultations on the draft report before us has been shrouded in secrecy and selective participation. To convey our disapproval of the closed-group format you have favoured, we did not attend the selective meeting that you organized yesterday. Any claim, therefore, that this text has been widely consulted, is not factually correct.

As regards the text in front of us we dispute the "progress" made in this session because going round in circles is certainly movement, but equally certainly not progress but we can live with this world. We can go along with para 8 as reformulated. However, we continue to have serious concerns over PP 3 of the draft decision regarding the 7 principles. We reiterate that the reference to the 7 principles must be deleted from the draft decision.

All Member States have accepted the need to commence inter-governmental negotiations. The demand of the majority is clear-commence intergovernmental negotiations within a defined timeframe, in an informal GA plenary, without preconditions. Unfortunately, sub-para (c) does not meet this simple requirement, though it disingenuously attempts to portray itself as commencing negotiations. Sub-para (c) does mention a timeline for commencement of negotiations in the GA. But it talks of a majority "well above the required majority". This is ultra vires the Rules of Procedure of the GA, the UN Charter (Article 18) and even GA Resolution 53/30 adopted by consensus. It amounts to an imprecise, illegal, informal and back door amendment of the rules. So much for respect for law shown here. At the time when the Facilitators' Reports were being discussed, I recall making this point. I also recall saying that one cannot conflate the view of the P-5 PRs with what their legislatures will do at the time of ratification which is what Article 108 is all about. In any case, it is amusing that in the same breadth the draft decision cites Article 108 and violates Article 18 of the Charter and we are expected to adopt this absurdity by consensus.

In particular, there is no rationale for selectively quoting from various facilitators' reports to define a new provision for decision-making. The language in sub-para (c) has not been intergovernmentally agreed to, and incorporating it in a GA Decision would be tantamount to giving it a legal status that it does not possess. Such political language has no place in a GA decision. I am reminded of George Orwell's "Politics and the English Language" which correctly defines political language as "the defence of the indefensible", designed to make non-facts facts and "give an appearance of solidity to pure wind". Let me be clear - we cannot accept this formulation.

Sub-para (c) also mentions that the negotiations will "at the outset" address the framework and modalities of negotiations. To our mind, this stipulation is irrelevant. Once we have agreed that the negotiations will be in the informal GA plenary, the framework has been defined. The modalities are also clear - negotiations will be based on proposals of Member States. Putting this last sentence is mischievous - it only strengthens the hand of the minority that seeks to block commencement of negotiations by arguing that framework and modalities have not been agreed upon.

We note that you have further weakened the basis for negotiations by using the term "basic elements" in sub-para (d), at the behest of one country. In the same vein, we cannot accept the negotiables as defined in the Annex

II A/61/47, which is not an intergovernmentally negotiated Annex. We have earlier conveyed our objection to the selective listing of items as negotiables, and we certainly do not accept those identified in A/61/47. We would therefore request deletion of sub-para (d)(ii). We can accept sub-para (d)(iii) as these are intergovernmentally accepted documents.

We have repeatedly conveyed our concerns on the placement of sub-paras (e) and (f), which implicitly attempt to define the OEWG as the venue for negotiations. These concerns remain valid. The distinguished Permanent Representative of Mauritius correctly called for clarity. We should clarify that negotiations would be in the informal plenary of the General Assembly.

Mr. President,

We have tried to show maximum flexibility. If, however, the amendments I have outlined (we shall circulate these) are not taken on board, we would not be able to accept this draft report.

I thank you, Mr. President.



**710. Statement by Permanent Representative at the UN
Nirupam Sen at the meeting of the Open-ended Working
Group on the Question of Equitable Representation on
and Increase in the Membership of the Security Council
and Other Matters.**

New York, September 12, 2008.

Mr. President,

I thank you for this meeting. You said that some members have been inspired by your words to inscribe for the debate today. I have been similarly inspired but since I have already inscribed, I would be perfectly happy to inscribe again and speak a second time. You also quoted a passage on the nature of the English language concluding that it is made the wrong way when it says that "one's nose runs and one's feet smell". However, logically, a second conclusion could be that the person is made the wrong way. This is applicable to the language of the OEWG report: it is not the language but the report that is made the wrong way. You had also referred

to Resolution 48/26 which set up the OEWG saying "consider all issues". Actually the Resolution says "consider all aspects" which makes clear that the OEWG is to discuss the theoretical and conceptual dimensions of reform and not anything relating to the substance of reform. To us, therefore, there is clarity, not ambiguity. You spoke of constructive ambiguity. Even if there is ambiguity here (we do not think so), it is destructive ambiguity. The Resolution is not written in stone and with the experience of fifteen years, we should be able to introduce clarity.

I shall try to be as brief as possible and focus only on the Recommendations of the Draft Report. Burning problems in the real world are increasing and the UN's irrelevance to addressing these is in step with this. For the last fifteen years the OEWG has been fiddling. We are resolved that this state of affairs should end. We are disappointed that your advisors, Mr. President, have underestimated the seriousness of our purpose and the firmness of our resolve and misunderstood completely the problem as this text demonstrates. As we have repeatedly said, the problem is not one of drafting or finessing differing positions but of a fundamental conceptual gap. The resolution setting up the OEWG spoke only of considering aspects relating to Security Council reform. The reason why no progress has been made especially in this session is because the consultative role of the GA was deliberately confounded with its negotiating role. The consultative role can continue to be exercised through the OEWG but the negotiating role has to be through the informal plenary of the General Assembly. While the one can benefit from the other in a general sense, there can be no formal or specific linkage between the two roles. Such a linkage remains in this text. Had there been no such linkage, we could even accept stronger formulations on general agreement and seven principles since these would be applicable only to the OEWG. Unfortunately, such a specific linkage is established twice, in paragraphs (c) and (f) respectively.

You spoke of symbiosis rather than dichotomy between para (c) and (d). Actually there is dichotomy and (c) as it now stands, would certainly delay and potentially destroy (d). Sub-para (c) appears to indicate that framework, modalities and negotiables of negotiations have to be determined by the OEWG. This goes beyond decision 61/561 and gives a new and additional mandate to the OEWG that is unacceptable. Once negotiations start in the informal plenary of the GA, there is no further need to define framework/modalities in any case. If there are any procedural issues to be defined, this can be done as part of the negotiating process, as is the case for all other intergovernmental negotiations. as regards negotiables, these will

be determined based on Member States proposals during the negotiating process. Further, once we have para (f) on the future work of the OEWG, why should there be another similar para (c).

This makes this report unacceptable unless the following changes are carried out:

We cannot accept a partial reference extracted from Resolution 53/30 mentioning only "importance of reaching general agreement" while omitting to refer to the operative para of that resolution which states that no resolution or decision would be adopted without the affirmative votes of at least two-thirds of the members. Moreover, we cannot take note of the seven principles which were not negotiated. We hence call for a deletion of preambular paragraphs 2 and 3.

Through "framework, modalities and negotiables of intergovernmental negotiations" a specific linkage as mentioned earlier is established and therefore we call for a deletion of paragraph (c).

Paragraph (d) is acceptable but we can neither privilege the 61st and 62nd session nor postpone the negotiations to beyond the main part of the 63rd session and therefore we call for replacing "in particular" by "including", replacing "but not later than March 2009" by "before the close of the main part of the 63rd UNGA session (third week of December 2008)" and deleting the entire concluding lines beginning with the phrase "seeking a solution".

We think that there are other key issues such as increasing the representation of developing countries, and ensuring the access of landlocked, island and small states which deserve specific mention and therefore we call for a deletion of e (ii). Similarly there are other documents that are of importance and therefore we also call for a deletion of e(iii). In para (f), there is a second attempt at a linkage and therefore we call for a deletion of the phrase "to this end" and the words "the progress achieved from the", since the only progress achieved in the last session represented by unanimous decision 61/561 which has not been implemented.

Our definition of general agreement in practice is certainly strange. At the last meeting of the OEWG, well above two thirds of those who spoke supported our positions. General agreement means: ignore and set aside the views of two thirds of those who speak and concentrate and reflect the views of the one third. Incidentally this applies also to the implicit and explicit

mentions of the report of the Task Force which when it was discussed was rejected both by representatives of L69, G-4 and UFC (the then PR of Pakistan at the end specifically stated that it has been "rejected by both sides"). General agreement presumably signifies interpreting this to mean that everybody accepts the report.

Let me finally turn to consensus. Two of our distinguished colleagues at the last two meetings claimed that PBC and HRC were set up by consensus and general agreement. This is factually incorrect. The point is that they were set up by vote. The authoritative treatise on the rules of procedure at the UN and at intergovernmental conferences by Robbie Sabel (Cambridge University Press, 2006 edition) clearly says that the UN model rules propose that consensus or general agreement or otherwise without a vote are synonymous terms.

A resolution of the ECOSOC in 1974 cited by him define consensus as "general agreement without vote". Feltham another authority writes that "consensus is based on an assumption by the presiding officer of what is sufficiently self evident"..... "to which a minority of representatives object but would rather not be seen to object through the publicity of a vote". Another authority Szasz who is cited defines consensus as "taking a decision only when no participant opposes it so strongly as to insist on blocking it". Clearly therefore PBC and HRC were not set up by a consensus. In the same sense there is no consensus on the report today in any of the meanings of the terms because we and many of our colleagues formally object to the report, we oppose strongly enough to block it and we are prepared even for the publicity of a vote. We are determined that this charade of fifteen years, of movement without purpose, of the fruitless and the trivial, masquerading pathetically under the name of progress should come to an end. I am circulating a copy of our amendments.

I thank you, Sir.



711. Statement by Prime Minister Dr. Manmohan Singh at the General Debate of the 63rd session of the UN General Assembly.

New York, September 26, 2008.

Your Excellency, Mr. President,

Excellencies,

Ladies and Gentlemen,

May I first congratulate you on your election as the President of the 63rd UN General Assembly. I am sure that your wisdom and experience will guide us as we deliberate the many challenges that the world faces today.

Mr. President,

The United Nations is the embodiment of our faith in the benefits of collective action and of multilateral approaches in resolving global issues.

At the 2005 World Summit, we pledged ourselves to an agenda for early and meaningful reform of the United Nations. However, we must acknowledge frankly that there has been little progress on the core elements of the reform agenda.

We need to make more determined efforts to revitalize the General Assembly to enable it to fulfill its rightful role as the principal deliberative organ of the United Nations.

The composition of the Security Council needs to change to reflect contemporary realities of the twenty-first century.

It is only a truly representative and revitalized United Nations that can become the effective focal point for the cooperative efforts of the world community. We need to expeditiously hold negotiations towards this end.

Mr. President,

Globalisation has contributed to ever widening circles of prosperity and we in India have benefited from it. But its benefits have not been equitably distributed. Ensuring inclusive growth within nations, and inclusive globalization across nations, is a central challenge that faces us.

The development gains that many countries have made are today threatened by a possible food crisis, a global energy crisis and most recently, unprecedented upheavals in international financial markets.

The net impact of these problems is that both the industrialised economies and the developing economies face inflation and a slow down in growth after several years of robust expansion. Industrialised countries can afford periods of slow growth. Developing countries certainly cannot.

There is therefore urgent need for coordinated action by the global community on several fronts.

The explosion of financial innovation unaccompanied by credible systemic regulation has made the financial system vulnerable. The resulting crisis of confidence threatens global prosperity in the increasingly interdependent world in which we live. There is, therefore, a need for a new international initiative to bring structural reform in the world's financial system with more effective regulation and stronger systems of multilateral consultations and surveillance. This must be designed in as inclusive a manner as possible.

The world food crisis is the cumulative consequence of the neglect of agriculture in the developing world, exacerbated by distortionary agricultural subsidies in the developed world. Diversion of cultivable land for producing bio-fuels is compounding the problem.

The world needs a Second Green Revolution to address the problem of food security. We need new technologies, new institutional responses and above all a global compact to ensure food and livelihood security. This will require transfer of technology and innovation from developed to developing countries. India is very keen to expand cooperation with Africa in Africa's quest for food and livelihood security for its people.

Trade liberalization in agriculture can help provided it adequately takes into account the livelihood concerns of poor and vulnerable farmers in the developing and least developed countries.

It is feared that many of the conflicts of the 21st century will be over water. We must reflect on how to use this scarce resource efficiently. We need to invest in new technologies and new production regimes for rainfed and dryland agriculture and explore cost effective desalination technologies.

Mr. President,

Poverty, ignorance and disease still afflict millions of people. The commitment to achieve the ambitious targets set as part of the Millennium

Development Goals was an acknowledgement by the international community that global prosperity and welfare are indivisible and affluence cannot coexist with pervasive poverty.

Unfortunately, solemn commitments made for transfer of financial resources from the developed to the developing world have remained largely unfulfilled. The commitment of developed countries to move to the long-set target of 0.7% of Gross National Income as ODA needs to be honoured as a matter of priority. In this context, special efforts have to be made to address the concerns of Africa for adequate resource flows to support its development.

Poverty alleviation and livelihood security are closely linked to energy security. We need a much greater measure of predictability and stability in the oil and gas markets. We need to think of ways and means, such as early warning mechanisms, to help countries cope with oil shocks.

We must put in place a global cooperative network of institutions of developed and developing countries engaged in R&D in energy efficiency, clean energy technologies, and renewable sources of energy.

India is registering rapid economic growth and has combined it with declining energy intensity. However, our total demand will keep increasing and we are actively looking for all possible sources of clean energy.

The opening of international civil nuclear cooperation with India will have a positive impact on global energy security and on efforts to combat climate change.

This is a vindication of India's impeccable record on non-proliferation and to our long-standing commitment to nuclear disarmament that is global, universal and non-discriminatory in nature. The blueprint for this was spelt out by Prime Minister Rajiv Gandhi in this very august assembly twenty years ago.

I reiterate India's proposal for a Nuclear Weapons Convention prohibiting the development, production, stockpiling and use of nuclear weapons and providing for their complete elimination within a specified time frame.

Mr. President,

Climate change can be overcome successfully only through a collaborative and cooperative global effort.

We support the multilateral negotiations taking place under the UN Framework Convention on Climate Change. The outcome must be fair

and equitable and recognize the principle that each citizen of the world has equal entitlement to the global atmospheric space.

I believe that the pursuit of ecologically sustainable development need not be in contradiction to achieving our growth objectives. As Mahatma Gandhi said, "The Earth has enough resources to meet people's needs, but will never have enough to satisfy people's greed".

India has unveiled an ambitious National Action Plan on Climate Change. Even as we pursue economic growth, we are committed to our per-capita emissions of greenhouse gases not exceeding those of the developed countries.

Mr. President,

The growing assertion of separate identities and ethnic, cultural and religious intolerance threatens our developmental efforts and our peace and stability. It is vital that we strengthen international cooperation to combat terrorism and to bring the perpetrators, organisers, financiers and sponsors of terrorism to justice. We should conclude expeditiously the Comprehensive Convention on International Terrorism.

In this context, the situation in Afghanistan is a matter of deep concern. The international community must pool all its resources to ensure the success of Afghanistan's reconstruction efforts and its emergence as a moderate, pluralistic and democratic society.

We welcome the return of democracy in Pakistan. We are committed to resolving all outstanding issues between India and Pakistan, including the issue of Jammu and Kashmir, through peaceful dialogue. We also welcome the coming to power of democratically elected governments in Nepal and Bhutan. We seek to expand areas of cooperation with all these countries to deal with the challenges of sustainable development and poverty eradication.

Mr. President,

The United Nations is a living symbol of pluralism. It has weathered many storms. It is the vehicle through which our combined will and efforts to address global challenges must be articulated and implemented. Unless we rise to the task, we would bequeath to succeeding generations a world of diminishing prospects.

Thank you.



712. Extempore Remarks by Permanent Representative at the UN Nirupam Sen in the Debate on the Report of the Secretary General on the Work of the Organization [A/63/1] [100] in the UNGA.

New York, October 6, 2008.

Mr. President,

The Secretary General's Report is public-spirited in intention and dignified in language. We share and support his aim of delivering results, securing global goods, creating a stronger UN, seizing the opportunity - phrases used in the report. However, there is no sense that we are entering the gravest financial crisis since the Great Depression. Above all, there is not a word on what the UN with its universality and formidable convening power is able to do to overcome the crisis and rebuild institutions. This makes the report inadequate, if not irrelevant.

The Head of the Graduate Center at City University New York, the respected academic, Prof. David Harvey, as early as 2005, described the financial sector thus: "Deregulation allowed the financial system to become one of the main centers of redistributive activity through speculation, predation, fraud and thievery. Stock promotion, ponzi schemes, structured asset destruction through inflation, asset stripping through mergers and acquisitions, promotion of levels of debt incumbency that reduced whole populations even in the advanced countries to debt peonage.... all these became central features of the financial system." The end of Wall Street is not the end of the world though it may be the end of their world. The Masters of the Universe on Wall Street have bit the dust. They have found that they have 'the same dust in their mouths' as the rest of us. It seems that a totally free market, like free love, ends badly. The financial system claimed to have increased world liquidity and reduced investment risk. It has demonstrated its Mephistophelean quality of achieving the opposite - it has destroyed liquidity and raised risk to the level of certain bankruptcy. Keynes criticized a "casino economy" and looked forward to the "euthanasia of the rentier". Now we have the euthanasia. This is the time to clear the decks and build a new international monetary and trading system.

The Statistical Annex actually masks the crisis and is based on business as usual. The share of the poorest quintile in national consumption is given only for 2005. Thus one cannot compare with earlier years and this conceals

the steadily falling share of the poorest quintile. Again statistics are said to be not available for extreme poverty and hungry that is for those living on less than \$ 1 a day. However, calculations are now based on \$ 1.25 a day; the World Bank Development Research Group paper was released at about the same time as SG's report and the World Bank, if approached, could have provided the relevant statistics. The World Bank report is based on a detailed examination of household surveys, census data, national accounts and both national and international price data.

The World Bank report shows that though there is significant improvement in relative terms, the problem remains formidable in absolute terms: over 25 years the number of those living on less than \$ 1.25 a day has declined from 1.9 billion to 1.4 billion. The impact of this crisis is not a North-South issue. It cuts across both. Both, at least the poor in both, are suffering. Unless we realize this solidarity of suffering and act on it, we cannot overcome it. This is the meaning of the brotherhood that the President of the General Assembly talks about - the economic has become the ecumenical. Ruskin long ago summed up the impact on the real economy: "such and such strong hands have been paralyzed as if they had been numbed by nightshade, so many strong men's courage broken, so many productive operations hindered".

The impact on the poor in developing countries is serious. Several major projects in developing countries are grinding to a halt because of lack of equity and debt capital. Their stock markets are crumbling. Falling commodity prices and falling exports will increasingly sharply hit developing countries. International financial and trading institutions advised us to completely liberalise our capital markets. Now we see what light we were supposed to follow and what model we were supposed to adopt. Fortunately we did not. Otherwise the crisis would have become a world catastrophe. We have to pick up the pieces and rebuild the world's economic and political governance. The SG's report is silent on this.

The Bretton Woods Institutions have admitted that they were wrong about deregulation and capital market liberalization. Though they have not admitted this so clearly, they were wrong about structural adjustment policies, including advice to developing countries to end their essential domestic subsidies. In relation to the current financial crisis they have been helpless and irrelevant. Unless the problem of veto, transparency, accountability, the appointments process and, above all, quotas, is addressed, they cannot exercise a proper role in surveillance, regulation

and technical advice. Without such a reform, the developing countries cannot contribute the energy and dynamism required to rebuild international monetary institutions and the global financial system. It is the United Nations, with its universality and its convening power, that has to work for such a reform. The SG's report speaks of global public goods, public health and climate change. We support him on these issues.

However, the report is silent on the IPR regime. Knowledge is a public good and we need an IPR regime that would 'balance the interests of the users of knowledge and the producers of knowledge'. The public health exception is so burdened by conditionalities that nobody on earth who has no domestic production capabilities has been able to use it. The US legislation (28 USC Sec 1498) should be a model for the developing world. Without transforming the IPR regime, there would neither be cheap medicines necessary for public health nor adaptation and mitigation technologies at affordable prices necessary for combating climate change. In fact, the UN also needs to bring its influence to bear on the deadlocked Doha Developmental Round which has not been able to address the concerns of the bulk of its membership i.e. Sensitive Products, Special Safeguard Mechanism (SSM), Duty Free Quota Free access and Cotton subsidies. On the one hand, one has the trade distorting subsidies of the developed world. To guard themselves against a surge of subsidized products, the developing world is not even being allowed a viable SSM. We cannot have business as usual where we continue to safeguard commercial interest rather than the livelihood security of millions of marginal farmers and workers.

The report speaks of the Millennium Development Goals (MDGs) in detail which we fully support but is silent on the fact that MDGs cannot be achieved without restructuring international trade and the fight against HIV/AIDS and malaria will be lost without affordable medicines. It correctly emphasizes ODA and the Gleneagles pledge. However, we cannot accept the change made in targets since last year - especially Target 1B transferred from MDG 8 to MDG 1. This undermines the legitimacy of the MDG framework and is unhelpful in measuring progress achieved, besides diluting the global partnership for development. We would request the SG to revert to the older set of targets from next year - particularly for Target 1B.

We also need better indicators to monitor MDG 8. The report mentions the problems of peace and security and the Responsibility to Protect but fails

to mention that without a comprehensive reform of the UN Security Council, problems of peace and security cannot be effectively addressed and the political basis of the Council is too narrow to have the necessary impartiality needed for implementing a humanitarian principle. The Statistical Annex shows that LLDCs and SIDS are getting more marginalized and their ODA is declining but the report has nothing to say on increasing their access to the UN Security Council through a comprehensive reform.

Thus the report is silent on the crucial issue of the institutional rebuilding of international political and economic governance. Similarly, the report speaks of the Global Counter Terrorism Strategy (which has our complete support) but is silent on the key stone of this arch - the Comprehensive Convention on International Terrorism. We should use the present moment when we are closer than ever before to mutual understanding on issues and problems around Article 18. On System-wide Coherence, the report is silent on the central question of predictable core funding and the question of greater control by the UN of the global flows of voluntary funding in terms of budgetary discipline and Fifth Committee oversight. On the reorganization of the DPKO, the jury is still out and DPKO/DFS representatives in the field when they appeared before the ACABQ could not show any gain in efficiency or unity of command. On preventive diplomacy, prevention is certainly better than cure but it is difficult to believe that a few D1 officials can heal complex and widespread civil conflicts. Moreover we should not duplicate capacities or create permanent bureaucratic structures that may not be permanently required.

We are also concerned that, in the ACABQ's opinion, SG's report on the Accountability Framework, Enterprise Risk Management, Internal Control Framework and Result Based Management "does not explain in a concrete manner how the objectives will be realized. Nor are specific timelines and benchmarks consistently provided". The only way to hold senior management accountable is to have confirmation hearings in the General Assembly on the pattern of US Constitutional practice. As for the SG's call for member states to be accountable to the organization, either it means that the member states are the organization and in themselves accountable, and is therefore redundant, or it means that the member states should be accountable to the Secretariat which is topsy-turvy, and is therefore unacceptable.

Finally a word on Disarmament. This year marks the 20th Anniversary of the "Action Plan for ushering in a Nuclear Weapons-Free and Non-violent World Order" proposed by India's former Prime Minister, Shri Rajiv Gandhi, to the Third Special Session on Disarmament. At the 63rd Session, Prime Minister

Dr. Manmohan Singh reiterated India's proposal for a Nuclear Weapons Convention prohibiting the development, production, stockpiling and use of nuclear weapons and providing for their complete elimination within a specified time frame.

I thank you, Sir.



713. Statement by Counsellor at the Permanent Mission Neeru Chadha on Agenda Item 129: Administration of Justice at the Sixth Committee.

New York, October 6, 2008.

Thank You Mr. Chairman,

I take this opportunity to congratulate you on your election as Chairman of the Sixth Committee and also the bureau members on their election. My delegation assures you of its full cooperation and support.

To begin with, we wish to thank the Secretary General for his Report on updates on the activities of the Secretariat to prepare for the new internal justice system. We would also like to thank the Chairman of the Ad hoc Committee on Administration of Justice and coordinator of the intersessional informal consultations for all their efforts.

Mr. Chairman,

The staff members of any organisation are its most important resource and are entitled to expect an independent, impartial and efficient internal redressal mechanism.

Given the inadequacies of the present internal justice system, the General Assembly vide its Resolution 61/261 recommended the setting up of a new two tier independent, transparent, professionalized, adequately resourced and decentralized system of administration of justice as well as strengthening of the informal dispute resolution mechanisms; and vide its Resolution 62/228, it approved the framework of the new system which will be introduced on January 1, 2009.

We are pleased to note that a number of steps have been taken to prepare for the new system. The establishment of the Internal Justice Council, which

we understand is presently engaged in reviewing applications of judges for the future Dispute and Appeals Tribunals, would ensure independence, professionalism and accountability in the system of administration of justice.

We welcome the creation of the single integrated and decentralized Office of the United Nations Ombudsman for the United Nations Secretariat and funds and programmes that would ensure that the same standards and operating guidelines are applied in all UN Ombudsman Offices. The setting up of a Mediation Division within the office of the Ombudsman would further strengthen the informal system by providing an alternative avenue for dispute prevention and resolution. The Mediation Division will handle cases referred to it by the Ombudsman or pursuant to an order by the United Nations Dispute Tribunal. The settlement of disputes in internal, non-litigious proceedings would help promote mutual trust between the management and staff and preserve harmony in the Organisation.

To ensure optimal utilization, it is important that the availability of these alternative avenues for dispute settlement be widely publicized among UN personnel at all duty stations.

Mr. Chairman,

The Ad Hoc Committee on the Administration of Justice was convened during the last GA session for the purpose of examining the Statutes of the future Dispute and Appeals Tribunals. While the Committee made considerable progress, there has also been no agreement on several crucial issues.

The issues relating to transitional measures and scope are extremely relevant. The United Nations, has a duty to ensure that all members of its workforce, irrespective of their designation, have access to justice and no one is left without a remedy. The G77 has indicated its flexibility in this regard and is willing to look at various options and proposals. Similarly, we believe that legal assistance for staff should continue to be provided. Accordingly, we support the strengthening of the Office of Staff Legal Assistance.

Mr. Chairman,

It is essential that an agreement is reached on all the pending issues at the earliest, so that an efficient and effective new internal justice system is in place by January 1 2009.

Thank You



714. Statement by Minister of Power Shushil Kumar Shinde during the General Debate of the Second Committee at the Second Committee.

New York, October 6, 2008.

Madam Chair,

Permit me to begin by congratulating you and other members of the Bureau on your election. Please be assured of my delegation's support and cooperation in the work of the Second Committee.

We associate ourselves with the statement made by Antigua and Barbuda on behalf of the Group of 77.

Madam Chair,

The principal matters that this Committee considers are development, economic and environmental issues. Yet, it is precisely these that are under the glare of international attention, be it the achievement of the Millennium Development Goals, the ongoing financial crisis, the food crisis, as well as the impact of climate change. Our deliberations must be able to provide concrete suggestions and guidance to face such challenges.

The recent High-level Event on MDGs brought out in stark detail the challenges we confront in our development efforts. I will not repeat them in detail, nor reiterate the much-needed assistance from the international community to overcome them. Suffice to say that falling Official Development Assistance flows, net outflows of funds to developed countries, volatile capital flows, continued debt problems, trade-distorting agricultural subsidies by developed countries, non-tariff barriers, trade talks that threaten the livelihood of millions of poor farmers, non-inclusive international norm-setting frameworks, loss of policy space, etc. only serve to exacerbate the development challenges of developing countries. Urgent action is required on all these issues.

Madam Chair,

These problems have been compounded by the ongoing financial crisis. While a more detailed examination needs to be undertaken, preferably by the UN, of possible impact of the financial crisis on development efforts, particularly in respect of availability of capital, overall slowdown in global growth, shrinking export markets, etc., the impact of the financial crisis on

development efforts is inescapable. We hope the Monterrey Review Conference would look at these issues in detail.

The financial crisis has sent a message for change in financial regulatory systems. In crafting new approaches to financial regulation we must take into account its international dimension. New regulatory regimes should encourage the highest standards of business conduct and compliance and go hand-in-hand with closer official scrutiny.

Meanwhile, higher and more volatile prices of food, energy and other commodities have compounded the problem. Against this background, we need to encourage growth, particularly in countries with large populations, as they have the potential to drive much-needed global economic growth.

The financial crisis has also clearly demonstrated the importance of policy space. Regulators and lawmakers in developed countries have the luxury of trying out a variety of tools at their disposal to address financial problems. Developing countries, when faced with similar financial difficulties in their own economies, should also have the choice to select from such policy tools, as may be useful given their specific circumstances.

On earlier occasions, international financial institutions, particularly the Bretton Woods Institutions, have unfortunately limited the choice available. Recent developments make it even more important that sufficient policy space be available to developing countries. This policy space is not being sought in order to renege on international commitments, but to ensure that, when faced with crises, all possible intervention mechanisms are available to developing countries as they make a choice as to the one most relevant to their particular situation.

Clearly, a mindset change in international institutions and in the international financial architecture at large can only be facilitated through their comprehensive review. Such a review must ensure greater voice and participation of developing countries, particularly in the Bretton Woods Institutions. The UN, which has the requisite legitimacy, must regain its traditional role in guiding international economic policy. We must reverse the trend of hollowing out the UN by first creating specialised entities, and then arguing that these cannot be overseen by the UN. The UN must be the overall umbrella that gives the political guidance to each of these entities.

Madam Chair,

Let me now turn to climate change. We all agree that climate change requires an extraordinary effort and collaboration. Yet, when it comes to

the negotiations, we do not see a reflection of this from our partners. Instead, the usual approach continues. Efforts to review the Intellectual Property Rights regime, so that critical climate technologies can be considered as benefiting humankind, rather than merely benefiting a few innovators, are blocked. Attempts are made to ignore historical responsibility. Development imperatives are sought to be brushed aside. Such approaches must change.

The UN Framework Convention on Climate Change negotiations must be guided by the principle of common but differentiated responsibilities and respective capabilities, as well as historical responsibility of developed countries. Its outcome must be fair and equitable, and recognize the principle that each citizen of the world has equal entitlement to the global atmospheric space. India has already unveiled an ambitious National Action Plan on Climate Change. We are committed that even as we pursue economic growth, our per-capita GHG emissions will not exceed those of the developed countries. Further, as Prime Minister Dr. Manmohan Singh stated at this General Assembly, "the recent opening of international civil nuclear cooperation with India will have a positive impact on global energy security and on efforts to combat climate change".

The Human Development Report has consistently shown that a reasonable measure of human development and quality of life is achieved only after the national average electricity consumption is more than about 3,000 kilowatt-hours per person per year.

In India, the average electricity consumption is well below this, being only about 650 kilowatt-hours per person per year. Consumption across developing countries is not much better at about 1,200 kilowatt hours per person annually.

Madam Chair,

The energy challenge before us in India, and in other developing countries, is large, urgent and immediate. We need to ensure that each household has access to electricity and clean cooking and transportation fuels, and that these energy supplies are adequate and, most importantly affordable.

We are fully conscious of the need to employ strategies that ensure that energy is used wisely and cost effectively, and that the proportion of sustainable and renewable energy is constantly increased. These strategies bring with them, the benefits of economic competitiveness, enhanced access, and better environmental quality inside homes as well in cities, besides the very strong co-benefit of climate change mitigation.

In India, we have completely overhauled the institutional arrangements of our electricity sector so as to create independent regulators, as well as enable competition in electricity generation. This has brought down the price of electricity procured through competitive bidding. We have also made it mandatory that each electricity distribution company procure a minimum percentage of electricity from renewable sources, leading to the creation of about 11,000 MW of renewable electricity generation capacity. We have also put in place a National Hydro-Electricity Policy, which aims to develop about 50,000 MW of such electricity over the next 10 years.

Through an Act of Parliament, we are also further promoting energy efficiency. Today, India is one of the most energy efficient countries in the world with only about 0.15 kg of oil-equivalent energy being required to produce a dollar worth of GDP in purchasing power parity terms. In order to further enhance efficiency, we have introduced standards and labeling of appliances; an energy conservation building code for new, large commercial buildings; and a system of energy reporting and auditing for large, energy-intensive industry. We are also in the process of mandating energy efficiency norms for large, energy-intensive industries. Through these, and other Demand Side Management interventions, we are moving towards securing by 2012 energy savings of at least 5% of the 2007 energy consumption.

We look forward to moving together to promote sustainable development so that all human beings have access to adequate and affordable energy.

In conclusion, Madam Chair, let me reiterate our hope that the deliberations of the Second Committee will help us in identifying cooperative action in areas of interest and concern to developing countries and in moving forward the implementation of the development agenda.

Thank you, Madam Chair.



715. Statement by Permanent Representative at the UN Nirupam Sen on Agenda Item 55: Social Development [A] Implementation of the Outcome of the World Summit for Social Development and of the twenty-fourth Special Session of the General Assembly [B] Social Development, including Questions relating to the World Social Situation and to Youth, Ageing, Disabled Persons and the Family [C] Follow up to the International Year of Older Persons: Second World Assembly on Ageing [D] United Nations Literacy Decade: Education for All and [E] review of Appraisal of the World Programme of Action concerning Disabled Persons at the Third Committee.

New York, October 7, 2008.

Mr. Chairman,

First of all, let me congratulate you and other members of the Bureau on your election and assure you of our support. I am confident that you will successfully steer the Third Committee through controversies and into consensus.

The agenda of "promotion of full and productive employment and decent work for all" has been the priority theme of 2007-08 implementation cycle of the multi-year programme of work of the World Summit for Social Development of 1995 and the 24th Special Session of the General Assembly. As the Secretary General's Report on the implementation of the outcome of the two meetings states, mainstreaming social policies into macro-economic policies is necessary. In the engulfing crisis of the financial sector today, greater and more profound than any since the Great Depression, this is a categorical imperative.

Philip Augar, himself an investment banker, in his "The Greed Merchants" has revealed that young financial operatives took out US\$180 billion from the financial system in the last few years. The financial system was brought down by greed on the one hand and deregulation on the other.

On October 4, that is literally three days back, Europe's leaders criticized speculative capitalism and called for entrepreneurs, not speculators. One hundred years before that, at its Congress in Seville in 2007, the European Trade Union Confederation resolved to expose "casino capitalism" and fight it by taxation, regulation and worker involvement. Two decades later, Keynes warned against the casino economy and looked forward to the

euthanasia of the rentier. Today we are witnessing precisely this euthanasia. The impact on employment is not a North-South issue. It cuts across both. Soon it would be an issue not of decent work but of any work. Projects in the North and South are halting because of lack of equity and debt capital; stock markets are collapsing; we are witnessing falling commodity prices and falling exports. These will reduce growth rates as well as global employment levels but specially in the developing countries. Given the depth of the crisis, Keynesianism in one country will succeed no more than socialism in one country did at one time. The Bretton Woods Institutions, would have to recover the original Keynesian mandate of helping maintain high levels of employment, at any rate through technical assistance, surveillance and regulation.

The United Nations has to play a role in stimulating the reform of Bretton Woods Institutions. From a Keynesian perspective of strengthening world demand, the issue of cotton subsidies, of Duty Free Quota Free access for the export of LDCs, of Sensitive Products and Special Safeguards Mechanism, have to be resolved in a resumed Doha Development Round. It is about time we safeguarded the livelihood security of hundreds of millions of marginal farmers and workers rather than commercial interests. This is essential for global employment levels. If we continue with business as usual the dishonour will not be on Wall Street. As the poet T.S Eliot puts it, "After such knowledge, what forgiveness?" It has been said that "politics is the art of postponing decisions till they are no longer relevant." We cannot afford this kind of politics any more. For achieving the Millennium Development Goals, this changed international economic governance and environment is essential.

Of course, the target of 0.7% of GDP as ODA needs to be honoured. But resources will not be enough in today's world to even sustain the welfare levels of the MDGs. What is needed is an industrial policy in LDCs that would encourage them to use tariffs and domestic subsidies to develop industry and achieve economic development that would provide employment.

Chinua Achebe, the great Nigerian novelist, in his *Anthills of the Savannah*, had predicted that this "hand me down capitalism is ridiculous and doomed" and governments should "re-establish vital inner links with the poor and dispossessed, with the bruised heart that throbs so painfully at the core of the nation's being".

One positive fall out of the collapse of the deregulated financial system is the re-legitimization of the role of the State. Government and civil society can promote what Chinua Achebe envisions. India's National Rural

Employment Guarantee Act which has become also an empowerment guarantee act, guaranteeing hundred days paid unemployment to every rural household is unprecedented and makes the right to work legally enforceable. Since Panchayats or elected local councils implement this, the scheme represents the achievement of MDGs through a movement in favour of the rural poor. It is forever associated with the name of Madame Sonia Gandhi, Chairperson of India's United Progressive Alliance, who called it "a revolutionary measure" and emphasized the need for popular mobilization. In Aimee Cesaire's phrase, it would eventually and hopefully create a society rich with the productive power of modern times, warm with the fraternity of olden days. We have in India managed to reduce the proportion of people below the poverty line to 27.5% and our target for 2015 is 18.75%. Employment growth in India accelerated to 2.6% in 1999-2005.

Member States should be encouraged to follow the guiding principles of the Programme of Action of the World Social Summit and the United Nations should use its various Funds and Programmes to develop capacity in countries when called upon to do so. For this Committee it is important to note that the rights to health care and education become elements in the "social bases of self respect" which the great American social and political philosopher, John Rawls, defines as the most important of his "primary goods". In a landmark judgment in 1993, in the Unnikrishnan case, the Supreme Court of India made the right to education up to 14 years of age a fundamental right that is legally enforceable. As Amartya Sen puts it, "the creation of social opportunities makes a direct contribution to the expansion of human capabilities".

I thank you Mr. Chairman.

Annex

With an ever expanding private sector in manufacturing and service in India, government has made the social dimension and infrastructure development a priority. In fact, the major thrust of the 11th Five Year Plan is on access to education, which is one of the key pillars of social development. While India has made commendable progress in providing access to primary education with the completion of infrastructure for primary schools under the Sarva Siksha Abhiyan, the focus has also been extended to secondary and tertiary education. We have kept a target of 21 percent enrolment in higher education by 2017. This involves upgradation of upper primary schools to secondary schools, expansion of intake capacity in

existing secondary schools, and establishment of high quality model schools to serve as examples of excellence in secondary schooling. Investment will be made to massively expand the University system in India. This will also be concurrently implemented with the National Skill Development Mission to help in meeting the demands for skills in our growing economy as well as in generating high quality employment. Given the scarcity of resources, private sector initiatives in higher education, and various forms of public-private partnerships (PPPs) will also be encouraged. I would like to reiterate India's commitment to working towards achieving the targets and commitments set in this very critical sector of tackling global illiteracy.

- India has the "Persons with Disability (Equal Opportunities, Protection of Rights and Full Participation) Act 1995" and last year ratified the International Convention on the Rights of Persons with Disabilities. This has given us an opportunity to reiterate our commitment to the elimination of barriers that persons with disabilities face, especially at the work place. It is also an important step towards fulfilling the Constitutional mandate of developing an inclusive society. We have a national policy for persons with disability and have also launched an incentive programme for the private sector to encourage them to employ disabled persons. Additionally, an annual national award scheme has been institutionalised to encourage entrepreneurs. Moreover, special Employment Exchanges have been set up for disabled people in different parts of our country.
- With an estimated 76.6 million older persons, Government of India is strongly committed to implementing the Madrid International Plan of Action, which provides guidance on capacity-building on ageing at national, regional and international levels. At the domestic level, the National Council for Older People, the nodal body dealing with the issue of senior citizens, is also monitoring the implementation of recent national legislation, namely, Maintenance and Welfare of Parents and Senior Citizens Act 2007 and has also revised the existing schemes of integrated programmes for Older Persons.



**716. Statement by Permanent Representative at the UN
Nirupam Sen on Agenda Item 99: Measures to Eliminate
International Terrorism at the Sixth Committee.**

New York, October 8, 2008.

Mr. Chairman,

The Agenda item on Measures to Eliminate International Terrorism is of great importance to my country as terrorism is one of the major threats to international peace and security and undermines the very foundation of freedom and democracy, enjoyment of human rights and continued existence of open and democratic societies.

We thank the Secretary General for his annual report A/63/173 on the implementation of Para 10 of the "Declaration on Measures to Eliminate International Terrorism" that presents measures taken at the national and international levels for the prevention and suppression of international terrorism as well as information on incidents caused by international terrorism. We appreciate the growing role of UNODC in counter terrorism efforts, especially its technical assistance activities at the national, sub regional and regional levels, within the framework of its global project on strengthening the legal regime against terrorism and now as a part of the Counter-Terrorism Implementation Task Force. We thank the Secretary General for his Report A/63/89 on the subject. We would also like to thank Ambassador Rohan Perera for his report A/63/37 on the meeting of the Ad Hoc Committee established by General Assembly Resolution 51/210 and the Facilitator of the Working group for all her efforts.

Mr. Chairman,

The 13 major UN instruments relating to specific terrorist activities remain fundamental tools in the fight against terrorism. India is a Party to all the 13 major legal instruments. We also attach utmost importance to the fulfillment of obligations under the relevant counter terrorism resolutions of the United Nations. We have filed five National Reports with the Counter Terrorism Committee, giving a comprehensive picture of steps taken by India to counter terrorism. We utilize all available tools within the arsenal of a democratic nation, governed by the rule of law, to counter terrorism. They comprise laws criminalizing terrorism, including incitement, raising of funds for terrorist activities, holding of proceeds of terrorism, harboring of terrorists, unauthorized possession of any explosive substances or other lethal weapons; monitoring of financial flows, effective legislation regarding dual

use items; surveillance methods governed by law and old fashioned police investigation work. The intricate linkages and networks that unite terror groups can only be challenged through concerted international cooperation and efforts by way of extradition, prosecution and information flows. India is engaged in these efforts at the regional as well as bilateral level.

Mr. Chairman,

The UN Global Counter Terrorism Strategy, adopted two years ago, established a global counter-terrorism framework and presented a template that is pivotal to guiding counter terrorism efforts of Member States as well the United Nations system. The international conventions on terrorism focus on promotion and protection of human rights and fundamental freedoms while countering terrorism but, for the first time, the United Nations Global Counter Terrorism Strategy also recognizes the need to express solidarity with innocent victims of this scourge and specifically addresses victims of terrorism through two of its main pillars. This was necessary to accord adequate recognition and support to victims of terrorism. In this regard we appreciate the convening of the symposium on victims of terrorism last month that helped to put a human face on the effects of terrorism and provided a forum for victims' voices. Last month, the General Assembly also reviewed the implementation of the Strategy where Member States focused on their respective national, bilateral, regional and global initiatives to implement the Strategy. They described measures that have been taken to implement, at the national level, international conventions that govern controls over arms and banking systems; measures for enforcement of effective customs, immigration and border controls that are necessary to prevent the movement of terrorists and the establishment of safe havens; conclusion of anti-terrorism instruments at the regional level; and other activities and projects on capacity-building and technical assistance. The wide participation of Member States in the Review process demonstrated the importance they attach to effectively counter terrorism and that the Strategy was vital to their counter-terrorism efforts.

The Secretary General's Report on activities of the United Nations system in implementing the Strategy highlighted the efforts of the United Nations system to support implementation of the Strategy, both through its individual departments, specialized agencies, funds and programs and through the Counter-Terrorism Implementation Task Force. The institutionalization of the Task Force, supported by the General Assembly, we hope, would significantly strengthen its efforts to enable the different United Nations entities to effectively cooperate, coordinate and streamline the work of the United Nations system in the field of counter terrorism. In this regard the proposed "integrated implementation initiative" will help the United Nations to avoid duplication.

We believe that the primary responsibility for implementing the Strategy rests on Member States and hope that the Strategy would provide the impetus to unite them in the fight against terrorism via practical measures that facilitate cooperation by way of extradition, prosecution, information exchange, and capacity building. However, notwithstanding the importance of the Strategy, we strongly believe that the General Assembly's inability to reach an agreement on concluding the Comprehensive Convention against International Terrorism (CCIT) limits the impact of its counterterrorism efforts.

In the Working Group meeting in October last Session, the facilitator in her report had said that some Member States still had concerns regarding certain issues, namely the importance of the need not to affect the exercise of the right of peoples to self-determination; the need to capture concerns relating to "State terrorism"; resolution of matters concerning potential impunity of military forces; and the need to delineate activities to be covered by the scope of the convention and those covered by humanitarian instruments. The facilitator thereafter had provided a very reasoned analysis of the package that she had proposed and explained how each of the concern was taken care of in the proposed text. Thereafter no Member State has voiced any additional concerns or need for further clarifications. If there still are any concerns then it would be useful to have them clearly delineated so that the Committee can have a clear understanding of those so as to enable it to reach agreement on the Convention.

Mr. Chairman,

We believe that the package presented by the Facilitator presents a careful balance and bridges the divergent views. We therefore urge Member States to seriously consider and adopt the Package and facilitate the successful closure of the protracted negotiating process of concluding the CCIT.

The adoption of a CCIT, through exercising the law-making powers of the General Assembly, is in the interest of all member States and would reinvigorate the multi-lateral and collective dimensions of counter-terrorism efforts. We believe that when adopted, CCIT would provide a solid legal basis for the fight against terrorism. In this era of unrestrained violence, where innocent civilians are being targeted, UN personnel and premises are being attacked and assassinations are being carried out, we urge that there be expeditious action in this forum.

Thank you, Mr. Chairman



**717. Statement by Permanent Representative at the UN
Nirupam Sen on Agenda Item 97: Crime Prevention and
Criminal Justice and Agenda Item 98: International Drug
Control at the Third Committee.**

New York, October 9, 2008.

Mr. Chairman,

Let me take this opportunity to thank the Secretary-General for his reports on Agenda items 97 and 98 on "Crime Prevention and Criminal Justice" and "International Drug Control".

After coming here I saw the statement of Executive Director and Under Secretary-General of UNODC. Before I comment on what India is doing and our interests, let me briefly comment on the Under Secretary-General UNODC's statement. He spoke of the dark side of globalisation. In the context of the current financial crisis, globalisation seems to have only dark sides. He also described himself as the Under Secretary-General for Sinister Affairs. I thought he was supposed to be the Under Secretary-General for Countering Sinister Affairs. My basic point, Mr. Chairman, is that it is not necessary to go into philosophical causes. We have to examine the current situation and its immediate concrete causes in order to apply effective solution. The USG sees a correlation between weak economic performance and weak rule of law.

Dictatorships without rule of law in the sense we understand it have often been economically successful. Therefore, there is no real correlation. Similarly poverty may magnify a problem but is not the immediate cause. We would be better off therefore building effective law enforcement structures and fashioning a robust law enforcement response internally and externally rather than talking about economic development. I am not suggesting that economic development is not important. It is a separate and crucial imperative but it not the job of UNODC. It has to be left to UNDP, reformed Bretton Woods Institutions and the like. The USG draws another correlation with corruption. Some developed countries are very corrupt, without becoming hot beds of the drug trade. UNODC should, therefore, concentrate on immediate concrete causes and implement an effective strategy based on coordination. Here we certainly welcome his outline of UN wide cooperation in the last section of his speech.

Again the USG attributes illicit drugs in Afghanistan to areas not controlled by the Central Government. Any number of studies and reports by agencies on

the ground have shown that the real immediate reasons is the inability of ISAF and UNAMA to provide alternatives to poppy cultivation and the Taliban's using drugs to finance terrorism - a classical case of narco-terrorism. Therefore, I would suggest that USG and UNODC should concentrate on concrete and effective action rather than an examination of philosophical causes. The danger of philosophical approach is evident from one extraordinary contradiction. Mr. Costa states in his speech and I quote: "the countries of Central America and the Caribbean are caught in the cross-fire between the world's largest producers and biggest consumers of cocaine." Here we have a region which is an epicentre, caught in the cross-fire between the biggest drug producers and the consumers: Mr. Costa's response is to close down the UNODC regional office in Barbados which served 29 states and territories. These are the paradoxes of philosophy. The USG UNODC should let us know the reasons for this extraordinary action. If there are funding difficulties, he should let us have proposals which can then be examined in the ACABQ and Fifth Committee and we can find resources and/or encourage voluntary funding.

Mr. Chairman,

I notice from the last occasion that the colours on your bulbs change rather quickly. To save time, therefore, I shall read those parts of my statement that concentrate mainly on what India is doing but I am circulating the text of the entire statement with the request it may be made a part of the record. India's commitment to fight the menace of illicit drugs remains steadfast. India is a party to the 1961 Single Convention, the 1971 Convention on Psychotropic Substances and 1988 Convention on Illicit Traffic in Narcotics Drugs and Psychotropic Substances. India is also fully committed to abiding by the Political Declaration and the resolutions adopted at the June 1998 Special Session of the United Nations General Assembly. The Narcotics Drugs and Psychotropic Substances Act, 1985 constitutes the statutory framework for drug law enforcement in India. The Act also incorporates provisions for the control of precursor chemicals. Recognizing the need for financially throttling terrorist organizations and organized crime groups, India has also enacted a comprehensive Anti-Money Laundering Law. I would like to reaffirm that India is strongly committed to continuously working with all the member states in controlling production and trafficking of narcotic drugs.

Mr. Chairman,

The nexus between money laundering, terrorism, transnational organized crime, illicit drugs, and illegal arms transactions is grave, dangerous and destructive. There is a need to reinforce bilateral, regional and international cooperation to combat this nexus.

This is a matter of particular concern to India, which has faced terrorism for the past several decades. Recent incidents reinforce the importance of a strong international resolve and a coordinated global approach to confront the threat posed by terrorism. The adoption of the United Nations Global Counter-Terrorism Strategy in September 2006 was a noteworthy development; however, there is a need to expeditiously adopt the Comprehensive Convention on International Terrorism. We must ensure zero tolerance for all forms of terrorism.

Mr. Chairman,

We appreciate the efforts by UNODC in developing the capacity of various countries, especially in the field of developing a legislative framework for a national counter terrorism mechanism within the criminal justice system. This will go a long way towards promoting its global project on strengthening the legal regime against terrorism. However, UNODC is apparently not able to bridge the gap between requests for technical assistance and resources available to provide the same. We, therefore, support increased resource allocation for UNODC counter-terrorism activities from the UN regular budget as well as through voluntary contributions.

Mr. Chairman,

India is examining in detail the necessary amendments required in its Code of Criminal Procedure for further streamlining the criminal justice system for ensuring fair and speedy justice. We hope that the improvements brought about will reinforce our investigative and prosecution process and machinery. Additionally, as a signatory to the UN Convention against Transnational Organized Crime and its three Protocols, India is taking steps towards their ratification and concurrently entering into bilateral agreements for developing joint programmes to prevent money laundering as well as to counter terrorism and organized crime.

Mr. Chairman,

I would like to reaffirm our strong commitment to fight the menace of illicit drug trafficking, international terrorism and money laundering. This dangerous triad needs to be defeated convincingly. India will work closely with the international community to see that we succeed in our joint efforts.

Thank you, Mr. Chairman.



**718. Statement by Permanent Representative at the UN
Nirupam Sen on Agenda Item 10: --Report of the Peace-
building Commission, Report of the UN Secretary
General on the Peace-building Fund.**

New York, October 9, 2008.

Mr. President,

We appreciate the timely scheduling of today's joint debate on the Second Report of the Peace-building Commission and the Secretary-General's report on the Peace-building Fund. Let me begin by congratulating Japan for its work as Chair of PBC, in a tenure that has lasted somewhat longer than he might have expected at the outset! I also express our appreciation for the Chairs of the PBC's country-specific configurations and the Working Group on Lessons Learned. I must make special mention of the delegation of Norway, whose former PR chaired the configuration on Burundi with commitment. Let me also welcome the new Assistant Secretary-General for Peace-building, Ms. Jane Holl-Lute, and assure her of India's constructive support.

I also associate my delegation with the statement made by the distinguished PR of Jamaica, for the Non-aligned Movement. We appreciate Jamaica's work in coordinating the NAM within the PBC. I have only a few additional points to add, in the context of the reports of the PBC, and on the PBF. Our comments are based both on our abiding commitment to the objectives of the PBC, and our conviction that useful lessons may be drawn from our collective experience over the period that both bodies have been in existence.

Firstly, we need to guard ourselves against either excessive pessimism or premature celebrations regarding the relevance or efficacy of the PBC and the PBF thus far. On the positive side, the fact that we now have four countries on the Agenda of the PBC, all at their request, is undoubtedly a good sign. The finalization of integrated peace-building strategies for three of these, and the review of two of these strategies, are all signs of progress. It is no exaggeration that the PBC has indeed become an established player in the UN context.

However, while the steady consolidation of a role for the PBC within the lexicon of the international system is a good outcome, this is not a sufficient achievement, of itself, for all of us to take pride in. We need to continue to

make the PBC relevant to the countries that it seeks to assist, by moving decisively towards a pragmatic, circumstance-specific approach.

For too long have we in the Commission spent time in debates that veer from prescriptive solutions and a conditionality-based approach, to inflexible positions. As long as we have our positions predetermined before we objectively examine the situation in a country seeking assistance, we will not be able to provide truly dispassionate and situation-specific advice. This is also one reason why we appear collectively unable to genuinely listen to what post-conflict countries actually want when they seek the PBC's assistance. Second, to ensure that the advice that is provided by the PBC is relevant and useful, we must focus on two aspects.

The first is to continue to expand our access to focussed, specific and objective information from the ground. Here the PBSO must play an important role, for without a clear and unbiased channel for inputs from the ground, listing key challenges and mapping gaps in the availability of resources to meet such challenges, the PBC cannot provide effective advice. Moreover, since there will inevitably be a disparity in information flow between those members who have representation on the ground and those who do not, this disparity could well prejudice the discourse within the PBC, to no-one's benefit. The second aspect is the need for effective two-way dialogue between countries on the Agenda of the PBC and the commission itself. This will be most meaningful if we can make the transition to ensuring that the PBC's advice is based on a "light-touch" approach.

By this I mean that the PBC should not take on the task of advising States on post-conflict peace consolidation; instead it should help the State concerned identify and utilize genuine international expertise in addressing such sensitive issues. The lightness of the PBC's touch also relates to the question of national ownership, which all of us endorse as a core principle of the PBC's involvement. This relates to the need to strengthen a representative and effective Government in the country concerned. Eventually, it is the Government of the country that is answerable if it is unable to deliver on peace consolidation strategies; and that answer must be given to the people it represents. It is also the Government of that country that will need to manage processes beyond the country's engagement with the PBC.

It follows logically therefore that our primary focus must be upon enhancing the legitimacy, effectiveness and absorptive capacity of the administrative and governing system. Without this, we will never have the tools in place

for our own efforts to assist in post-conflict peace building. So also for the PBSO. While there has been a welcome effort to include the PBSO on the ground in the countries where the PBC has an involvement, much more needs to be done. To begin with, the capacity of the PBSO needs to be expanded, but this must also be matched within the UN system by a willingness to genuinely include the PBSO, rather than to zealously guard turf. Third, and this is a related point, we need to make greater efforts to energize the coordination aspect of the PBC's mandated role. Currently neither the PBC, nor the PBSO within the UN, have been able to leverage their unique and "cross-cutting" positions to perform this task. To those who argue that the PBC is not as yet ready for it, the counterpoint is that unless it is given that task, it can never be ready to coordinate international efforts. Furthermore, it also begs the question why major donor organizations sought to be part of the PBC if not to enhance its coordination role. Fourth, while we have certainly done better in this past year in focusing attention and assisting in the marshalling of resources, much more can and must be done. Advice alone will not consolidate peace; certainly not if it isn't matched with either material or policy assistance. Mobilization of resources is the key vehicle by which post-conflict societies can set course upon the road to peace consolidation and development.

Mr President,

As a contributor to the Peace-building Fund (PBF), and as a member of the PBC's organizational committee, we have welcomed the operationalization of the PBF, just as we welcome the idea of a renewed resource-mobilization drive towards the end of this year. We also welcome the improved synergy between the PBC and the PBF, although much more needs to be done to ensure that the objectives of the PBC's policy advice and the actual disbursement of funds to the State concerned are actually in consonance.

There remains a troubling lag between the two, which needs to be dealt with when we consider a new mandate for the PBF. Unless the disbursement of funds improves, and unless the strategic link between the PBC and the PBF is better, neither body will achieve its full potential. In this context, I must underline that we remain unconvinced that the three-window structure of drawing upon the PBF has been particularly useful to either the PBF or the PBC; in particular, Window II. Even the report on the PBF appears to suggest, in para 33, that the proactive strategy of identifying additional countries eligible for support for funds involved selection of countries

receiving high-level visits from the UN, or those that approached the UN Secretariat directly, and in one case, as we know, one country which did not approach the UN directly, but was given funds to prolong the UN's presence in that country.

This can hardly be called effective criteria for PBF funding. Indeed, since the entire process of Window-II consideration takes place without any inputs from either the member States or the PBC, it is hard to know what criteria actually apply. In fact, Window II does not rise to the level of even window-dressing! There is also a potential problem of blurring of monitoring lines, if a State begins to receive assistance under PBF Window-II, before eventually coming on to the PBC's Agenda. These and several other issues need to be resolved during the discussions on the PBF. I would also like to reiterate in the context of the better utilization of PBF allocations, the point I made earlier about enhancing the mandate and the capacity of the PBSO. Without this, we will always be in a less than satisfactory position regarding the utilization of money allocated under the PBF. It is not enough to ascribe this problem to the weak absorptive capacity in the country concerned. It is precisely because absorptive and administrative capacities are weak that assistance has been sought. Therefore we need to ensure that the PBC and PBF jointly work together here in New York with the PBSO, to provide clear instructions, and that on the ground, there is a dedicated unit dealing with PBF funded projects.

Mr. President,

In conclusion, let me reiterate that the mechanism of peace building is integrally-related to the larger question of a collective approach. If we continue to segregate ourselves within the PBC, but also between the PBC, the PBSO and the PBF, and between all three and the rest of the UN system, we will fail to provide a coherent and coordinated response to those who look to the UN to make a difference. That should not happen. I reiterate India's commitment to do whatever is in our power to ensure that this is never the case.

I thank you.



719. Statement by Deputy Permanent Representative at the UN Ajai Malhotra in the General Debate of the Special Political and Decolonization (Fourth) Committee on Decolonization.

New York, October 9, 2008.

Mr. Chairman,

It gives me great pleasure to congratulate you on your election as the Chairman of the Fourth Committee, as well as to congratulate the other members of the Bureau. I would like to assure you of India's full cooperation during this 63rd session of the UN General Assembly.

Mr. Chairman,

We continue to wrestle with the remnants of colonialism, a bygone system that runs contrary to the fundamental principles of the UN. Archaic and outmoded, colonialism contravenes the fundamental tenets of freedom, dignity of the individual, human rights and democracy. While there has been considerable progress in removing countries from the grip of colonialism, sixteen areas still remain on the list of Non-Self Governing Territories. This serves to remind that, although we have covered much ground, the process of decolonisation is as yet unfinished and more remains to be done.

We are now in the eighth year of the Second International Decade for the Eradication of Colonialism [2001- 2010] and unless we intensify our work to implement the various resolutions and recommendations to eradicate colonialism, the work of the Special Committee of 24 may well enter another decade before it is completed.

Our approach to the task ahead must blend urgency and activism with sensitivity and circumspection. In doing so it is of paramount importance that we take into account the needs of the people of these Territories and their special circumstances. An appropriate format and timing for the completion of decolonization in each territory needs to be focused upon. Ascertaining the political aspirations of the people of these Territories, and taking into account the stages of development of each Territory, are critical inputs for the making of decisions that would enable them to develop indigenous political and socio-economic institutions and structures of their

choice. The importance of steering clear of a "one size fits all" approach cannot be overstated; the focus should instead be on a case-by-case approach, with a view to making real progress in each Territory.

Dissemination of relevant information regarding options that may be available to the people in the Territories is crucial. On occasion, the local population may be unaware of the legitimate political options available to them. For real constitutional and political advancement to occur, the peoples of a Territory must have sustained access to unbiased information about the licit options of political equality before them, viz., independence, free association with an independent state, or integration with an independent state, as clearly defined under Resolution 1541 [XV] of the General Assembly.

Visits by UN Missions to Non Self-Governing Territories and the conduct of Regional Seminars by the Special Committee of 24 on Decolonisation, are important tools to bridge this information deficit in the process of decolonisation. The instrumentality of visiting Missions helps in the collection of adequate, first-hand information on conditions in the Territories and in ascertaining the wishes and aspirations of the peoples concerning their future status. Such missions are also important in the context of furthering modalities and action plans for decolonisation and observing acts of self-determination. We hope that the administering Powers would extend their full cooperation to the Special Committee in facilitating such visiting missions. Similarly, we favour the holding of regional seminars by the Special Committee, in an effort to mobilize world opinion to support and assist the peoples of the Territories in speedily ending colonialism. In this context, we look forward to the holding of the next seminar in the Caribbean region in 2009.

The actions of the administering Powers in recent years have been largely imbued with a spirit of cooperation and flexibility. We would urge them to build upon this positive spirit by, in particular, assisting the Special Committee of 24 in devising customized action plans for the decolonisation of certain Territories in their quest for self-determination. Tokelau is an example and we join in appreciating the cooperation shown by New Zealand, as the administering Power, with the work of the Special Committee relating to Tokelau. We hope that such instances of partnership will also guide other administering Powers that still resist the international dialogue established by the United Nations on the political and constitutional development of the territories under their administration. We agree that an

interactive dialogue on the objective reality in the Territories would be to the benefit of all concerned, in particular, the people of these territories.

Mr. Chairman,

We agree with the recommendation that the Special Committee develop a mechanism to annually, systematically review the implementation of the specific recommendations on decolonization, with a focus on implementing the mandate as set out in General Assembly resolutions and the plan of action of the Second International Decade for the Eradication of Colonialism. We would like to assure the Chairman of the Committee of 24 of our full support for his efforts to move the agenda ahead and successfully fulfill the mandate of the Special Committee.

Finally, Mr. Chairman, in a statement a little while ago the distinguished delegate of Pakistan made an unwarranted reference to the Indian State of Jammu and Kashmir, given the context of the work of this Committee. He would have been better served by avoiding commenting about an integral part of another member state. Such a comment also contradicts the agreed Conclusions and Recommendations of the Special Committee on Decolonisation that were presented on 16 May 2008, which specify that any such attempts are incompatible with the purposes and principles of the Charter of the United Nations. Nevertheless, Mr. Chairman, we certainly do look forward to the continuation and deepening of a constructive dialogue with Pakistan and to a profound transformation in our bilateral relationship with Pakistan, so that our two countries can work together on our shared objectives of peace, prosperity and security.

Mr. Chairman,

In conclusion, as a founding member of the UN and the Special Committee on the Implementation of the Declaration on Decolonisation, I would like to reaffirm India's unrelenting commitment to achieving the goal of complete decolonisation.

Thank you, Mr. Chairman.



**720. Statement by Permanent Representative at the UN
Nirupam Sen on Agenda Item 73: Criminal Accountability
of United Nations officials and Experts on Mission at
the Sixth Committee.**

New York, October 10, 2008.

Thank You Mr. Chairman,

We thank the Secretary General for his Report outlining the information received from Member States regarding the extent to which their national laws establish Jurisdiction, particularly over crimes of a serious nature committed by their citizens while serving as United Nations officials or experts on mission, as well as information on cooperation both between States and with the United Nations and the facilitation of investigations and prosecution of such individuals. We also thank the Chairperson of the Ad hoc Committee for her Report.

We note with great concern the instances of sexual abuse and exploitation and other criminal acts committed by United Nations officials and experts on mission in spite of clear codes of conduct and a policy of zero tolerance. My Government is totally committed to punishing those found guilty of any misconduct and concurs with the view that officials and experts on mission should be held accountable whenever they commit criminal acts not only because of the prejudice or harm caused to the victims but also because they undermine the work and image of the United Nations. It is important that all UN Officials and Experts on Mission perform their duties in a manner consistent with the Charter of the United Nations and in a manner that promotes the image, credibility, impartiality and integrity of the United Nations.

It is essential to ensure that in no circumstance are any United Nations personnel exempt from the consequences of criminal acts committed at their duty station. The legal gap in jurisdiction has been identified as the main barrier in this regard and to address the problem a number of measures were proposed in the General Assembly Resolution A/62/63 adopted last year.

The Resolution strongly urges all States to consider establishing jurisdiction over crimes of a serious nature committed by their citizens while serving as United Nations Officials or experts on mission, at least where the conduct as defined in the law of the State establishing jurisdiction also constitutes a crime under the laws of the host State.

We sincerely hope that the implementation of this Resolution would help fill the jurisdiction gap in respect of Member States that do not assert extraterritorial jurisdiction over crimes committed by their citizens abroad.

As regards India, the Indian Penal Code extends to extra-territorial offences committed by Indian citizens. Therefore offences committed by Indian officials or experts on missions while serving abroad are punishable under Indian law.

The Resolution also encourages all States to cooperate with each other in the conduct of investigations and prosecution of those who are charged.

In this area, India has a well developed law which enables it to seek from and extend cooperation to foreign States in respect of mutual legal assistance in criminal matters. This law is contained in the Code of Criminal Procedure, 1973. It includes provisions on execution of judicial processes; assistance in relation to orders of attachment or forfeiture of property identified as unlawfully acquired; management of property so seized or forfeited; procedure to be followed in case of letter of request; letter of request to competent authority for investigation in a country or place outside India; and the execution of a letter of request from a country or place outside India to a Court or authority for investigation in India.

India has also concluded several bilateral agreements on mutual assistance in criminal matters. These agreements are designed to provide mutual legal assistance in criminal matters that is necessary for the prosecution of offences, searching persons and property in question, location of fugitives and property involved, transfer of witnesses and exhibits and freezing and confiscation of proceeds.

The Indian Extradition Act, 1962 deals with extradition of fugitive criminals. It allows for extradition for extraditable offences i.e. an offence provided for in the extradition treaty with another State. This Act also allows treating of an international Convention as the legal basis for considering extradition in the absence of a bilateral agreement.

Mr. Chairman,

The issues of pre deployment and in-mission training are crucial. Careful preparatory training in terms of a democratic, multi-cultural, pluralistic and tolerant outlook is as important as subsequent swift punitive action, once culpability is established. We thank the Secretariat for providing the details

of measures taken to strengthen existing training on United Nations Standards of Conduct, which include not only pre deployment and in-mission training but also mission specific training that takes into account cultural aspects of the host population.

In conclusion, Mr. Chairman, we welcome the adoption of the "comprehensive strategy on assistance and support to victims of sexual exploitation and abuse by the United Nations staff and related personnel" and would hope that it is promptly implemented.

Thank you.



721. Statement by Member of Parliament and Member of the Indian Delegation to the UN D. Raja on Agenda Item 47: [A] Macroeconomic Policy Questions: [B] International Financial System and Development [C] External Debt and Development: Towards a Durable Solution to the Debt Problems of Developing Countries; and [D] Commodities at the Second Committee.

New York, October 13, 2008.

Madam Chair,

We would like to thank the Secretariat for the detailed and comprehensive reports on the macroeconomic policy questions being considered on the agenda today. We associate ourselves with the statement made by Antigua and Barbuda on behalf of the Group of 77.

Madam Chair,

Even as we speak, the international financial system is in the midst of a severe crisis, and its impact on the "real economy" is beginning to be felt. Moreover, while the crisis did not originate in developing countries, it appears likely that it will impact the development efforts of developing countries through overall slowdown in global growth, shrinking export markets, etc. Against this background, developed countries need to take effective measures to ensure that their commitments on development financing to developing countries are not diluted.

Many developing countries will also need additional international support to address the impacts of the financial crises, as well as the food and energy crises. The case for genuine multilateral governance could not have been made more forcefully put than by the financial crisis, whose cross-border ramifications have been rapid and significant. The crisis has also tested the effectiveness and role of international institutions, particularly the International Monetary Fund, which have a basic mandate of guaranteeing global financial stability. Clearly, in the global economic realities of today, traditional responses involving select developed countries cannot deliver results. We need to have multilateral mechanisms that have full and effective participation of developing countries, if genuine global coordination is to be achieved. In this context, a comprehensive reform and democratization of the Bretton Woods Institutions is indispensable.

We fully agree with the report of the Secretary-General that reform of the governance structures of international financial institutions is critical to the integrity of the international financial system. This reform must enhance the voice and participation of developing countries in these institutions. Such reform would also better respond to the needs and concerns of the majority of countries affected by the operations of these institutions. The steps taken so far have been inadequate, and must be intensified. Given its unique role and legitimacy, we would urge that the reform process be overseen by the United Nations. I would also take this opportunity to highlight that it is important that developing countries have the necessary policy space to implement policies suited to their unique circumstances, just as developed countries do, rather than face a restricted choice through conditionalities.

Madam Chair,

Even before the onset of the current financial crisis, developing countries did not enjoy an international environment conducive to development. For more than a decade now, there has been a net transfer of financial resources from developing to developed countries, instead of a flow of resources from developed to developing countries. Worse, this has been steadily increasing, and was nearly US\$ 0.8 trillion during 2007.

While there has been an increase in private capital flows into developing countries, as recent developments have underscored, not all such flows were stable, pro-development. Instead, these included speculative flows are not reverse themselves at the first sign of turbulence. Moreover, private flows are not attracted towards social sectors and other development related

sectors. Further, not all investment flows have fostered commensurate linkages with the domestic economy, thereby minimizing their positive impacts. In addition, the international community appears to be paralysed by a steadily declining trend in Official Development Assistance flows, which remains crucial for many countries.

It is of grave concern that most donors are not on track to meet their commitments. We believe that a thorough review of these issues, under the Development Cooperation Forum of the Economic and Social Council of the UN, is urgently required.

Madam Chair,

While there has been some improvement in the debt situation of developing countries in general, not all countries are in the same situation. As the report of the Secretary-General notes, several low income countries have current account deficits and, and their international reserves are well below the level of their short-term debt. Debt relief initiatives have run their course. Given the varying level of arrears in debt servicing, resources released for development by debt-relief were much smaller in actual practice. Thus, as confirmed by the 2008 report of the UN Conference on Trade and Development [UNCTAD], debt relief was not additional to other forms of aid. Instead, debt relief was erroneously counted as Official Development Assistance. Moreover, many countries did not benefit from debt relief. Debt sustainability analysis frameworks remain non-transparent and subjective. This must be rectified. We agree with the report of the Secretary-General that the ability to repay and the need for resources are separate issues, and cannot be interchanged. Further, such frameworks must also distinguish between solvency and liquidity problems. If the Millennium Development Goals are to be achieved, we must be able to find solutions that address the financing needs of developing countries, particularly low income countries. In this context, we need to consider new measures, like an international debt commission, to redress the problem of developing country debt. Any new mechanism must include effective participation of developing countries, instead of relying on donor-dominated bodies, or creditor-led frameworks of the International Monetary Fund. The United Nations is eminently placed to guide such a process.

Madam Chair,

The last few years have seen a commodity boom, which has benefited some developing countries that are dependent on commodity exports. Yet,

the report of the Secretary-General has correctly highlighted the continuing underlying challenges of price volatility, limited development gains, and difficulties in diversification on account of structural barriers in international markets. Moreover, agricultural distortions by developed countries continue, including in products like cotton, to undermine commodity-based development efforts of developing countries. We must also be cognizant that high food prices have adversely affected many food importing developing countries. Agricultural subsidies by developed countries and diversion of grain for bio-fuels, have been particularly responsible for this. Coupled with high energy prices, the overall impact threatens to undo the development gains achieved in the recent past. There are indications that some commodity prices are now poised for a decline. This only serves to underline the volatility of commodity exports. Greater international efforts are required to assist low-income commodity-dependent developing countries to launch their economies on a sustained growth path. We support UN Conference on Trade and Development's [UNCTAD] role in this context, and welcome the strengthening of the Commodities Branch of UNCTAD, as decided at UNCTAD XII in Accra.

In conclusion, Madam Chair, let me reiterate the importance of urgent collective action to create an international financial system that supports and fosters development.

Thank you, Madam Chair.



722. Statement by former Member of Parliament and Member of the Indian Delegation to the UN Vishvjit P. Singh on Agenda Item 79: The Role of Law at the National and International level at the Sixth Committee.

New York, October 13, 2008.

Thank You Mr. Chairman,

India strongly supports adherence to the rule of law both at the national and international level and aligns with the Statement made by Cuba on behalf of the Non Aligned Movement. We see promotion of the rule of law as an essential tool for ensuring sustainable development and peaceful coexistence and cooperation among States.

We thank the Secretary General for the comprehensive inventory contained in document A/63/64 on the current rule of law activities of the United Nations that will facilitate in assessing the current capacity of the United Nations System to respond to the demand of rule of law assistance from Member States. The Secretary General's other Report contained in document A/63/226 on this topic identifies ways and means of strengthening and coordinating the activities of the United Nations System devoted to the promotion of the rule of law. The Report contains several proposals designed to improve effectiveness of the assistance requested by States in building capacity for the promotion of the rule of law at the national and international levels.

Mr. Chairman,

We understand that the United Nations is currently conducting rule of law operations in more than 110 countries. A sizable number of these efforts are in conflict and post conflict situations where United Nations supports multiple aspects of the rule of law framework. In addition it is also engaged in traditional rule of law dissemination activities including publication of guidance materials and training of personnel.

Given the breadth of the United Nations' rule of law engagement, as reflected in the inventory, we hope that the - Rule of Law Coordination and Resource Group', would be able to fulfill its functions as a focal point for coordinating system-wide rule of law activities and help in coordinating the

activities of all specialized agencies and organizations of the United Nations and ensure that there is no replication in their work on the promotion of the rule of law.

However the Secretary General rightly points out that notwithstanding the United Nations experience and expertise in many normative areas, it still suffers from under funded mandates and shallow capacities. In a number of rule of law areas, the Organization, therefore, needs to enhance its expertise and capacity.

On the other hand, rule-of-law assistance has sometimes been piecemeal and, in some instances, donor-driven and not in line with national priorities of the recipient countries. There is an urgent need to move towards approaches that are nationally-driven and sustainable, and approaches that can garner the requisite political and popular support.

Mr. Chairman,

Several studies show that the conventional view favors a “top down” approach, in which building the rule of law is primarily about crafting the right laws and institutional arrangements, which can be informed by international best practices. However another alternative: a “bottom up” strategy involves providing technical assistance to different players in a transition country's legal and political community-such as training lawyers and judges that helps build both a culture of respect for the law and a constituency that will demand legal reforms from their government. Though these approaches are not mutually exclusive, it has been seen that merely providing generic expertise by model legislations or visits by foreign experts is often not as helpful as involvement and building of local expertise. The Secretary General's Report therefore correctly identifies partnerships with national rule of law stakeholders as a key that can provide insights on dynamics underlying key concepts and suggest innovations to improve the likelihood of success of a program.

Further, the United Nations is but one actor in the field. A lack of strategic planning and coordination among all rule-of-law entities, including donor Governments and non-governmental organizations, can produce duplication and can waste effort and money. Therefore, greater coordination

and coherence within the United Nations has to be matched by coherence with other rule-of-law actors.

We are happy to note that the United Nations approach to rule of law is also focusing on some of these issues and is developing a result oriented and targeted Strategic plan for 2009-2011 that is intended to identify a shared vision, objectives and joint activities that maximize areas of synergy and complementarity while minimizing overlap and duplication.

Mr. Chairman,

There is consensus among member States in support of the rule of law. A number of recommendations have been made by the Secretary General in his Report to move the rule of law agenda forward. These recommendations require serious consideration. We hope that the Sixth Committee will be able to consider these recommendations and choose a topic this year to enable a structured discussion on the subject that will help to promote and strengthen the rule of law at the national and international levels.

Thank You



723. Statement by Member of Parliament and member of the Indian Delegation to the UN Arjun Charan Sethi on Agenda Item 56 [A] Advancement of Women and [B] Implementation of the outcome of the Fourth World Conference on Women and the twenty-third Special session of the General Assembly at the Third Committee.

New York, October 14, 2008.

Mr. Chairman,

We thank the UN Secretary-General for his reports on the present Agenda Item on Advancement of Women. My delegation associates itself with the statement made by Antigua and Barbuda as the Chair of G-77.

Mr. Chairman,

Advancement, development and empowerment of women and eliminating all forms of discrimination against women have been much talked about issues at the international level, however, without appreciable progress in most of the countries. It remains as an important cross cutting issue in the international social, economic and development agenda. Several international Conferences on it have been held till date, the last significant one being the United Nations Fourth World Conference on Women in Beijing in 1995 and the Twenty third Special Session of the General Assembly in June 2000. The 2000 Millennium Summit also gave importance to the issue of equality and empowerment of women and identified attainable goals by 2015. In fact, gender is an overarching theme in all the 8 Millennium Development Goals and the main theme of MDG-3, i.e. promotion of gender equality and empowerment of women. The last review of the MDG, which was done this year, unfortunately revealed that despite progress, gender gaps remains considerable and the full potential of women is untapped. The resource crunch at the international level and lack of sincere efforts at domestic level are major hindrances in achieving this goal.

Mr. Chairman,

The UN Secretary General's report titled, "the improvement of the status of women in the United Nations system", which studied the status of women with the target of achieving 50/50 gender distribution in the UN system, especially at senior and policy-making levels in the UN has revealed a dismal state of affairs. It showed that the average increase of women in UN system

was around 0.3 % in the last 10 years, with the percentage of women increasing from 34.6 % to 38.2%. If one has difficulties in implementing a relatively simple objective of equal representation of women in a cosmopolitan setup like the United Nations, it is not surprising that states with their own cultural and societal compulsions, might take much longer to achieve this objective. However, we would like to acknowledge the efforts made by the Secretary General personally in ensuring that the percentage of women in the UN system improves, and would like to convey our support to the various recommendations in his report for achieving the same.

Mr. Chairman,

Since adoption of its Constitution, India has been taking all steps possible to achieve realization of equality of women in all walks of life. Empowering women politically, educationally, economically and legally has been a major objective of the Government of India. The Department dealing with women affairs since 1985 was made into a full-fledged Ministry in India in 2005. Convinced, that lack of funds should not be a reason for delays in implementing programmes specific for women empowerment, the 11th National Five Year Plan (2007-2012), for the first time in the history of Indian planning, focus has shifted from mere empowerment of women to recognizing women as agents of sustained socio-economic growth and change. Gender, therefore, has been made a cross-cutting theme; not confined to a single chapter on Women and Children. The Plan also endeavours to guarantee the rights and entitlements of all women, and has recognised that their requirements differ based on their locations within various castes, communities, religions, geographic and development zones.

Mr. Chairman,

Political empowerment is also an essential prerequisite for attainment of progress on women's issues. One of the landmark achievements for the empowerment of women at the political level in India has been the reservation of one-third of urban and local self-government seats for women, thereby giving more than one million women social and political empowerment at the grassroots level. A similar reservation at the Parliament level is being pursued by the government. India's Joint Parliamentary Committee on Empowerment of Women also independently monitors equality and empowerment of women and ensures that legislations in India are gender responsive.

Mr. Chairman,

In order to improve the socio-economic empowerment of women in India, several programmes have been implemented, namely, mobilization of women into Self Help Groups imparting vocational skills training and encouraging entrepreneurship by providing easy credit facilities. In order to facilitate the employment of women away from their homes, schemes providing support services for women such as Working Women Hostels with day-care and crèche centres have been implemented. India is also implementing the Act on Social Security for Workers, including women workers, in the unorganized sector. Here, I would add that the National Rural Employment Guarantee programme, launched in 2006 for providing 100 days assured wage employment annually to every rural household with at least one-third women beneficiaries, comfortably achieved its target. In fact, more than 49% of the beneficiaries happened to be women. India is progressively marching ahead towards the target of realising the goal of reducing the female poverty ratio by 15% by 2012.

Mr. Chairman,

We have also started Gender Budgeting and creation of a database of gender disaggregated information as major monitoring tools to examine whether women are able to benefit from the policies and programmes instituted for them. Gender budgeting is perceived as a powerful tool not only for tracking allocation of resources for women but also to monitor implementation of issues and outcomes by setting up of gender cells. All Ministries in the Government of India also submit an outcome budgets that ensures effective utilisation of the amount allocated for women in the budget. India has also initiated steps to compile and prepare Gender Development Index and Gender Empowerment Measure for India and States under the GOI- UNDP Project of 'Promoting Gender Equality'. Our approach to educating women has stemmed from our basic belief that if you educate an individual, you are enlightening an individual, but if you educate a woman, you are enlightening a family. In order to achieve equality in the field of literacy, special emphasis has been given for education of the girl child. Considerable progress has been made and recent data shows that the ratio of female to male students at primary school level has increased in the last 15 years from 0.7: 1 to 0.88:1 and in the secondary school level from 0.5:1 to 0.7:1. Similarly, overall, female literacy rate has increased at the rate of 14.4% in the last 15 years, whereas, male literacy grew only 11.1%. Mr. Chairman,

Another related issue is the exploitation of women as a result of trafficking of women for various unlawful purposes. Government of India recently amended appropriate provisions in the Immoral Traffic (Prevention) Act to enable more stringent punishment for the perpetrators of this heinous crime. Additionally, a new Central Scheme, called, "Ujjawala"- a Comprehensive Scheme for Prevention of Trafficking, Rescue, Rehabilitation, Re-Integration and Repatriation of Victims of Trafficking and Commercial Sexual Exploitation" was launched in December 2007. Furthermore, in order to stem the problem of cross border trafficking especially of young children and women into India, a Roadmap and Joint Plan of Action has been developed in consultation with other partners and with technical support from UNICEF. Also, in the 11th Five Year Plan, a new central scheme titled 'Relief and Rehabilitation of Victims of Rape', has been proposed for providing specific succor to rape victims. Here I would like to inform you that the Indian Parliament, in 2005 enacted 'The Protection of Women from Domestic Violence Act' to tackle this scourge in India. The Act provides for free legal service, protects the rights of women to secure housing and includes a provision to prevent the abuser from causing further violence. It also involves NGOs as service providers for giving assistance to abused women.

Mr. Chairman,

India will continue to contribute positively to United Nations efforts to reach out to vulnerable sections, particularly women and children, in conflict and post-conflict societies. The international community should also commit to this noble cause by providing new and additional financial resources, transfer of technology, sharing of experiences, expertise, information and data, technical cooperation and capacity-building, to countries that urgently need them. We reiterate our commitment to attaining the goal of equal rights of men and women everywhere.

Thank you, Mr. Chairman.



724. Statement by Member of Parliament and Member of the Indian Delegation to the UN Tariq Anwar on Agenda Item 28: International Cooperation in the Peaceful Uses of Outer Space in the General Debate of the Special Political and Decolonization [4th] Committee.

New York, October 14, 2008.

Mr. Chairman

We are pleased to see you chair our discussions on international cooperation in the Peaceful Uses of Outer Space. We are also happy that the UN Committee on Peaceful Uses Of Outer Space has been contributing a lot towards capacity building for sustainable development and strengthening international co-operation for a peaceful outer space. We are pleased that much progress was made during the 51st session, under the chairmanship of Colombia.

Mr. Chairman

Indian Remote Sensing imagery and support services were made available for post-disaster relief operations after the major cyclone and earthquake that recently struck Myanmar and China respectively. Moreover, as a Member of the "International Charter on Space and Major Disasters", the Indian Space Research Organisation [ISRO] took an active part in the activities of the Charter in providing remote sensing data and assessment support to the countries concerned.

Mr. Chairman

During January 2008, the Indian Polar Satellite Launch Vehicle successfully launched a commercial satellite for an international customer. In April 2008, ten satellites consisting of two national primary satellites CARTOSAT-2A and IMS-1 and eight nano satellites were carried on-board PSLV-C9. In coming years we plan to also provide such opportunities on Indian launchers for student and scientific communities from developing countries.

Mr. Chairman

In the area of Space Application, many programmes have been implemented. In an effort to provide support to quality education across India, more than 33,000 EDUSAT classrooms have been established. Tele-

education networks have benefited students from all over the country. The telemedicine network is being expanded with a view to making expert medical consultancy in cities available to patients in remote areas. Today it consists of 320 hospitals, of which 270 hospitals are at remote/rural/district levels, connected to 42 Super Specialty hospitals in major cities. More than 500,000 people have been benefited from it.

The Village Resource Centres undertaken by ISRO, for providing space-enabled services, has also proved to be an effective tool. It has acted as a single window delivery mechanism for space based products and services. These include tele-education, tele-medicine, information on natural resources for planning and development at local level, advisories on agriculture, fisheries, land and water resources management, livestock management, etc. Today, over 400 Village Resource Centres have been established across India, providing valuable inputs to the local community.

Mr. Chairman

India's first unmanned scientific mission to the moon, CHANDRAYAAN-1, is to be launched in the next few days. It is an example of how scientists from different countries can share their expertise for the benefit of humankind. CHANDRAYAAN-1 will also carry scientific instruments for USA, the European Space Agency, and Bulgaria, besides India. The data generated on the characteristics of the moon should benefit scientists across the world. On November 12, 2007, ISRO and its Russian counterpart signed an Agreement on joint lunar research and exploration. It will lead to CHANDRAYAAN-2, a joint lunar mission involving a lunar orbiting spacecraft and a lunar vehicle on the Moon's surface.

As part of Indo-French co-operation, ISRO is jointly building a satellite called MEGHA-TROPIQUES, primarily to carry out meteorological observations in the tropical region. It is to be launched in 2009. The data generated by it will play a significant role in establishing a global data bank for addressing issues related to weather and climate change.

Mr. Chairman

ISRO takes a special interest in capacity building and services for assisting developing countries in the application of space technology. The Center for Space Science and Technology Education for Asia and Pacific Region, operating from India, has so far conducted 26 postgraduate programmes

and 19 short-term courses and workshops. 726 scholars from 30 countries from the Asia-Pacific region and 26 scholars from 16 countries outside that region have benefited from it.

Mr. Chairman

In conclusion, I would reiterate India's commitment to the use of Outer Space for peaceful purposes in the common interest of humankind.

Thank you, Mr. Chairman.



**725. Statement by Permanent Representative at the UN
Nirupam Sen at the meeting of the Open-ended Working
Group on the Question of Equitable Representation on
and Increase in the Membership of the Security Council
and Other Matters.**

New York, September 15, 2008.

Mr. President,

Thank you for this meeting. For the first time after fifteen years, your text clearly mandates intergovernmental negotiations in the informal GA plenary with a fixed time line of January 31, 2009. It removes any substantial linkage between the OEWG and the informal GA plenary. The formal relationship left is the maximum extent to which we can go because it clarifies the consultative role of the GA exercised through the OEWG and its negotiating role exercised through the informal plenary. For the first time the text correctly contains the linguistic and political reflection of the arithmetical balance between more than two-thirds who have been for this position and the less than one-third who have not. We therefore congratulate you and the Task Force and strongly support your text. It is evident that in the legal UN meaning of consensus (supported by numerous commentaries on the Rules of Procedure which I cited on earlier occasions), there is a consensus because consensus means that those who oppose the text do not oppose it strongly enough to seek a vote.

The explorer Ernest Shackleton once said that superhuman effort isn't worth a damn unless it achieves results. Results have been achieved. The efforts

of the L69 and all our partners have achieved results. These could not be in full measure for anybody but are in substantial measure for everybody. We have results rather than a continuation of mere routine.

One of our distinguished colleagues extolled the virtues of continuity and clarity, meaning that we should continue to do nothing and be clear that we shall do nothing. Another colleague thought a slow pace positive. Having seen the positive results of such a pace for fifteen years, we should consider a change. One of the leading lights of the UFC wanted to substitute the phrase "informal GA plenary" with the phrase "OEWG". As a serious proposal, it is not worth serious consideration. If made in a lighter vein, it is in poor taste. His colleague from the UFC should understand that the overwhelming majority has never accepted that the OEWG should get a new mandate and become a Prepcorn for negotiations. I agree with my distinguished friend from Egypt that we should maintain the tradition of the OEWG: the tradition of the OEWG is to be a merely consultative body: we should clarify that it would not be anything else.

I am surprised by the previous speaker. He specially should realize that the organisation he represents needs added legitimacy and added resources. I am surprised that he sang the swan song of a declining organization, head buried in the sand till the sand chokes it.



726. Statement by Member of Parliament and Member of the Indian Delegation to the UN Arjun Charan Sethi on Agenda Item 54: Operational Activities for Development at the Second Committee.

New York, October 15, 2008.

Mr. President,

The Operational Activities for Development of the United Nations are in many countries of the world including India, the visible face of the United Nations. Article 55 of the Charter recognizes the link between development and international stability. It also charges the United Nations with the responsibility of promoting development. These operations are thus amongst the most important activities of the United Nations. The current global financial crisis, with its implications on global poverty levels and on the attainment of the Millennium Development Goals has exponentially increased the importance of discussing ways and means to strengthen these capabilities of the United Nations and the importance of ensuring that the crisis does not affect the MDG process. India would like to align itself broadly with the statement made by Group of 77 on this issue.

Mr. President,

Developing countries greatly value the universal, multilateral and impartial nature of UN Development Operations. The neutrality and legitimacy of these activities give them a character, credibility and effectiveness that set them apart from the development operations carried out by other development actors. Developing nations, including India, would therefore like to augment the capability of the United Nations as a development organization.

Keeping this in mind, we would like to thank the Secretariat for the extensive documentation prepared for discussions under this agenda item. The Secretary General's report on Trends in contributions to operational activities of the United Nations and measures to promote and adequate, predictable and expanding base of United Nations development assistance (A/63/201) as well as the Comprehensive statistical analysis of the financing of operational activities for development of the United Nations system for 2006 (A/63/71) are particularly relevant to today's deliberations.

They make for depressing reading. The share of the United Nations in global ODA flows remains more or less static at a little over 10% of global

ODA. Not only are 90% of global ODA funds disbursed through non United Nations channels, the availability of funds to the UN system in the past year actually declined in real terms.

The Secretary General has justifiably reported that the trends in financing the United Nations system, in particular the decline in core resources, are of great concern. In the absence of a sound financial footing and an expanded funding base, the ability of the UN system to deliver coherently, relevantly and effectively, is impaired.

India believes that funding - core, predictable funding, funding without conditionalities, remains the key to the objective of making the United Nations deliver better and more. India agrees with the Secretary General's assessment that greater political will is required to ensure that the United Nations is equipped to deal with the development challenges of the world.

Mr. President,

Our position on the reform of UN Development Operations has been guided by our desire to bring about improvements. When we talk of improvements, we mean genuine, verifiable improvement in the quality of development services, further enhancements in responsiveness to national requirements, and a greater share for and a greater control by the United Nations of the global flows of voluntary funding in terms of budgetary discipline and Fifth Committee oversight.

India would like to strike a note of caution in respect of the ongoing debate about Systemwide Coherence and proposed reforms. Execution and better delivery of development operations and outcomes should not become hostage to structural objectives that remain nebulous. The question of programme content is as important, if not more important than the pursuit of purely administrative measure. The means cannot become more important than the end.

Different countries have different development objectives. The objective of "delivering as one" must not negatively affect the choices available to recipient countries. The choice of agencies and programmes available to a recipient country must not be curtailed and must necessarily be determined on a national basis.

The demand-driven nature of UN development operations is highly valued by developing countries. This country-based approach, rooted in national priorities, was strongly emphasised in the Triennial Comprehensive Policy

Review of Development activities that was carried out last year and remains of the greatest importance to my delegation.

Mr. President

The Government of India is fully supportive of the objectives of gender empowerment, gender parity and gender mainstreaming. These are laudable objectives and the United Nations is mandated to pursue them both within and without. We support measures that will improve the operational capability of the United Nations in these areas, including the creation of a gender entity. We would however like to be sure that these are accountable to the General Assembly and adequately resourced. The absence of augmented funding for UN development operations has a direct bearing on this issue.

Mr. President,

The relevance of South-South Cooperation for developing countries has been increasing over the years. Market based economies in an era of globalization have not brought the economic benefits to a large number of developing countries. Cooperation among developing countries is necessary for mitigating the adverse effects of international economic policies, the most immediate manifestation of which is the crisis caused by developments in the international finance and capital markets.

Despite continuing challenges, capacities in the South have risen dramatically in the last two decades and now there are hardly any goods or services required in the South, which cannot be sourced from the South itself. It is no surprise that the developing countries' share of total world trade has risen in the last two decades and that intra-South trade is growing at a rapid pace. Developing countries also continue to emerge as international investors.

Mr. President,

I would like to conclude by requesting the United Nations developmental system to give greater recognition to harnessing the potential of South-South cooperation. It is our belief that this will be a positive influence in the work of the United Nations in the development arena.

Thank You



727. Statement by Member of Parliament and Member of the Indian Delegation to the UN D. Raja on Agenda Item 57 [A] & [B]: New Partnership for Africa's Development: Progress in Implementation and International Support and Agenda Item 43: 2001 - 2010: Decade to Roll-back Malaria in Developing Countries particularly in Africa at the 63rd session of the UNGA.

New York, October 15, 2008.

Mr. President,

India's first Prime Minister, Jawaharlal Nehru, speaking at the Afro-Asian Conference at Bandung in 1955, described Asia and Africa as "sister continents". This vision of India and Africa, with our shared historical experience of fighting colonialism and multi-dimensional backwardness, and our common journey with a common destination, remains at the centre of India's links with Africa.

India, which hosted the first-ever India Africa Partnership Forum Summit in New Delhi in April 2008, is therefore extremely pleased to participate in today's discussion on the New Partnership for Africa's Development.

Mr. President,

We would like at the outset to take note of the High Level Meeting on the theme "Africa's Development Needs: State of implementation of various commitments, challenges and the way forward" that was held in New York on September 22, 2008. We would like to take particular note of para 39 of the Political Declaration adopted by the Meeting which stated inter alia that "All commitments to and by Africa should be effectively implemented and given appropriate follow-up by the international community and by Africa itself. We underscore the urgency of finding solutions to Africa's major challenges."

India would also like to echo the call of the President of the African Union made at that meeting that Africa deserves special attention. The strides being made by Africa in areas such as infrastructure, agriculture, health, human resources development, science and technology and information and communication technology are evident. They are also portents that indicate the awakening of a giant which will immutably transform the international political and economic order.

Mr. President,

The Secretary General in his report New Partnership for Africa's Development : 6th Consolidated Progress Report Implementation and International Support (A/63/206) provides details of the progress made in the various priority areas of NEPAD and analyses the response of the international community in support of NEPAD. We are particularly concerned in the light of this declaration that he has called for urgent implementation of international commitments, including a reversal in the decline of development assistance. We endorse the call of the President of the African Union of the moral obligation of the international community to assist Africa to pull itself out of the "poverty trap".

Mr. President,

India has always been committed to elevating its special engagement with Africa into an enduring partnership. We have a long-standing, close and multi-layered relationship with Africa based on our abiding commitment to work with the continent to fulfill its aspirations. Our partnership encompasses priority sectors integral to the developmental goals of Africa in the 21st century. A vibrant India and a resurgent Africa are witnessing an intensification of relations and growing convergence of interests in their common quest for sustainable economic growth and development.

The Delhi Declaration and the Africa-India Framework for Cooperation adopted by India and Africa earlier this year highlight our shared vision and world view. The Delhi Declaration is based on equality and mutual respect. The Framework of Cooperation, adopted at the Summit, outlines the priority areas of our future engagement. Taken together, these provide a sound foundation for the intensification of our engagement in the years to come.

India is committed to work together with Africa in accordance with the priorities of the continent. Areas of cooperation include capacity-building, agriculture, infrastructure development, health and food security and technology cooperation. India also announced the enhancement of the available concessional Lines of Credit for Africa to US\$ 5.4 billion. India sincerely aspires for a long-term partnership with Africa and is therefore investing in building economic infrastructure including railways, IT, telecom and power.

For India capacity building in Africa has been an area of priority. Since 1964, India has, through the Indian Technical and Economic Cooperation

(ITEC) Programme, worked with Africa in placing thousands of students from Africa in professional institutions under India under scholarship schemes. Over 15000 African students are currently studying in Indian universities and colleges. India will over the next five to six years, undertake, on a grant basis, projects in critical areas focusing on education, science, IT, agriculture and renewable energy. India has offered a substantially higher number of training slots and has also doubled long-term scholarships. We have allocated half a billion dollars for this purpose.

The pan-African e-network project is a shining example of India-Africa partnership. India has gifted a dedicated satellite for e-connectivity in sub Saharan Africa to help bridge the digital divide. This project is fully financed by the Government of India and was launched from Addis Ababa with a satellite hub in Dakar. It is linking major universities in different regions of Africa with major Indian universities and centers of excellence in India and major hospitals in Africa with super-specialty hospitals in India. Thirty countries have already joined this Project to provide quality tele-education and tele-medicine.

Mr. President,

The Secretary General in his report on NEPAD has called for the long-overdue successful outcome of the Doha round of multilateral trade negotiations encompassing a development dimension. At the India Africa Partnership Forum Summit, India and Africa have decided to work together on pressing global issues of shared interests and concerns including the WTO such as the issue of cotton subsidies. India has made a unilateral announcement of duty free and quota free market access to goods from 34 Least Developed Countries in Africa. This will spur economic activity in manufacturing, particularly for African SMEs, by allowing them enhanced market access to one of the fastest-growing economies in the world.

India, like Africa, has been affected by the global economic slowdown, the international economic and financial system, and high food and oil prices. This is on our common agenda as are issues such as climate change, reform and democratization of international institutions, the fight against terrorism, combating diseases, eradication of hunger and poverty and promotion of pluralism and democracy.

Mr. President,

Africa's fight against Malaria that is dealt with in Secretary General's report transmitting the WHO's report on "2001-2010: Decade to Roll Back Malaria

in Developing Countries, Particularly in Africa", remains an uphill task. Although there are signs that some progress might be taking place, it is a fact that resources remains inadequate, access to treatment is inadequate and that there is no evidence of a decline of malaria in Africa. The appearance of resistant falciparum strains is a matter of particular concern.

While a number of preventive measures, such as distribution of treated mosquito nets is being undertaken, it also remains a fact that the developing world's ability to combat such public health crises of this nature require fundamental changes in the intellectual property regime. The Doha Declaration enshrines the principle that trade rules on patents are not as important as public health. Access to medicines is a fundamental part of the right to health. It remains a matter of regret that this remains more in the realm of theory than practice.

Mr. President,

In concluding, I would like to state that it is our firm conviction that success in achieving the objectives of NEPAD depends on an African-led and Africa-developed agenda. With the rich human and natural resources available to Africa, and the commitment of Africa's leaders to achieving the objectives of NEPAD, success can be achieved if NEPAD receives the dedicated support of the international community in realizing the African dream.

Thank You



728. Statement by Member of Parliament and Member of the Indian Delegation to the UN Arjun Charan Sethi on Agenda Item 74: Report of the UN Commission on International Trade Law on the work of its Forty-first session of the Sixth Committee.

New York, October 20, 2008.

Thank you Mr. Chairman,

India values the work of the United Nations Commission on International Trade Law (UNCITRAL) and its efforts to establish and promote modern private law standards on international trade. We are pleased that the 41st session of the UNCITRAL has been a very productive one. We thank the Chairman of the Commission for the detailed Report.

During its 41st session UNCITRAL approved the draft Convention on 'Contracts for the International Carriage of Goods Wholly or Partly by Sea'. This is an important development in the law relating to carriage of goods by sea which in most parts of the world dates back to 1920s.

This Convention establishes a comprehensive framework for the regulation of all aspects of international carriage of goods and helps fill in gaps in the existing transport regimes.

The new Convention will regulate the rights and responsibilities of the principal participants in international shipping transactions and incorporates several new features that would benefit parties to a contract of carriage. There are increased limits of liability and extended liability for carriers that are expected to benefit shippers, particularly those in developing and least-developed countries, that are consumers of transportation services. The new legal regime would generate greater commercial confidence when doing business internationally. India actively participated in the Working Group negotiating this Convention and supports its adoption.

Mr. Chairman,

On the issue of cross border insolvency, we look forward to the compilation on 'practical experience with negotiating and using cross-border insolvency agreements'. It is expected to be a useful source in searching for solutions in the international treatment of enterprise groups in insolvency. In the area of electronic commerce, the Commission approved a study on the

legal aspects involved in implementing a cross-border single window facility with a view to preparing a comprehensive international reference document. We support this study as it will promote the use of UNCITRAL standards in countries using the future reference document.

Mr. Chairman,

As regards the working methods of the Commission, we welcome the comprehensive review being done in this regard. Given the highly technical nature of the work, we would support inclusiveness and transparency.

The issue of commercial fraud is of growing concern to international trade. It is a serious threat to the world economy, particularly due to the spread of technology and use of the internet. We hope that indicators of commercial fraud being prepared by the Secretariat would help combat practices that harm the commercial world.

Mr. Chairman,

Finally, we appreciate the continuing work under the system of collecting case law on the UNCITRAL texts. We commend the Secretariat for its wide range of technical assistance activities.

Thank you, Mr. Chairman.



729. Statement by Member of Parliament and Member of the Indian Delegation to the UN Tariq Anwar on Agenda Item 64: Promotion and Protection of Human Rights: [A] Implementation of Human Rights Instruments at the Third Committee.

New York, October 21, 2008.

Mr. Chairman,

We thank the UN Secretary-General for his various reports under this agenda item. A few reports were made available only very recently and some are still not ready. This has denied us adequate time to study them. We would request that all reports are made available to member states well in advance.

Mr. Chairman,

Observance of human rights is at the core of any civilised society. The founding States of the United Nations gave this principle highest priority in the Charter. Through progressive negotiations, it is satisfying that most institutional mechanisms for the promotion and protection of human rights are in place. With the establishment of the Human Rights Council, the apex body to handle human rights related issues in the UN and also the Office of the High Commission of Human Rights; the formal international structural regime for human rights is also in position.

The adoption of the Universal Declaration of Human Rights (UDHR) in 1948, which had set this ball rolling, culminated recently with the coming into force of the UN Convention on the Rights of Persons with Disabilities. In this context, I would like to stress that human rights are indivisible and inter-related. The protection of civil and political rights of people is equally important as the promotion of their economic, social and cultural rights, including the right to development.

Mr. Chairman,

As prescribed in various Conventions related to human rights, with the system of periodic reporting by the States Parties to the respective Conventions, certain amount of uniformity has been established in the procedure of reporting. Additionally, this also allows the distinct and unique scope of each of the Conventions to exist. This has helped the respective

Committees of the Treaty Bodies to make valuable assessment and also suggest practical recommendations. We are grateful to the Committees for their recommendations which have helped State Parties to strengthen their domestic policies and to achieve fundamental freedom for all. However, the learned experts to these Treaty Bodies should handle development, democracy and human rights as a single compact which are strongly inter-related to each other and have direct impact on its progress.

Mr. Chairman,

We welcome the efforts to streamline reporting by revised harmonization of the guidelines including a common core document and treaty-specific documents. This reduces duplication of work at the national levels and also helps in some amount of standardization. Treaty bodies and the Office of the High Commissioner of Human Rights should also develop the capacity of various member states who find it difficult to submit their periodic reports due to lack of experience and capability. Moreover, strengthening of national reporting procedure also assists member states in identify gaps in their policies and means to reduce them.

Mr. Chairman,

India has consistently supported the efforts of the international community to evolve a normative framework for promotion and protection of human rights. India has also paid due attention to meeting its reporting obligations and has also sought to regularly submit its country reports to respective Treaty Bodies.

Mr. Chairman,

We are concerned over the delays by various Treaty Bodies in examining country reports that have been submitted to them. We agree, in principle, to holding of Committee meetings in parallel chambers so that the number of reports examined could be significantly increased. Moreover, since these reporting procedures are of importance for the promotion and protection of human rights, the Office of High Commission of the Human Rights could also explore submitting a suitable proposal to temporarily increase the number of days of sitting of the relevant Committee meetings, at least for the next few sessions till the backlog of examination of country reports is removed.

Mr. Chairman,

With its constitutional guarantees, impartial judiciary, a progressive Parliament, a free and vibrant media, and a well established NGO community, India has been able to successfully establish pluralism and unity in a multi-ethnic, multi-religious, multi-lingual and multi-cultural society. The treaty body system has assisted us in implementing our international legal obligations and also in ensuring that the human rights of all people are protected. We hope that all member states will be able to benefit from the services of the Treaty Bodies, thus securing increased respect for human rights worldwide.

I thank you, Mr. Chairman.



730. Statement by Member of Parliament and Member of the Indian Delegation to the UN Arjun Charan Sethi on Agenda Item 72 - Nationality of Natural Persons in relation to the Succession of States at the Sixth Committee.

New York, October 21, 2008.

Mr. Chairman,

We commend the International Law Commission for preparing the Draft articles on "Nationality of natural persons in relation to the succession of States" which were presented to the U.N.

General Assembly in 1999. This was done in response to the problems of nationality arising from State succession. The Draft Articles emphasize that the legitimate interests of States and individuals in nationality rights, as guaranteed by the Universal Declaration of Human Rights of 1948, are governed by national law within limits set by international law.

To recall briefly, Article 1 provides that every person has a right to a nationality. "Succession" is defined as the replacement of one state by another in the responsibility for the international relations of that territory.

Article 3 provides an important clarification on the scope of the Draft Articles limiting it to only those cases of succession of states that have occurred in

conformity with international law and the United Nations Charter. Accordingly, occupation of territory by use of force or separation of territories involving the rights of third States without their consent is outside the scope of these Draft Articles.

The presumption of nationality of the successor state in the territory of which persons have their habitual residence, noted in Article 5, plays an important role in the scheme of the Draft Articles. Article 11 provides the right of option to choose between the predecessor and the Successor State. However it is expected that the option should be exercised within a limited time prescribed by the State concerned. Article 10 states the obvious principle of loss of nationality on voluntary acquisition of the nationality of another State. In this regard the Draft Articles tread a delicate path and do not endorse or denounce the right of States to grant or recognize dual or multiple nationalities.

Part II of the Draft Articles addresses various scenarios involving different categories of succession of States, including transfer of territory. The provisions in this part are generally satisfactory in explaining the implications of the general principles and adapting them to each of the categories of succession mentioned therein.

Mr. Chairman,

The draft Articles proposed by the International Law Commission can play a useful role in guiding States in establishing suitable national legislation on nationality. While they indicate several important principles, their status is essentially one of guidelines. Accordingly they honor the primacy of domestic law as long as the principles of non-discrimination, right of nationality and right of option are duly recognized as required by international law.

We endorse the recommendation of the International Law Commission that these Draft Articles be adopted in the form of a Declaration by the General Assembly. This would allow the States the necessary flexibility in applying the principles contained therein.

Thank You



731. Statement by Member of Parliament and Member of the Indian Delegation to the UN Tariq Anwar in the Special Political and Decolonization Committee (Fourth Committee) on Agenda Item 32: Questions Relating to Information.

New York, October 22, 2008.

Mr. Chairman,

The Indian delegation welcomes this opportunity to comment on the topic of "Questions relating to Information". Through his comprehensive statement at this session, on the activities in the first half of 2008, Under-Secretary-General Akasaka has set the tone for a lively debate. I would like to complement him for his leadership in revitalizing the Department of Public Information (DPI) and assure him of our support in meeting the challenges ahead. I would also like to associate my delegation with the statements made on behalf of G-77 and NAM.

Mr. Chairman,

The DPI has a pivotal role to play as it is the conduit for the flow of information between the UN, member states, media, civil society and the public at large. We take note of DPI's strategic focus in the areas of peace and security, development and human rights. Its success will be measured by its ability to meet its goals within limited resources.

Mr. Chairman,

DPI needs to intensify its efforts to meet the concerns and special needs of the developing countries in the field of information. Populations in developing countries that continue to be deprived of the benefits of the information revolution need to benefit from all aspects of the information and knowledge economy. Traditional means of communication, including radio and print, retain great relevance for spreading the UN message in developing countries. We encourage the combination of traditional means, such as print and radio, with modern technologies, such as webcasts and podcasts.

We also support the effort to facilitate the emergence of a world in which information is disseminated not merely in UN official languages, but also in other languages. Increasing the level of local content and involvement in the production of programme material will make the information more

relevant locally. It will also encourage local talent and creativity to involve itself in the work of the UN.

Mr. Chairman,

The role of United Nations Information Centres [UNICs] in disseminating information about the activities of the United Nations, especially in developing countries, is critical. Adequate budgetary resources must be assigned to UNICs. We encourage the DPI to consult closely with host countries, other countries served by these Information Centres, as well as the concerned region, in its efforts at further improvisation and innovation. Development of websites in local languages must also remain a primary DPI concern. In this context we welcome efforts of DPI to expand its partnerships with international broadcasters as well as post programmes on the UN Radio website in Asian languages including Hindi, Bangla and Urdu.

Mr. Chairman,

Information needs to be spread in a manner that makes it interesting and enjoyable for the audience. This is not easy to achieve and those working on content management must be driven by a constant desire for improvement. Moreover, DPI's programmes should seek to focus their coverage on projection of the most noteworthy activities of the UN, in particular, those that directly impact upon the lives of ordinary people. These include humanitarian activities as also the work performed, often under extremely demanding circumstances, by UN peacekeepers.

We would particularly like to see DPI, DPKO and DFS work closely in highlighting UN Peacekeeping success stories by providing accurate, impartial and timely information on the activities of UN Peacekeepers, including the exceptional work undertaken by them beyond their routine tasks. The DPI, by projecting stories of goodwill and down to earth cooperation, could go a long way towards creating a positive image for the United Nations and its peacekeepers. The establishment of United Nations Radio Stations in five peacekeeping operations is a welcome move.

In conclusion, Mr. Chairman, I would like to assure you of India's full backing as you guide the work of this Committee, as well as to the DPI as it seeks to project the UN story.

Thank you, Mr. Chairman.



732. Statement by Former Member of Parliament and Member of the Indian Delegation Vishvjit P. Singh on the Agenda Item 53: Eradication of Poverty and other Development Issues [A] Implementation of the Second UN Decade for Eradication of Poverty [2008 - 2017] [B] Industrial Development Cooperation at the Second Committee.

New York, October 22, 2008.

Madam Chair,

Permit me to begin by expressing our satisfaction at the proclamation during the 62nd session of the UN General Assembly of the Second UN Decade for the Eradication of Poverty for the period 2008-2017.

We associate ourselves with the statement made by Antigua and Barbuda on behalf of the Group of 77. We would like to thank the Secretariat for the useful report on the agenda item under consideration today.

Madam Chair,

Proclamation of the Second UN Decade to eradicate poverty is not an academic exercise, nor can it be compared to other UN Decades. Instead, we hope that this unanimous action will convey the high priority that all of us attach to the central issue of poverty eradication. We are witness to some of the benefits of concerted action during the First UN Decade to eradicate poverty from 1997-2006.

In addition, as the report of the Secretary-General notes, the First Decade has led to poverty eradication being firmly anchored at the core of the UN development agenda. We would recommend the momentum generated be sustained through concrete action plans to implement the Second UN Decade to eradicate poverty. In this regard, the report of the Secretary General has proposed interesting suggestions. We look forward to further consultations on some of these suggestions. We believe that measures to implement the Second Decade must impart a sense of urgency towards poverty eradication, and must fully involve member states.

The development follow-up resolution of the 2005 World Summit Outcome can also provide useful inputs. Further, the forthcoming Doha Conference on financing for development is important in this regard, apart from being

the first major event of the Second Decade. Overall, it is important that poverty eradication, which is the greatest global challenge facing the world today, should continue to receive the highest attention of the UN and the international community.

Madam Chair,

We are not on track to achieving the Millennium Development Goals, far less achieving the eradication of poverty. We hope the support of our development partners in proclaiming the Second UN Decade to eradicate poverty is backed up by greater enthusiasm to fulfill their commitments on issues like Official Development Assistance, debt relief, market access, technology transfer, etc. The report of the Secretary General has correctly noted that spending on core development programmes has remained constant over the First UN Decade. This cannot continue. Despite the ongoing financial and other crises, our efforts must not falter.

The report has also noted the importance for the international community to contribute to national efforts by creating a global economic environment that promotes economic growth and employment creation in developing countries. We emphasize that this is a critical requirement. Moreover, such an international environment must respect the policy space that each country requires to formulate and implement its own pro-poor and inclusive development strategy, based on its unique challenges and conditions. Greater flexibilities are required in international regimes to ensure primacy of the development dimension. We look forward to the Development Cooperation Forum of the UN Economic and Social Council playing a central role in international development cooperation efforts. We also believe that there is an urgent need to reform the international financial architecture, overseen by the United Nations.

Madam Chair,

India considers industrial development to be a fundamental requirement for achieving high economic growth, without which the eradication of poverty and the achievement of the development objectives will not become possible. It is with some justification that developed countries are also referred to as "industrialised countries". Moreover, industrial development also has a significant impact on the socio-economic transformation of societies. Thus, industrial development has been at the core of India's development strategy.

However, as the UNIDO report has outlined, a large number of countries have not been able to put their economies on the path of industrial development. Greater international support is required to assist the efforts of developing countries towards industrialization. We urge greater focus in

industrial development cooperation on the crucial objectives of promoting the expansion, diversification and modernization of productive capacities in developing countries. Yet, a crucial question facing developing countries is how to integrate pro-poor growth strategies with appropriate industrial policies. We believe that industrialization must include support to small and medium enterprises, which lead to large employment generation.

We agree with the UNIDO report of the need for a dynamic private sector to lead industrialization. However, the report would have become comprehensive if it had also examined the importance of the public sector, as well as of industrial policy making. The UNIDO report correctly emphasizes the inequitable globalization and barriers to trade as key obstacles to industrial development. In this context, we are concerned that demands by developed countries, which undermine the principle of "less than full reciprocity", in the Doha trade negotiations on non-agricultural market access, threaten to undermine the limited industrial advances made by developing countries. Instead, we need to work towards a multilateral trade regime that incorporates flexibilities that promote the expansion of the industrial and manufacturing capacities of developing countries.

Madam Chair,

Technology is a key driver for industrial development. Without access to advanced technologies at affordable terms, efforts of developing countries will remain constrained. We would urge developed countries to take concrete steps for transfer of technology to developing countries as a key element of international development cooperation. We support the role of the United Nations Industrial Development Organisation to facilitate industrial development. UNIDO must continue to improve its capacity building, technical cooperation and technology diffusion activities, focusing on productivity growth, trade capacity-building, corporate social responsibility, and sustainable development. While South-South and triangular cooperation can play a role in industrial development cooperation, we must not forget that North-South cooperation remains the main cooperation modality. In this regard, we would like to highlight that the report of the Secretary-General states that much of the bilateral aid remains asymmetrical and earmarked towards sectors or programmes chosen by the donors themselves. This goes against the core principle of national ownership, and steps need to be urgently taken to reverse it.

Thank you, Madam Chair.



733. Statement by Member of Parliament and Member of the Indian Delegation to the UN Arjan Charan Sethi on Agenda Item 78 - Report of the Special Committee on the Charter of the United Nations on the Strengthening of the Role of the Organization at the Sixth Committee.

New York, October 22, 2008.

Mr. Chairman,

At the outset, we wish to thank the Chairman of the "Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization", for his skilful guidance of the last session in February and for his Report. We would also like to extend our appreciation to the other Members of the Bureau.

Maintenance of international peace and security is the primary responsibility of the Security Council, which acts on behalf of all members of the UN in the discharge of its duties. The Security Council, which mandates sanctions, has the nodal responsibility for finding solutions to the problems of third States affected by UN sanctions. Article 50 of the UN Charter confers the right on third States confronted with special economic problems, because of the Security Council sanctions, to consult the Security Council for solution to those problems. Article 50 of the Charter is not merely procedural. It obliges the Security Council to find definitive solutions to the problems of affected third States. The Security Council holds the primary responsibility towards the affected third States, as part of its sanctions-imposing decisions.

Mr. Chairman,

We thank the Secretary General for his report on "Implementation of the provisions of the Charter of the United Nations related to assistance to third States affected by the application of sanctions". We are pleased to note the various measures taken by the Security Council to mitigate the effects of sanctions, ranging from standardizing humanitarian exemptions to developing delisting procedures and establishing a focal point. These measures are aimed at ensuring that sanctions are targeted and have consequently led to significant reductions in unintended economic consequences for third States. We note that a revised sanctions assessment methodology is being put in place that will put more emphasis on effect of targeted sanctions on individuals, financial transactions and

commercial activities and any other activity that may be targeted. We are pleased to note that due to various steps taken so far no Member State has approached any sanctions committee concerning special economic problems arising from the implementation of sanctions. Nevertheless, the Russian proposal on "Basic conditions and standard criteria for the introduction and implementation of sanctions imposed by the United Nations" still remains relevant. The adoption of fair and clear procedures in the UN sanctions process will strengthen its effectiveness and credibility. In this regard a comprehensive framework would provide the requisite transparency and certainty in procedures. We hope that the Special Committee is able to conclude its deliberations on the Russian proposal at its next session and recommend it to the General Assembly for adoption.

Mr. Chairman,

We also support updating of the Repertoire of the practice of the Security Council and Repertory of Practice of the UN organs as they are a valuable source of information on the application of the Charter and an indispensable tool for the preservation of the institutional memory of the United Nations.

Mr. Chairman,

The role of the Organization, which this Committee is mandated to strengthen, raises sensitive questions; of which the question of the advancement of rule of law remains amongst the most critical. India attaches great importance to the reform of the United Nations, including the revitalization of the General Assembly and democratization and expansion of the Security Council in both permanent and non permanent categories. Therefore we would like to extend our support for the proposal which very seeks to allocate to this Committee the work of examining legal aspects of United Nations Reform as and when tasked by the General Assembly.

Thank you, Mr. Chairman.



734. Statement by Member of Parliament and Member of the Indian Delegation to the UN Tariq Anwar on Agenda Item 46: Information and Communication Technologies for Development at the Second Committee.

New York, October 23, 2008.

Mr. Chair,

We welcome the opportunity to participate in the discussion on "Information and Communication Technologies for Development". We associate ourselves with the statement made by Antigua and Barbuda on behalf of the Group of 77.

Mr. Chair,

We thank the Secretary-General for the report on the progress made in the implementation of and follow-up to the outcomes of the World Summit on the Information Society. We take this opportunity to reiterate our support to the Commission on Science and Technology for Development, and its enhanced mandate on follow-up process to the World Summit on Information Society. We note with satisfaction estimates that by the end of this year, half the world's population will have access to a mobile phone. This is truly remarkable, given the low fixed line telephone penetration in many developing countries, and the recent invention of the mobile phone.

This also vividly demonstrates the potential for leapfrogging technology development by developing countries, without having to follow the same sequence of technology development of developed countries. It is satisfying that India is among one of the success cases of mobile telephone penetration. However, we note with concern that in the area of internet access, issues of quality and affordability are widening the digital divide. It clearly demonstrates that greater efforts are required, particularly by the international community, to bridge the digital divide. Information and Communication Technologies are crucial to development efforts, not only because of their own growth potential, but also due to the positive influence on almost every field through their extension and application, thereby stimulating the development of other sectors of the domestic economy.

There exist enormous benefits of using Information and Communication Technologies in, inter alia, reducing transaction costs, expanding access

to remote and rural areas, improving marketing capabilities of rural poor, reducing intermediaries in delivery chains and enhancing government accountability and democratic participation. Thus, the Information Technology revolution presents a real and profound opportunity to fast-track development processes. However, the necessary infrastructure and human resources remain a crucial constraint. Further, Information and Communication Technologies must be made affordable and user-friendly. We call upon the international community to extend technical and financial support, particularly through the United Nations, so that developing countries can fully bring Information and Communication Technologies within reach of millions.

Mr. Chair,

India has been playing a leading role in promoting and taking advantage of the Information Technology revolution. This is among the fastest growing sector of Indian industry, both for domestic production and exports. In particular, India has made significant progress in the software development and Information Technology Enabled Services area, leading to inclusive growth accompanied by employment generation. Business Process Outsourcing [BPO] has been a key element in this rapid growth, and has led to the acceptance of an Information Technology based global delivery model. Numerous sectors worldwide have derived benefit of Indian BPOs, including banking, financial services and insurance, telecommunications, manufacturing, retail sector, media, healthcare, transportation and utilities. Though export driven, Indian Information Technology sector has led to significant benefits for the domestic economy. The phenomenal growth of this sector has had a perceptible multiplier effect on the Indian economy as a whole. In addition to the direct positive impact on income and employment, it has spawned the mushrooming of several ancillary industries, and has created a rising class of young consumers with high disposable incomes, triggered a rise in direct-tax collections and propelled an increase in consumer spending.

The Information Technology sector now provides direct employment to nearly 2 million and indirect employment to 8 million more. It contributes around 5.5% to the national economy, up from 1.2% at the turn of the century. Interestingly, India's success in this sector has not been on cost alone, but also on quality, security, and other parameters. Proactive government policies have been a key input in India's success. It is indeed

a success of public and private partnership - a sector led by private initiative and enterprise, but supported by public policies of human resource promotion, enabling legislation, and other inputs. We have now also moved to the next level of BPO i.e. Knowledge Process Outsourcing [KPO], which is a higher step in value-addition. These processes include valuation research, investment research, patent filing, legal and insurance claims processing, online teaching, media content supply, etc.

Mr. Chair,

India is also actively utilizing Information and Communication Technologies for development. An ambitious US\$ 5 billion 5-year National e-Governance Plan has been formulated. The areas include road transport, land records, taxes, agriculture, treasuries, land registration, education, passport, postal service and identification documents. To make technology more accessible, greater focus is being given to software development in multiple Indian languages. We are also working on reducing cost of access. Further, Information Technology is also being combined with satellite based communication technology to create wide area networks, the objective is to reach rural areas through initiatives like tele-education and tele-medicine.

Before concluding, Mr. Chair, let me also highlight India's commitment to share its knowledge and experience in this field with fellow developing countries. A shining example of this is the pan-African e-network project to support tele-education, tele-medicine, e-governance, infotainment, resource mapping and meteorological services across the continent using fibre optics and a dedicated satellite. The project links major universities in different regions of Africa with major Indian universities and centers of excellence in India and major hospitals in Africa with super-specialty hospitals in India. India has also been assisting in IT capacity building in several partner countries in Asia and Africa.

Thank You, Mr. Chair.



735. Statement of Member of Parliament and Member of the Indian Delegation to the United Nations Ms. Sangeeta Kumari Singhdeo on Agenda Item 64 – Promotion and Protection of Human Rights [B] Human Rights Questions, including Alternative Approaches for Improving the Effective Enjoyment of Human Rights and Fundamental Freedoms, [C] Human Rights Situations and Reports of Special Rapporteurs and Representatives, and [E] Convention of the Rights of Persons with Disabilities at the Third Committee of the UNGA.

New York, October 28, 2008.

Mr. Chairman,

I would like to thank the UN Secretary-General for his reports, the Special Rapporteurs of the special procedures and Representatives of the UNSG for their concise presentations under the sub-agenda items 64 (b), (c) and (e) relating to 'protection and promotion of human rights'.

I would also specially thank the UN High Commissioner for Human Rights for her statement last week before the Third Committee. With her vast experience in the field of human rights and her objective and practical outlook, I am sure she will be able to deliver effectively, her ever expanding mandate. We look forward to work with her.

Mr. Chairman,

The report of the Special Rapporteur on the Right to Food, informs that the number of victims of hunger and malnutrition around the world are increasing at a steady pace. This situation has been exacerbated by the ongoing international food, financial and energy crises. There is an urgent need for greater partnership, commitments on technology transfer, provision of additional financing, as well as cooperation between developed and developing countries to tackle these unprecedented crises so that a conducive environment is created for the realisation of all human rights including, the right to development.

We support the efforts of the Working Group on the Right to Development, and the endeavour to operationalize it and mainstream it in policies and operational activities of relevant actors at the national, regional and

international level, including multilateral financial, trade and development institutions. This will also promote social justice. After all, development without democracy, social justice and respect for human rights can be neither lasting nor sustainable.

Mr. Chairman,

As we celebrate the 60th anniversary of the Universal Declaration of Human Rights and the 15th Anniversary of the adoption of the Vienna Declaration and its Programme of Action, we have not yet attained a global culture of human rights, which can serve as a unifying force rather than a divisive force. A major challenge is the determination of the most effective approach for promotion and protection of human rights. Attempts have regularly been made to single out countries for intrusive monitoring and pointing out the failure of the state mechanism in the promotion and protection of human rights of its citizens. We need to reflect on whether such international action has forced member states to accelerate appropriate activities at the domestic level and has genuinely improved the human rights situation.

Instances of gross and systematic violations of human rights anywhere in the world must certainly be addressed by the international community, collectively, and in a holistic manner. However, dealing with human rights situations with a specific bias against a certain country, does not promote the cause of protection of human rights. Instead, an approach based on dialogue, consultation and cooperation, has a better chance of leading to a genuine improvement in the enjoyment of human rights by the people of a country.

Mr. Chairman,

The phenomena of racism, racial discrimination and xenophobia are the anti-thesis of all that humanity stands for. India abhors these phenomena and has been in the forefront in fighting racism in all its manifestations. In fact, this was an intrinsic part of our freedom struggle against colonial rule. Despite differing views on the implementation of programmes against these phenomena, everyone accepts their importance and the need to cooperate on them. In this context, the Durban Review Conference provides an opportunity to take comprehensive stock of the progress made in the implementation of various provisions in the Durban Declaration and Programme of Action, against racism, racial discrimination and xenophobia. India remains committed and will actively contribute to the preparation for the Durban Review Conference and work towards its successful outcome.

Mr. Chairman,

The adoption and entry into force of the Convention on the Rights of Persons with Disabilities is an important achievement at the international level. The Convention recognises disabled persons as rights holders and active members of society, rather than objects of charity. India, with more than 22 million disabled persons, was among the first countries to sign and ratify the Convention. India has in place the Persons with Disability (Equal Opportunities, Protection of Rights and Full Participation) Act of 1995 and the National Policy for Disabled People of 2006, for the rights of persons with disabilities. However, we recognize that much more needs to be done to secure full enjoyment of the rights enshrined in the Convention by the disabled people in India. We look forward to the first meeting of the State Parties to the Convention later this week and the election of the Committee members to this new treaty body.

Mr. Chairman,

With its democratic, pluralistic and secular polity, an autonomous and impartial judiciary, a vibrant civil society, a free media, and independent human rights institutions, India has been successful in ensuring effective guarantees for the protection and promotion of human rights. Our vibrant democratic polity also requires that we continuously pursue higher norms and standards, be it in the area of human rights or development. As the world's largest democracy, India considers it an honour to uphold and cherish the values of human rights and fundamental freedoms of each and every citizen. It will be our constant endeavour to continue to do so.

Thank you, Mr. Chairman.



736. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Dr. E. M. Sudarsana Natchiappan on Agenda Item 31: Comprehensive Review of the Whole Question of Peacekeeping Operations in all their aspects at the Fourth Committee of the UNGA.

New York, October 28, 2008.

Mr. Chairman,

We welcome the opportunity to participate in discussions under Agenda Item 31: Comprehensive Review of the Whole Question of Peacekeeping Operations in all their aspects. We associate ourselves with the statement made by the distinguished representative of Morocco, on behalf of the Non Aligned Movement. India attaches considerable importance to this session of the Fourth Committee.

We will also take this opportunity to extend a warm welcome to Under Secretary General DPKO Alan Le Roy, Under Secretary General DFS Susan Malcorra, and Military Adviser Lt General Obiakor to their first Fourth Committee participation and comprehensive briefing in the interactive session. We would like to compliment their teams for the dedication and hard work. As one of the oldest and regular Troop Contributing Countries, we look forward to participating in the Special Session of General Assembly to commemorate the 60th anniversary of United Nations Peacekeeping on 11 November 2008.

Mr. Chairman,

We note from the Under-Secretary General's statement that there are 140,000 men and women in the field from 119 member states in 18 peacekeeping operations. These numbers are set to increase further in the near future. This unprecedented surge has given rise to enormous challenges in peacekeeping - not only because new missions are being established or old ones expanded, but also due to the volatile and insecure environments in which UN forces have to function, the growing complexity of the difficult tasks assigned to them, and the tools that they are provided with. We had welcomed the efforts by the Secretary-General to respond to peacekeeping challenges by strengthening and rationalizing structures in the UN via building military planning, management, and operational capacities. The realignment of DPKO by creating two Departments - Department of Peacekeeping Operations (DPKO) and Department of Field

Support (DFS) – has been undertaken. However, there is still a need to establish clear command structures, coherence in policy and strategy, effective coordination and integration, as well as ensure preservation of unity of command from Headquarters to the field. We look forward to the midterm review of the restructuring in 2009 and hope that appropriate corrections would be made from lessons learnt, in order to make UN peacekeeping well integrated, effective and professional.

Mr. Chairman,

The safety and security of UN peacekeepers is of vital concern to troop contributors who place their soldiers at risk in pursuance of the UN ideal. The number of deaths of peacekeepers in 2008 is a reminder of the importance of fully addressing safety and security concerns. We would urge the UN Secretariat to give utmost priority to enhancing safety and security of UN Personnel in the field. In this context, the UN must enhance its capacity for information gathering, assessment and sharing it with field units along with concrete recommendations for preventive action.

Mr. Chairman,

India has consistently called for energizing the mechanism of triangular consultations between Troop Contributing Countries, the Security Council and the UN Secretariat. Consultations continue to be held on the eve of renewal of Mission mandates, leaving little scope for serious or meaningful discussions. It is important that TCCs be involved early and fully in all aspects and stages of mission planning and that their views find their way into mission mandates. It is imperative to implement in letter and spirit the provisions contained in Security Council Resolution 1353 and note of Security Council President of 14 January 2002. The experience and expertise of Troop Contributing Countries would help in developing effective mandates for Peacekeeping Missions.

Mr. Chairman,

India supports the efforts to enhance peacekeeping capacity in African countries. We share close and historic ties with Africa and are one of the oldest, largest and most consistent contributor to UN Peacekeeping missions in Africa, having participated in almost every major operation since the inception of peacekeeping. We are currently involved in bilateral capacity building in many African countries. Cooperation with regional organizations should be in accordance with Chapter VIII of the Charter. At the same

time, the UN cannot absolve itself of “its responsibility under the Charter for the maintenance of international peace and security”. The real challenge before the UN is to strengthen peacekeeping without regionalizing it. As regards conduct and discipline of troops, we regard sexual exploitation and abuse as totally unacceptable forms of behaviour. We fully support the implementation of a policy of zero tolerance and encourage raising the awareness of those with managerial and command responsibilities and the establishing of standards of conduct, training and investigation. Careful preparatory training in terms of a multi-cultural, pluralistic and tolerant outlook is as important as subsequent swift punitive action, once culpability is established. On its part, India is committed to prompt and thorough investigation of any act of misconduct and if, proven, strict and exemplary action would be taken as per the law. We have on all occasions offered full cooperation to the United Nations and would urge the implementation of the revised Model MOU adopted by the General Assembly, at the earliest.

Mr. Chairman,

There is an urgent need to give importance to evolving professional training programmes for peacekeepers in consultation with Member States. In this task the experience of major Troop Contributors with considerable background in peacekeeping operations needs to be utilized by Integrated Training Service (ITS). Institutions of excellence in this field, in these countries can be associated in this process by the ITS. India supports a holistic and coherent United Nations approach to Security Sector Reform and calls for improved coordination of efforts between all partners. There is need to avoid any duplication of effort and have clear field mechanisms in implementation of security sector reform. Such reform should be a nationally owned process.

The role of Civilian Police in peacekeeping has grown substantially in size, complexity and importance. The incorporation of Police Division in the Office of the Rule of Law and Security institutions and inclusion of Police Adviser as a Permanent Member of the Senior Management Team underscores this aspect. As the Division expands further, we would like to emphasise the need for adequate transparency in ensuring representation of qualified candidates from Troop Contributing Countries in senior leadership positions. A number of countries have expressed concern on the issue of outstanding reimbursements that the United Nations owes to Troop Contributing Countries. In this context, we would urge the Secretary-General to address the issue of consolidation of peacekeeping accounts while undertaking

administrative reorganization and streamlining. This would provide an opportunity to tackle the issue of selective financing of peacekeeping missions that is sometimes resorted to. Member States should be entitled to cash surpluses from missions only if they do not owe dues to other peacekeeping missions. This will also help address the concern of developing countries that contribute the overwhelming majority of peacekeeping troops, yet continue to be owed considerable sums of money.

Mr Chairman,

India stands solidly committed to assist the UN in the maintenance of international peace and security. We have a proud history of UN peacekeeping for last 60 years, dating back to its inception. We have contributed more than 100,000 troops, and participated in more than 40 missions. India has also provided eminent Force Commanders for UN Missions. We salute the 128 Indian peacekeepers, as well as those from other countries, who have made the supreme sacrifice by laying down their lives while serving in UN Missions.

India has also traditionally been contributing lady military and police officers to a number of UN Missions. In response to the Secretary-General's call for increased representation of female personnel in field missions, we were honoured to have provided the first full Female Formed Police Unit for peacekeeping work. This unit has been assisting the UN Mission in Liberia for the last two years and has been successful in reaching out to the most vulnerable sections of society, i.e. women and children, in a post-conflict environment, besides performing its normal duties. In conclusion, Mr Chairman, India is fully committed to the purposes and principles of the UN and we look forward to making UN peacekeeping an ever more effective and efficient tool in the maintenance of international peace and security.

Thank you, Mr. Chairman.



737. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Ms. Sangeeta Kumari Singhdeo on Agenda Item 50 – Implementation of the Outcome of the United Nations Conference on Human Settlements [Habitat II] and Strengthening of the United Nations Human Settlement Programme [UN-Habitat] at the Second Committee of the UNGA.

New York, October 28, 2008.

Madam Chair,

We thank the Secretariat for the report on the agenda item “Implementation of the Outcome of the Second United Nations Conference on Human Settlements (Habitat II) and strengthening of the United Nations Human Settlements Programme (UN-Habitat)”. We associate ourselves with the statement made by the distinguished representative of Antigua and Barbuda on behalf of the Group of 77.

Madam Chair, India is a founding member of UN-Habitat and has been an active member of the organization. We support its Medium-term Strategic and Institutional Plan of UN-Habitat for the period 2008-2013, particularly the focus on strengthening the catalytic and pre-investment role of UN-Habitat. In this context, we welcome the developments towards the early operationalization of the reimbursable seeding operations activities, which will permit UN-Habitat to assist national housing development programmes. India has been active, particularly through public housing finance institutions, in promoting institutional housing finance to the poor and economically weaker sections. We look forward to the experimental phase of reimbursable seeding operations, which will lead to larger follow-up investment.

We also support the guidelines on decentralization and strengthening of local authorities, adopted by the Governing Council of UN-Habitat. We were happy to host a meeting earlier this year of the Advisory Group of Experts on Decentralization. India has always advocated greater involvement of local authorities in decision making as well as in implementation of policies. Our efforts have involved greater representation of all sections of society in local authorities, expansion of their functional domain to focus on environment, local economic development, planning as well as innovative resource mobilization.

It is satisfying that the resource mobilization efforts of UN-Habitat have borne fruit. However, it is of concern that regular budget, which provides non-earmarked and predictable funding, remains low. We fully support the demand for enhanced budgetary resources for UN-Habitat.

Madam Chair,

We agree with the report of the Secretary-General that the urban poor are among the most exposed victims of the current food and energy crises. While it is perhaps simplistic to blame rapid urbanization for contributing to the rise in food and energy prices in 2008, as the report appears to do, the need for sustainable urbanization is inescapable, in both developed and developing countries. We agree with the report of the Secretary-General that rational land-use planning, green building codes and energy efficient transport options are key to reduce energy consumption and emissions. In this context, I am happy to highlight that India has been active in taking such steps, including the adoption of an Energy Conservation Act and an Energy Efficiency Code for new commercial buildings, as well as promoting use of compressed natural gas for public transport.

I would also like to emphasize India's efforts in promoting an integrated approach to urban development. A National Urban Housing and Habitat Policy was launched last year. The policy seeks to realize the goal of "Affordable Housing for All", through sustainable development of habitat, towards ensuring equitable supply of land, shelter and services at affordable prices to all sections of society. An important element of this policy is the "Jawaharlal Nehru National Urban Renewal Mission". This programme seeks to provide seven basic services to the poor, namely, land tenure, affordable shelter, water, sanitation, education, health and social security. The programme is a fast track, demand-driven, community partnering mechanism with emphasis on public-private-people participation in urban planning and implementation. This is complemented by programmes to promote urban employment generation, with emphasis on gender equality. In addition, there is enhanced focus on urban safety.

However, India remains a country with a large proportion of rural population. Accordingly, India has also been actively promoting affordable rural housing. These include programmes like the *Indira Awaas Yojna*, which provides direct support through grant-in-aid for construction of dwelling units and upgradation of temporary houses. Our integrated strategy also covers the issue of poverty eradication through targeted policies and interventions that aim to promote employment and enhance livelihood opportunities in

rural areas, particularly through creation of economic infrastructure, and community and social assets.

Madam Chair,

Enhanced efforts by the international community to provide financial and technical assistance, including transfer of technology, in the areas of poverty eradication and infrastructure support, remain crucial if the human settlements related Millennium Development Goals are to be achieved by the developing countries. The holistic focus should be on generation of productive employment, creation of durable economic and physical infrastructure and ensuring food security.

Before concluding, Madam Chair, I would like to highlight that India has been privileged to share appropriate housing technology, particularly in the field of cost-effective, environment friendly and disaster resistant construction, with fellow developing countries within the framework of South-South cooperation. The international community needs to support such South-South initiatives through triangular cooperation.

Thank You, Madam Chair.



738. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Rajeev Shukla on Agenda Item 49; Sustainable Development at the Second Committee of the UNGA.

New York, October 28, 2008.

Madam Chair,

We would like to thank the Secretariat for the detailed reports on the Agenda Item "Sustainable Development. We associate ourselves with the statement made by the distinguished representative of Antigua and Barbuda on behalf of the Group of 77.

Madam Chair,

The world is today facing multiple inter-linked challenges of food, energy and fuel crisis, in addition to the potential threats from climate change. This only serves to underscore the importance of an integrated approach to sustainable development, with emphasis on its three pillars of economic development, social development and environmental protection. Such an approach is key to ensuring the achievement of the development goals, particularly the eradication of poverty and hunger. In this regard, we emphasize the importance of the full implementation of the Agenda 21 and the Johannesburg Plan of Implementation, specifically the aspect of an international environment conducive to development.

We are cognizant of the special challenges faced by Small Island Developing States [SIDS] in their efforts to achieve sustainable development, which have been further exacerbated by climate change. We believe that the Barbados Programme of Action, and the Mauritius Strategy of Implementation, provide a comprehensive basis to address these challenges. We are privileged to have been able to contribute to the development efforts of SIDS in the spirit of South-South solidarity. Our engagement with SIDS has included areas like capacity building, natural disaster preparedness, adapting to climate change and enhancing resilience. However, what is urgently required is enhanced financial and technical support by developed countries. We also support calls by SIDS for further strengthening of the SIDS Unit in the Department of Economic and Social Affairs in the UN.

Madam Chair,

We are conscious of the importance of addressing the impact of climate change. For a developing country like India, rapid and sustained economic growth and the achievement of the development objectives is of paramount importance. Nevertheless, India has been taking a variety of measures to ensure ecologically sustainable development. We have recently unveiled a comprehensive and ambitious National Action Plan on Climate Change. We are inter alia actively promoting use of compressed natural gas for public transport, improvement in energy efficiency in the major energy intensive sectors, use of Compact Fluorescent Lamps at low cost, procurement of electricity from renewable sources of energy and afforestation programmes. We have adopted an Energy Conservation Act and an Energy Efficiency Code for new commercial buildings. I may emphasize that our energy efficiency is among the best in the world. Further, even as we pursue economic growth, we are committed to our per-capita emissions of greenhouse gases not exceeding those of the developed countries.

Climate change can be overcome successfully only through a collaborative and cooperative global effort. Developing countries, despite have contributed the least to climate change, have to bear the brunt of its negative impact. They are also the most vulnerable to the impacts of climate change, and lack the means to tackle them. Hence, our approach must be based on the principle of common but differentiated responsibilities and respective capabilities, as well as the historical responsibility of developed countries.

In this regard, we reiterate our support to the multilateral negotiations taking place under the UN Framework Convention on Climate Change. The outcome of these negotiations must be fair and equitable and recognize the principle that each citizen of the world has equal entitlement to the global atmospheric space. Developed countries must undertake deeper emission reduction commitments, and assist developing countries with financing, without diverting funds meant for development, and technology transfer. Greater international support is also needed to support the adaptation efforts of developing countries.

Let me particularly emphasize the importance of technology transfer. We need a change in mindset, a change that permits developing countries to

have critical climate related technologies at concessional and preferential rates. If we are serious about confronting climate change as an unprecedented global challenge, we must be willing to balance rewards for innovators with the common good of humankind and introduce necessary flexibilities in the Intellectual Property Rights regime.

Madam Chair,

The conservation, protection and sustainable use of genetic resources is an important aspect of achieving sustainable development. In this regard, we reaffirm our support to the CBD. We welcome the decision taken at the 10th meeting of the Conference of Parties of the CBD on the adoption of a clear road map on negotiations on an international regime on access to genetic resources and the equitable sharing of the benefits arising out of their use, including the nature, scope and means of implementation of the regime. Such a regime should include provisions for mandatory disclosure of country of origin of genetic resources, prior informed consents in Intellectual Property Rights applications, and the fair and equitable sharing of benefits, as required under the Convention.

Thank you, Madam Chair.



739. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Rajeev Shukla on Agenda Item 51 – Necessity of Ending the Economic, Commercial and Financial Embargo imposed by the United States of America against Cuba at the UN General Assembly.

New York, October 29, 2008.

Mr. President,

We associate ourselves with the statement made by the distinguished representative of Antigua and Barbuda on behalf as Chair of the Group of 77. We thank the Secretariat for the report on the agenda item under consideration today.

Mr. President,

This is the seventeenth year in succession that this Assembly is deliberating the forty-six year old economic, commercial and financial embargo imposed on Cuba. In its deliberations, this Assembly has repeatedly rejected the imposition of laws and regulations with extra-territorial impact and all other forms of coercive economic measures. The General Assembly has also called upon all States to respect their obligations under the United Nations Charter and international law, as well as repeal and invalidate laws and measures that have "extraterritorial effects" affecting the sovereignty of other States, the legitimate interests of entities or persons under their jurisdiction and the freedom of trade and navigation. Despite the repeated calls of the General Assembly, its resolutions remain unimplemented in contravention of world opinion. The embargo, particularly its extra-territorial aspects, continues to remain in force. In particular, domestic US laws like the Cuba Democracy Act of 1992 and the Helms-Burton Act of 1996 have enhanced the extra-territorial reach of the embargo, encompassing foreign companies as well as foreign subsidiaries of US companies doing business with Cuba or Cuban entities. We support the categorical rejection by the international community of domestic laws with extra-territorial impact.

Mr. President,

The embargo, particularly through its extraterritorial effects, is adversely affecting the Cuban people and the development efforts of the country. Health care is particularly affected, due to access controls on critical medical

equipment, medicines, technologies and diagnostic aids, apart from enhanced cost of supplies. In this regard, Cuba's efforts to provide assistance to fellow developing countries as part of South-South cooperation, has also borne the brunt of the embargo, making this another unexpected indirect negative extra-territorial impact of the embargo.

A variety of other areas of the Cuban economy have also been adversely impacted. These have been elaborated upon in the report of the Secretary-General by various United Nations entities. For example, the UN Resident Coordinator in Havana has noted the negative impact of the embargo is pervasive in the social, economic and environmental dimensions of human development in Cuba, severely affecting the most vulnerable socio-economic groups of the Cuban population. Further, the embargo seriously affects the implementation of the United Nations system's projects and programmes in Cuba, including on travel of UN staff. The Economic Commission for Latin America and the Caribbean has stated that the embargo considerably affects the standard of living of Cuban citizens. The UN Conference on Trade and Development states that the impact of the extraterritorial application is considerable owing to the significant United States interests in transnational corporations.

Mr. President,

Despite the embargo, the United States of America continues to be a major source of imports for Cuba, insofar as permitted by the US Trade Sanctions Reform and Export Enhancement Act of 2000. This only serves to confirm the potential for trade, commerce and investment between these countries. The embargo also has significant detrimental effect on United States trade and business opportunities. Various efforts in the United States to relax or lift the embargo indicate the substantial interest, particularly in the business sector, for unhindered access to the Cuban market or contact with Cuba. We, therefore, look forward to the lifting of sanctions and embargo against Cuba.

Before concluding, Mr. President, permit me to reiterate India's opposition to unilateral measures by countries, which impinge on the sovereignty of another country, including attempts to extend the application of a country's laws extraterritorially to other sovereign nations.

Thank you, Mr. President.



740. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Dr. E. M. Sudarsana Natchippan on Agenda Item 51 – Globalization and Interdependence at the Second Committee of the UNGA.

New York, October 29, 2008.

Madam Chair,

We thank the Secretariat for the reports on the agenda item “Globalization and Interdependence” under consideration today. We associate ourselves with the statement made by the distinguished representative of Antigua and Barbuda on behalf of the Group of 77.

Madam Chair,

World leaders had emphasized in the Millennium Declaration that the benefits of globalization are unevenly shared, while its costs are unevenly distributed. It is in this context that we had requested the Secretary-General last year for a report on the impact of globalization on the achievement of the development goals. The resultant, and timely, report has elaborated on the significant difficulties faced by developing countries in pursuing national development strategies in the context of globalization, particularly in the context of the current financial crisis. We welcome the recognition in the report that realization of the development goals is dependent on the concerted management of the globalization process by the international community, and the strengthening of the global partnership for development.

The principal difficulty in our management of globalization, and one which the report of the Secretary-General also highlights, is that while globalization, and its attendant benefits, has led to and has been encouraged by enhanced flows of capital, goods and services, technology and people, sufficient attention has not been paid to protection from the adverse influences that these flows bring. This is particularly true for developing countries, which may not have the requisite capabilities to deal with such adverse impacts. Instead, reliance has been placed on the self-regulation of the market. Unfortunately, as recent developments have served to demonstrate, such adverse impacts not only exist, but get exacerbated by the forces of globalization, and can severely harm development efforts.

Thus, the ongoing financial crisis, coupled with the food and energy crises, has produced an environment that is not supportive of development efforts of developing countries. Clearly, what is essential is enhanced policy space for developing countries, through flexibilities in international regimes, so that they may choose the right policy tools in the context of their specific development challenges. This is vital, given that globalization can lead to reduction in the degree of national autonomy in policymaking. However, as the Secretary-General's report also elaborates, globalization has been accompanied by "one-size-fits-all" policy prescriptions, that have had disastrous consequences on many occasions.

There have also been attempts to castigate prudence displayed by many developing countries in opening up of their economies, given that volatility in capital flows is detrimental to long-term development. In this context, developing countries must be allowed to pursue counter-cyclical macroeconomic policies, as well as develop strategies that promote inclusive growth and full employment, so that economic growth translates into opportunities and benefits for all.

Unfavourable international regimes, in which developing countries have a marginal say, have also prevented developing countries from taking full advantage of globalization in other areas. Agricultural production in developing countries has been severely undermined by massive subsidies in developed countries. Developing countries continue to face non-trade barriers in accessing markets of developed countries, while a steady reduction in their industrial tariffs has greatly enhanced the risks of de-industrialization of developing countries. Further, in the area of technology access, critical technologies in the area of public health and climate change remain inaccessible and unaffordable for developing countries due to the existing Intellectual Property Rights regime.

Madam Chair,

If globalization is to succeed, it must be fair, and benefit the whole of humanity. Developmental considerations must be at its core. We agree with the report of the Secretary-General that more international efforts are required to establish fair and equitable trade, investment, technology and knowledge regimes. The practical way to achieve this is through a comprehensive restructuring of the international decision making and norm-setting structures in a time bound manner, with greater voice and participation of developing countries. This process must be overseen by the United Nations, which has a unique legitimacy and universality.

Madam Chair,

It is inevitable that globalization, with its emphasis of enhanced flows of capital and goods, will lead to increased international migration, with its own challenges and opportunities. Further, it is clear that there is an interrelationship between international migration and development. There is need for greater international cooperation to maximize the benefits of migration, while reducing its negative effects. In this context, we welcome the setting up of the Global Forum of Migration and Development. We look forward to the outcome of the discussions at the Second meeting of the Forum, which has just concluded in Manila. We also urge greater receptivity by developed countries for requests for greater market access under Mode 4. This would permit mutually beneficial solutions, matching the demand for specialists in developed countries with the availability of such talent in developing countries. However, irregular migration is an issue with serious security implications, and requires coordinated and concerted global action to tackle it. Similar action is required against the attendant evil of trafficking of people.

In conclusion, Madam Chair, permit me to reiterate the importance of creating an international environment, with the full and effective participation of all, to ensure that the benefits of globalization are harnessed by all, while ensuring adequate protection from its negative impacts.

Thank you, Madam Chair.



741. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Rajeev Shukla on Agenda Item 29: United Nations Relief and Works Agency for Palestine Refugees in the Near East at the UN General Assembly.

New York, October 30, 2008.

Mr. Chairman,

At the outset, I express India's appreciation to the Commissioner General of the United Nations Relief and Works Agency (UNRWA), for the annual report on the Agency's extremely important work over the past year in Jordan, Lebanon, Syria and the Occupied Palestinian Territories. We also thank the UNRWA Advisory Committee and the members of the working group on the Financing of UNRWA, for their efforts in support of this Agency. India reiterates its appreciation for the difficult but essential service that UNRWA has rendered over the years, making assistance of the Palestinian refugees its highest priority.

Mr. Chairman,

The report, and other reports of the UN Secretary-General under this agenda item, clearly illustrates the severe challenges UNRWA continues to face. Several of these directly affect the well-being of Palestinian refugees and the Agency's ability to discharge its humanitarian responsibilities. Such failure has potential consequences for the security and stability of an already volatile region.

The financial crisis faced by UNRWA remains a pressing challenge. The Agency's budgetary shortfall continues to grow, upon an already negative trend elaborated in last year's report. This paucity of funds is paralleled by an increase in the demands upon the Agency for assistance and support, in particular in Gaza. Following the destruction of the Nahar el-Bared refugee camp in Lebanon in May last year, UNRWA's problems have increased. As this year's report of the Working Group on financing notes, the challenge of rebuilding this camp and caring for those displaced, in the interim, will be "one of the largest challenges ever undertaken by the UNRWA". These new challenges exacerbate existing pressures of caring for refugees in overcrowded camps that are in urgent need of upgradation. Such challenges cannot be addressed by a reduced capacity to help. There is an urgent need for greater international effort to ease UNRWA's fiscal burden.

The continuation of access controls is another challenge. Restrictions on movement and the blockade of Gaza have serious consequences in an already-precarious humanitarian context. Restrictions on supplies of fuel and electricity in Gaza only increase the humanitarian challenge. The continued intra-Palestinian conflict, especially since the events of June 2007, has intensified the problem of access. Consequently, last year we witnessed the tragic sight of several refugee communities being forced to seek assistance after decades of self-reliance.

Mr. Chairman,

The insecurity bred by extreme levels of poverty among the Palestinian people in the Occupied Territories is heightened by the lack of definitive progress in the peace process. The international community had expected to see much more progress over the past twelve months since the Annapolis conference last year. However, with the timeframe for a solution fast approaching, there are valid concerns that our hope of an early resolution of the Palestinian question may not be realized this year. The frustration that further delays in the peace process have caused on the ground is a dangerous sign. It increases the volatility of the situation, particularly in the context of continued expansion of Israeli settlements, in contravention of the Fourth Geneva Convention and the Road Map, as well as continued construction of the separation wall. It is essential for all parties to the dispute to make greater efforts to abide by their commitments under the Road Map, if we are to see some signs of progress in the peace process.

Mr. Chairman,

This leads us to the larger point: the only lasting solution to the problem of the Palestinian refugees is a just, lasting and comprehensive solution to the long-standing conflict in the Middle East. The ongoing cycle of violence and counter-violence only makes the prospects of an eventual peace more remote. It remains critical for the parties to the conflict and the international community—in particular the Quartet—to redouble their efforts to find a way to bring peace to the Middle East. Nevertheless, until that day when a mutually-acceptable peace is in position, it is incumbent upon all of us to fully support UNRWA, as the primary source of humanitarian assistance to the Palestinian refugees. For this reason, we endorse all efforts to support UNRWA by expanding its capacity to render assistance.

Thank you, Mr. Chairman.



742. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Ms. Sangeeta Kumari Singhdeo on Agenda Item 66 – “Report of the International Court of Justice” at the UN General Assembly.

New York, October 30, 2008.

Thank You, Mr. President,

We thank the President of the Court, Judge Rosalyn Higgins, for her introduction of the Report contained in document A/63/4 and welcome the opportunity to address the General Assembly on the Report of the International Court of Justice

We commend Judge Higgins for her dedicated stewardship of the Court and for the Court's impressive achievements over the period under review. This will no doubt further enhance the international community's confidence in this unique organ of international law that has made a distinctive contribution to the maintenance of international peace and security.

Over the last sixty years, the Court has dealt with a variety of legal issues. Its judgments have covered disputes concerning sovereignty over islands, navigational rights of States, nationality, asylum, expropriation, law of the sea, land and maritime boundaries, enunciation of the principle of good faith, equity and legitimacy of use of force. The issues presently before it are equally wide ranging, and its judgments have played an important role in the progressive development and codification of international law. Despite the caution it exhibited and the sensitivity it showed to the political realities and sentiments of States, the Court has asserted its judicial functions and consistently rejected arguments to deny it jurisdiction on the ground that grave political considerations were involved in a case in which it otherwise found proper jurisdiction for itself. Thereby the Court clearly emphasized the role of international law in regulating inter-state relations, which are necessarily political.

The advisory function of the Court contributes to clarifying law and removing ambiguities, thus assisting the United Nations and its organs in carrying out the objectives of the organization.

In recent years the docket of the ICJ has grown significantly and it continues to enjoy universal support and respect. Another significant development that needs to be welcomed is that unlike in the past when the jurisdiction

phases of cases occupied most of the Court's time, the Court is now being frequently called upon to deal directly with a diversity of complex substantive issues of international law from all regions of the world.

The year under review has been the most productive year in the court's history. It has handed down four substantive judgments and two orders on requests for the indication of provisional measures. Further, the Court has held hearings in four cases and has three judgments under deliberation. This has been possible due to streamlining the procedures and internal working methods, which has led to scheduling of cases without significant delay. We appreciate the efforts of the Court to eliminate the backlog.

We also note that the Court's request for nine law clerk posts was not fully agreed to. We hope that the General Assembly would be able to approve this request as such assistance is critical, given the increasing number of "fact-intensive" cases. Judges of all other Tribunals enjoy this facility. The Court's request for individualized legal assistance for all its members is reasonable and would enable it to more efficiently carry out its designated functions as the principal judicial organ of the United Nations.

Mr. President, The recent period has witnessed the creation of a number of specialised regional and international courts and bodies. Along with it have come concerns about the fragmentation of international law. There is apprehension that the similar legal issues or disputes may well be subjected to final and binding interpretations by two different bodies, with potentially differing views. There is also considerable apprehension that the expansion of the field has created problems not only of coherence but also of priority between different dispute settlement procedures.

The challenge is to find a balance between, on the one hand, the need for diversity and specialized regimes and solutions and, on the other hand, the importance of maintaining an overall framework or "system" of international law that offers a sufficient degree of security and coherence. We welcome the initiative taken by the ICJ President for a regular dialogue between the international courts and tribunals and exchange of information with a view to improving the unity of international law and addressing the problem of "overlapping of jurisdictions" or "fragmentation of international law".

The phenomenal docket explosion of the Court stands testimony to the Court's high standing not only in the UN system, but in the international community itself. It is also an affirmation of faith in the Court.

Mr. President ,

President Higgins will soon be completing her term in the Court. We thank her for her immense contribution to the work of the Court and wish her all the best in her future endeavours.

Thank you, Mr. President.



**743. Statement by Permanent Representative at the UN
Nirupam Sen on Agenda Item 40 – Report of the
Economic and Social Council at the UN General
Assembly.**

New York, November 3, 2008.

Mr. President,

Thank you for the opportunity to express our views on the report of the Economic and Social Council for 2008.

India attaches great importance to the work of the Economic and Social Council, and believes that its strengthened structure will assist it in better discharging its role as a principal body for coordination, policy review, policy dialogue and recommendations on issues of economic and social development. We underline the importance of the new mandate given to the Council in 2006 for undertaking a regular and periodic review and assessment of international economic and development policies and their impact on development. We support the Development Cooperation Forum as a key body in overseeing trends in international development cooperation.

Insofar as the ECOSOC report for 2008 is concerned, we would like to comment on the report of the Statistical Commission on its thirty-ninth session, which was considered by ECOSOC during its 2008 Substantive Session. While the Statistical Commission was asked to merely look at the indicators for the targets of the Millennium Development Goals, we would like to reiterate our position, and place on record, that we do not agree with the change in targets effected last year by the UN Secretariat, particularly the transfer of a target from Goal 8 to Goal 1. Such actions, without approval

of Member States, are arbitrary and misrepresent the decision taken at the World Summit Outcome. Further, these actions weaken the monitoring of the MDG 8, and are against the spirit of the global partnership for development. We would urge the Statistical Commission to particularly focus on this aspect during its fortieth session.

Thank you, Mr. President.



744. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Dr. E.M. Sudarsana Natchiappan on Agenda Item 114[B] – Cooperation between the United Nations and the Asian – African Legal Consultative Organisation at the UN General Assembly.

New York, November 3, 2008.

Thank You, Mr President,

India, as the President of the Asian African Legal Consultative Organisation [AALCO] for this year, is privileged to introduce Resolution No. A/63/L.7 on “Cooperation between the United Nations and Asian African Legal Consultative Organisation” on behalf of its 29 cosponsors.

The draft Resolution inter-alia notes the progress achieved towards enhancing cooperation between the United Nations, its agencies and other international organizations and AALCO. It expresses appreciation for the work of AALCO in respect of issues such as combating corruption, international terrorism and trafficking in women and children as well as human rights issues. It also recommends that consideration of this item be scheduled to coincide with the deliberations of the Sixth Committee on the work of the International Law Commission with a view to promoting close interaction between the AALCO and the Sixth Committee.

It may be recalled that the Asian African Legal Consultative Committee, as it was then known, was established to provide expertise in international law to the Asian and African States and specific assistance and advice, upon request, on any topic of international law. Such advice could be rendered in developing a suitable legal framework or legislation for implementation of international treaties; for providing a model agreement

to establish joint co-operative arrangements; or as an opinion on a given subject to one or more Member States.

Mr. President,

Over the last 50 years, AALCO has acquired a unique stature in promoting legal cooperation among Asian and African States in the field of international law. The annual conferences of the Asian-African Legal Consultative Organisation are major events in international law and the New Delhi session in April this year was well attended by Ministers and senior officers of member States, besides several observer delegations and representatives of international organizations. The exchange of views that took place on contemporary issues of international law, including subjects being studied by the International Law Commission and those arising in connection with the implementation of the world trade regime, proved highly beneficial to participants.

Reports of the AALCO and other declarations adopted at its annual Sessions have become an important source for the development of international law and are an expression of the views and interests of Asian and African States. AALCO had been dedicating its efforts to identifying the common interests of Africa and Asia on a variety of contemporary issues before the UN and other world bodies, thus helping the evolution of a fair, just, equitable, universal legal order. These views were duly communicated by the Secretary-General of AALCO to the United Nations, at which it has the distinction of being an observer, and to the International Law Commission, whose sessions its Secretary General regularly attends.

Mr. President

We would like to encourage AALCO to expand its activities by progressing its several forward looking plans for the benefit of its Member States. In this regard, mention could be made of special training programmes for promoting teaching and expertise in legal advising in international law; establishment of special chairs in international law teaching in universities of Member States; offer of fellowships to Asian and African students to pursue higher studies in international law; and encouragement of publication of books and periodicals devoted to the cause of international law that are of special interest to Asia and Africa.

Some of these activities can, however, be pursued only if more funds are available. The clearance of arrears in contributions and raising funds through voluntary contributions would help.

I am pleased to inform that the Secretariat of the AALCO has shifted to its new Headquarters building provided by the Government of India. The new building is fully equipped to meet the needs of an inter-governmental organization. We hope its modern conference facilities would motivate AALCO to organise more programmes for the benefit of its members. The shifting of the offices of AALCO and the residence of the Secretary General to their own new building would also partially ease the financial situation.

However, it is a matter of great satisfaction that, despite its financial limitations, the work of the Committee is efficiently organized by a small but dedicated band of international law experts working under the guidance of an international diplomatic staff, including its most competent Secretary-General. Its excellent library and facilities deserve to be further improved. In due course, AALCO could operate as an international law documentation center for the benefit of Asian and African States.

Mr. President,

We are optimistic that in the years to come AALCO will achieve greater success in clarifying and consolidating the common interests of Asian and African States. It will also surely enhance its activities in training and dissemination of international law expertise amongst them. We have no doubt that the co-operation between AALCO and the United Nations will continue to grow stronger. We wish AALCO and its Members every success in its future endeavours.

Thank You, Mr. President.



745. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Rajiv Shukla on Agenda Item 75 – Report of the International Law Commission on the Work of its 60th Session – Chapter VII – Responsibility of the International Organizations, Chapter VIII – Expulsion of Aliens, Chapter IX – Protection of persons in the event of Disaster, and Chapter X – Immunity of State Officials from Foreign Criminal Jurisdiction at the Sixth Committee of the UNGA.

New York, November 3, 2008.

Mr. Chairman,

I thank the Chairman of the International Law Commission, Mr. Edmundo Carreno, for his comprehensive introduction of the Report on the 60th Session of the International Law Commission on the final cluster of topics.

On the topic “Immunity of State officials from foreign criminal jurisdiction”, we congratulate the Special Rapporteur Mr. Roman Kolodkin, on his preliminary report, which defines the scope of the study the Commission should carry out on this complex and sensitive issue. I also thank the Secretariat for preparation of the detailed Memorandum on the subject.

We fully subscribe to the Special Rapporteur’s proposal that the topic should include all “State officials” in the scope of the study. As to immunity *ratione personae*, we note the broad agreement in the Commission that it was enjoyed by Heads of State, Heads of Government and Ministers of Foreign Affairs, and favour the identification of criteria to establish those other State officials to whom personal immunity would apply.

We agree with the Special Rapporteur that the Commission should examine only the immunity of State officials from foreign criminal jurisdiction: it should set aside questions relating to immunity with respect to international criminal tribunals and the domestic courts of the State of nationality of the official; the source of immunity of State officials from foreign criminal jurisdiction is not international comity but, first and foremost, international law and the topic should focus on immunity under international law. Further, the immunities of diplomatic agents, consular officials, members of special missions and representatives of States to international organizations have already been codified and need not be addressed in the context of this topic.

We also agree with the view of the Special Rapporteur that the 2002 Judgment of the International Court of Justice in the Arrest Warrant case was both a correct and a landmark decision. It had been adopted by a large majority and contained a clear and accurate depiction of the current state of international law in this field.

On the topic "Protection of Persons in the Event of Disasters" I commend the Special Rapporteur, Mr. Eduardo Ospina, for the presentation of his first report on a topic of great contemporary relevance, which identified the core and complex issues that would require to be addressed and raised a number of questions relevant to determining the approach, parameters and objectives, and the need to define the scope of the topic. I also thank the Secretariat for preparation of a thoroughly researched Memorandum on the subject.

On the question of the categories of disasters to be included within the topic, the Commission should focus on natural disasters, as there are already specific legal regimes for dealing with environmental damage from manmade disasters, such as oil spills and from nuclear accidents. Further, armed conflicts should also be excluded as international humanitarian law deals in great detail with this aspect.

Mr. Chairman, The concept of the "responsibility to protect" in the context of persons affected by a disaster is not appropriate for inclusion within the scope of the topic, as the primary responsibility for the protection of persons in its territory or within its jurisdiction lies on the State concerned. It may be recalled that the General Assembly, in several resolutions, reaffirming the sovereignty of States, has recognized the primary role of the affected States in initiation, organization, coordination and implementation of humanitarian assistance within their respective territories. The Secretariat Memorandum also details the strong views expressed by many States, including my own, on this issue.

The Special Rapporteur, in his Report, pertinently notes that the areas of law applicable to the protection of persons in the event of disasters underscores the "essential universality of humanitarian principles" and is also based on such principles as humanity, impartiality, neutrality, and non-discrimination, as well as principles of solidarity and non-intervention.

On the question whether, in addition to protection of persons, the topic should also extend to protection of property and the environment, in our view, the primary focus of the topic should remain that of protection of

persons. However, in some situations, protection of property may also be necessary for protecting persons affected by the disaster.

Addressing the scope of the topic, *ratione personae*, the Special Rapporteur recognizes the need to take account of the role of the multiplicity of actors, including international, non-governmental organizations and non-State actors in addition to State actors, and raises the question whether there exists a right of initiative in offering assistance. Here again, it is essential to emphasise the primary role of the affected State as international assistance to persons within its territory, as part of international solidarity and cooperation, takes place with its consent and under its supervision.

Finally, on the form of the work, while a final decision should await its completion, as acknowledged by the Special Rapporteur and by a number of members, it may be more realistic to prepare Guidelines rather than a Convention.

I now turn to the topic "Responsibility of International Organisations". The Commission considered the sixth report of the Special Rapporteur, Mr. Giorgio Gaja, and provisionally adopted eight draft articles. The draft articles adopted this year basically follow the general pattern of the Draft Articles on State Responsibility.

As regards the taking of countermeasures by international organizations, the Commission is divided on whether an international organization could take or could be subjected to countermeasures, and whether the draft articles should contain any provisions on countermeasures. My delegation considers that the Commission should adopt a cautious approach with respect to countermeasures by and against international organizations, in view of the limited practice, the uncertainty surrounding their legal regime, and the risk of abuse that they would entail. Disputes between an international organization and its members should, as far as possible, be settled in accordance with the rules and through the internal procedures of the organization. The rules of the organization should be decisive in determining whether an organization can resort to countermeasures against its members or be the target of countermeasures by them.

On the topic "Expulsion of Aliens", the fourth report of Professor Maurice Kamto addressed two questions. On the first question, my delegation believes that persons holding dual or multiple nationalities could not be treated differently from other nationals, and the principle of non-expulsion of nationals must also apply to persons with one or more other nationalities.

On the second question, depriving a person of his nationality with a view to facilitating his expulsion is not justified.

In conclusion, I would again commend the International Law Commission for the excellent progress made at its 60th session.

Thank you, Mr. Chairman.



746. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Rajeev Shukla on Agenda Item 62 – Elimination of Racism and Racial Discrimination and Agenda Item 63 – Right of Peoples to Self-Determination at the Third Committee of the UNGA.

New York, November 3, 2008.

Mr. Chairman,

I have the honour to speak on Agenda items 62 and 63 on 'Elimination of racism and racial discrimination' and 'Right of peoples to self-determination' respectively. We thank the UN Secretary General for his various reports under these agenda items and also the Chairperson of the Committee on the Elimination of Racial Discrimination, the Special Rapporteur on Contemporary forms of Racism, Racial Discrimination and related Intolerance, and the Chairperson of the Working Group on the use of mercenaries as a means of impeding the exercise of the right of peoples to self determination, for their statements in the Committee. My delegation also associates itself with the statement made by the distinguished representative of Antigua and Barbuda, as the Chair of the G-77.

Mr. Chairman,

As the Secretary General's report has mentioned, the forthcoming Durban Review Conference in April 2009 will offer an opportunity for all stakeholders to assess the successes and shortcomings in the implementation of various measures adopted by member states to alleviate the discrimination faced by people on account of various factors, including, ethnicity, race and religion. The Review Conference will also contribute to strengthening

development and equality through the wider involvement of all the stakeholders, including civil society organisations. The Review Conference is also being convened at an opportune time as the problems of racism, racial discrimination, xenophobia and other related intolerance have not reduced. Instead, political violence induced by these are on the rise globally and has become more brutal and vicious.

We support a multi-faceted approach to combat racism, including through adoption of relevant legislation and amending existing laws combined with action at the national level based on strategies elaborated through national action plans. In addition, a sincere operationalisation of the commitments prescribed in the Durban Declaration and Programme of Action is extremely important to tackle this menace and promote social harmony and peace. We hope that the international community will be able to reach a consensus on this important issue. We look forward to a successful outcome of the Durban Review Conference in Geneva.

Mr. Chairman,

India has maintained unwavering support and solidarity for the goal of the people of Palestine of attaining their inalienable rights, including the right to self-determination. The establishment of an independent, contiguous, viable, independent and sovereign state of Palestine, existing side by side with Israel in peace and security, remains an important unfinished task in the realisation of the right of peoples to self-determination. We are with the overwhelming majority of countries who consistently affirm their commitment to a negotiated two-State solution, accepted by the two principals, that would result in such a state emerging in the Middle East.

It is in this context that India has welcomed the resumption of a direct dialogue between the parties to the conflict, and the process set in motion during the Annapolis Conference last year. We remain convinced that the Roadmap, as endorsed by UN Security Council Resolution 1515, remains a valid framework of reference for an eventual settlement, and we reiterate the central importance of all parties abiding by their commitments under the Road Map.

We welcome all efforts to take forward the ongoing dialogue and the achievement of the goal announced at Annapolis, ideally within the announced timeframe. We believe that all such efforts should be aimed at the earliest possible conclusion of an agreement that would ensure a just, fair, equitable and mutually-acceptable solution to this conflict, based on relevant UN resolutions, including Security Council resolutions.

Mr. Chairman,

Having said that, the United Nations and other international fora should not be used to selectively redefine some of the core principles of the United Nations Charter in order to satisfy domestic political rhetoric. This is true especially in the context of the right of peoples to self-determination. This concept should always be seen in a historic perspective. Relevant international principles reaffirm that self-determination is a right applicable to the peoples of non-self governing colonies and trust territories. Once exercised, this right enables people to freely choose their own form of Government and for all segments of society to collectively participate in national decision making through representative, democratic institutions. Additionally, the international community has consistently affirmed that the right of self-determination does not extend to component parts or groups within independent sovereign states and any attempts aimed at the partial or total disruption of their national unity are incompatible with the purpose and principles of the UN Charter.

The right to self-determination cannot become an instrument to promote subversion and erode the political cohesion or territorial integrity of sovereign member states of the UN. It cannot be abused to encourage secession and undermine pluralistic and democratic states. Moreover, there is no room for self-determination to be distorted and misinterpreted as a right of a group, on the basis of ethnicity, religion or racial criteria, or any other such categorization, and thus, use it to attempt to undermine the sovereignty and territorial integrity of a state.

Mr. Chairman, In this context, we regret the unacceptable reference to the Indian state of Jammu and Kashmir made by the delegate of Pakistan in his statement earlier today. Pakistan's comments pertaining to the Indian state of Jammu and Kashmir constitute a clear interference in the internal affairs of India. The allegations made are factually incorrect and bear no relationship to reality. The delegate of Pakistan would have been better served by avoiding making comments about an integral part of another member state. Such comments are incompatible with the purposes and principles enshrined in the UN charter.

It would suffice to point out that the people of Jammu and Kashmir exercised their right to self determination at the time of India's independence and have since then repeatedly participated in free, fair and open elections at all levels. In contrast, Pakistan pretends to be concerned over human rights, yet denied even a semblance of such rights to the people of Pakistan-Occupied Kashmir. What could be more phony?

I may add that by introducing its unwarranted reference in our discussions the delegate of Pakistan is also harming the cause of the inalienable right of the Palestinian people to self-determination. It will never succeed in its efforts.

On our part, we look forward to the continuation and deepening of a constructive bilateral dialogue between India and Pakistan and to a profound transformation of our bilateral relations, so that our two countries can work together on our shared objectives of peace, prosperity and security.

Thank you, Mr. Chairman.



747. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Rajeev Shukla on Agenda Item 39 – Report of the UN High Commissioner for Refugees, Questions Relating to Refugees, Returnees and Displaced Persons and Humanitarian Questions at the Third Committee of the UNGA.

New York, November 4, 2008.

Mr. Chairman,

We thank the UN High Commissioner for Refugees for his report under Agenda item 39 and also the statement made in the Committee.

Mr. Chairman,

The UNHCR was founded in 1950 with the objective of leading and coordinating international action to protect refugees and resolve refugee related problems, including their rights, globally. It hoped that the refugee problem would be temporary and localised. Over the years, UNHCR has helped settle more than 50 million people to restart their lives and are currently present in 110 countries. However, even after more than five decades, the refugee problem remains unresolved and growing. The latest report indicates that the number of refugees worldwide has increased to 11.4 million. Additionally, latest statistics indicate that the number of asylum-seekers remained at 0.74 million and the number of refugees who were repatriated voluntarily was at 0.73 million.

Mr. Chairman,

UNHCR, which is guided by the 1951 United Nations Convention relating to the Status of Refugees and its 1967 Protocol, strives to protect and promote the rights of refugees and asylum seekers to find safe refuge in another State, with the option to return home voluntarily, integrate locally or to resettle in a third country. In addition, international refugee law provides a framework of principles for UNHCR's humanitarian activities. However, with the change in ground realities since the end of the Second World War, UNHCR has expanded its involvement with other groups of people and situations, like settlement of migrants and internally displaced people, including those affected by conflict, climate change or economic reasons.

In partnership with other entities within and outside the UN, UNHCR has assumed a lead role in providing succor to the conflict-induced internal displacement situations in the areas of protection, camp management & coordination and emergency shelter. There is a need for greater clarity with respect to UNHCR's renewed focus on internally displaced peoples. UNHCR maintains that refugees would have the first charge on UNHCR's mandate and its limited resources. However, UNHCR's role in situations involving internally displaced peoples should be on the basis of explicit requests made to it by the States concerned. It should also take into account the complementarities of mandates and expertise of other relevant organizations. After all, the first and foremost responsibility of taking care of internally displaced persons rests with member states.

Mr. Chairman,

The source and destination of a majority of refugee movements lies primarily in developing countries. This is borne out by the fact that in 2007, 43 industrialised countries had only 0.3 million asylum seekers out of a total of 11.4 million. This large number of refugees invariably burdens the strained economy and limited resources of a developing country. Therefore, their concerns need to be recognised and addressed to a far greater degree than at present. The development agenda, including achievement of the Millennium Development Goals, has to buttress international efforts to ensure not only prevention but also address the needs of relief and rehabilitation of refugees. In the context of refugee populations, international solidarity and burden sharing are the

foundations on which refugee protection rests. UNHCR's mission, therefore, ought to be based on the principle of responsibility and burden-sharing. These new challenges deserve greater attention from the international community.

Mr. Chairman,

With greater integration of international economies, there is a growing trend of economic migration over and above the movement of people on account of well-founded fear of persecution, who qualifies to be categorised as a refugee. This has resulted in irregular mixed migration movements. There is an enormous problem in not just catering to their needs but also to identifying them. We must therefore develop capacities to differentiate refugees from economic migrants so as to better address their protection needs.

Mr. Chairman,

Voluntary repatriation remains the best durable solutions to the problem of refugees. Developing countries of origin should be given necessary assistance to facilitate such repatriation, particularly by creating economic opportunities, where required, for returning refugees. Resettlement, especially in countries with requisite economic means, is also a possibility. As regards local integration, its implications as a policy option for dealing with refugees in a situation of mass exodus into developing countries are far reaching and need to be considered carefully.

Mr. Chairman,

India is not a signatory to the 1951 Convention on Refugees as the Convention does not address the problem of massive refugee flows or factors such as mixed migration that accompany such flows. However, India's record in dealing with refugees has been exemplary. India stands steadfast in its commitment to provide humanitarianism assistance to them. India continues to host a large number of refugees and our programmes for them are managed entirely from within our own resources. Our protection regime is based on the fundamental rights guaranteed by the Indian Constitution and other relevant legal provisions. We have clearly demonstrated our abiding commitment to the principles of protection and non-refoulment. However, we will continue to work closely with the international community to address this major challenge.

Mr. Chairman,

We welcome the recent structural and management reform of the UNHCR to make it more flexible, effective and result-oriented. The ongoing efforts to enhance the accountability and transparency in UNHCR's working methods must continue. The organisation must preserve its impartiality in operations as well as its non-political character and work in close cooperation with the concerned States in achieving its goals.

While UNHCR has been tirelessly implementing its mandate, its activities suffer either because of lack of political will in some parts of the world or lack of means in others. Mere existence of international legal provisions would not suffice to tackle this major unresolved problem, unless states play a major role with complimentary support from UNHCR. The cycle of hopelessness, despair and deprivation of refugees continues to be real and unsettled and needs to be broken. The international community should address this re-emergent and worrisome challenge in a spirit of compassion, solidarity and burden-sharing. We believe that prevention of humanitarian crises, which leads to refugee problem, through investment in long term development in developing countries is the most cost effective approach available to the international community.

Thank you, Mr. Chairman.



748. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Dr. E. M. Sudarsana Narchiappan on Agenda Item 52 - Groups of Countries in Special Situations [A] Third United Nations Conference on the Least Developed Countries; and [B] Specific Actions Related to Particular Needs and Problems of Landlocked Countries; Outcome of the International Ministerial Conference on Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions and Transit Transport Cooperation at the Second Committee of the UN General Assembly.

New York, November 4, 2008.

Mr. Chairman,

We would like to thank the Secretariat for the reports on the agenda item "Groups of countries in special situations" under consideration today. We associate ourselves with the statement made by the distinguished representative of Antigua and Barbuda on behalf of the Group of 77.

Mr. Chairman,

The Brussels Programme of Action provides a useful framework for addressing the multifarious challenges confronting Least Developed Countries [LDCs]. We welcome the finding in the report of the Secretary-General that LDCs, as a group, have grown on an average by 6% annually during this decade. This is a tribute to their success in implementing their commitments under the Brussels Programme of Action.

However, what is of concern in that finding is that this growth has not led to poverty reduction, and has in fact increased social disparities in some cases. Clearly, sustained economic growth does not automatically translate into the achievement of development objectives. It is in this context that greater international support and assistance, particularly from developed countries, is required for the LDCs to achieve the IADGs including the MDGs. Such efforts must focus on greater financial and technical assistance to the national development strategies of the LDCs. They must also effectively address the structural constraints and impediments to economic and social

development of the LDCs. Unfortunately, this has not been the case. As the report of the Secretary-General notes, Foreign Direct Investment, though increasing, remains concentrated in a few natural resource rich LDCs.

Such flows do not encourage linkages with the economy at large, have limited employment generation effect, and do not enhance productive capacities. In the absence of other flows, Official Development Assistance remains the significant source of financing, particularly for social and infrastructure sectors, but is far below the target of 0.15-0.2% of Gross National Income. Investment in trade capacity building is limited, thereby limiting ability of LDCs to reap the benefits of trade opportunities. Exports of LDCs remain non-diversified. Further, massive agricultural subsidies have severely undermined domestic production in many LDCs – the case of cotton highlights this eloquently. Debt repayment burden remains high for many LDCs, and some have not benefited from debt relief efforts.

Mr. Chairman,

What is required is a paradigm shift away from offering palliatives to the problems facing LDCs, so that the above problems are effectively redressed. This requires an integrated approach, implemented through new and additional financing, enhanced market access for products from LDCs, ensuring long-term sustainability of debt burden, technology transfer at affordable rates, as well as institutional and capacity building. The 4th UN Conference on LDCs, whose preparatory process is to be discussed this year, will be an important step in this process. We hope the conference will take an in-depth look at the constraints faced by LDCs, and commit to concrete actions.

I would like to highlight that India has been active in demonstrating its commitment to assist LDCs. Earlier this year, we unilaterally announced a scheme to grant duty-free and preferential access to products from all LDCs. The tariff lines covered under this scheme span 92.5% of global exports of all LDCs, and 94% of India's total tariff lines. In the area of debt, India has written off the debt owed by seven Highly Indebted Poor Countries [HIPC]. Further, our programme of Technical and Economic Cooperation, under South-South solidarity, has a special focus on assistance to LDCs in general, and with those in our extended neighbourhood, in particular. Nevertheless, efforts by fellow developing countries like India can only complement the requisite efforts by our developed partners. I would also like to refer to countries that are graduating from the list of LDCs. While this step represents a success of their development strategies, we must

be mindful of the challenges that these countries continue to face, and urge the international community to assist these countries in the post-graduation phase so that their achievements can be sustained. We also support the request by many LDCs for a re-examination of the graduation criteria.

Mr. Chairman,

The Almaty Programme of Action has resulted in a clear acknowledgement of the special needs and problems of landlocked developing countries, including the need for sustained international support to address these. Equally important is the understanding that any effective solution must address the constraints and challenges faced by the transit developing countries that neighbour landlocked developing countries. In this regard, we welcome the outcome of the mid-term review of the Almaty Programme of Action, which was conducted earlier this month in New York. The review meeting underlined the importance of greater efforts to implement the Almaty Programme of Action, particularly through enhanced financial and technical assistance. We look forward to concrete actions in this regard, so that the trade and transit issues can be holistically addressed.

India has special bilateral cooperation agreements with its landlocked neighbours for easy transit of their goods through India. We accord the highest priority to further strengthening our ties with these countries, including through regional initiatives. We will continue to contribute economic and technical support to their development efforts, as well as of other landlocked and transit developing countries, as part of South-South cooperation.

Before concluding, Mr. Chairman, permit me to highlight that there are regions within some developing countries that face, on account of geography or political boundaries, similar difficulties in accessing global markets as landlocked developing countries. We would urge cooperation for meeting special transit requirements of landlocked regions within a country.

Thank you, Mr. Chairman.



749. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Dr. E. M. Sudarsana Natchiappan on Agenda Item 47 – Macroeconomic Policy Questions [A] International Trade and Development at the Second Committee of the UN General Assembly.

New York, November 5, 2008.

Mr. Chairman,

We thank the Secretary-General and the United Nations Conference on Trade and Development [UNCTAD] for the report on “International Trade and Development”. We associate ourselves with the statement made by the distinguished representative of Antigua and Barbuda on behalf of the Group of 77.

Mr. Chairman,

International trade can play an important role in promoting economic growth and development. For developing countries, greater market access to developed country markets is crucial in their efforts towards poverty eradication and achievement of the development goals. Enhanced trade is particularly relevant in the context of the ongoing crises and expected global economic slowdown. However, developing countries can truly benefit from trade only if the international trading regime is more equitable and development oriented. In this regard, we must ask ourselves why the current trading system has not delivered for the poor, and has instead exacerbated the inequitable growth patterns. Our efforts at enhancing international trade must be undertaken with this perspective in mind. Trade must link exports to employment generation and to the overall domestic economy in developing countries. We must support value addition in developing countries, instead of perpetuating the role of developing countries as providers of raw materials. Restrictions on products of interest to developing countries must be eliminated.

Mr. Chairman,

We are disappointed that we have had to take a pause in the WTO negotiations earlier this year, and we welcome the recent resumption of the multilateral process in Geneva. India stands committed to constructively engage to move the Doha Development Round to an early and successful conclusion that will

have the development dimension at the core of the trade negotiations. However, we must be clear that the Doha round of trade negotiations is about the Doha Development Agenda. This Round is not about the perpetuation of structural flaws in global trade, especially in agriculture. This Round is not about developing countries opening their markets for developed countries for their subsidised agricultural products. This Round is not about negotiating livelihood security and subsistence of hundreds of millions of farmers. Instead, this Round is about opening new markets for developing countries especially in developed countries. This Round is about creating new opportunities and economic growth for developing countries in all sectors including Industries and Services. This Round is about extracting LDCs and vulnerable economies from the stranglehold of poverty. Attempts by many of our developed partners to include issues like a restrictive “anti-concentration” clause, mandatory “Sectorals” in Non-agricultural Market Access [NAMA], avoidance of commitments on eliminating cotton subsidies, etc., go against the mandate of the Hong Kong Ministerial Declaration and the spirit of the Doha Development Agenda. We are also concerned with the late attempts to increase demands on developing countries in the context of the modalities negotiations.

Mr. Chairman,

Progress on negotiations in agriculture remains a key issue at the Doha Development round. We agree with the report of the Secretariat that massive agricultural subsidies in developed countries have distorted international markets and weakened agricultural production in developing countries. As recent developments have demonstrated, such policies have severely impacted food security in developing countries and have played a significant part in the global food crisis. The energy crisis has further increased input costs for agricultural production. It is imperative for progress in this area in the trade negotiations. However, the livelihood security of subsistence and marginal farmers in the developing world cannot be compromised, and commercial interests cannot take primacy over these. We urge developed countries to demonstrate flexibility towards genuine reduction and elimination of agricultural subsidies. Industrial development is also a key component of achieving the development goals. It is important that nascent industrial development in developing countries is not harmed and that they do not face de-industrialization. NAMA negotiations must be in line with these objectives. Services, particularly Mode 4, is another area which is of interest to developing countries. However, administrative and procedural requirements by developed countries pose significant barriers, apart from other market access restrictions. We stress the need for

developed countries to ensure liberalized, commercially meaningful and effective market access in Mode 4. This would create a win-win situation by bringing tangible benefits to both developing and developed countries.

Mr. Chairman,

Technology can play a crucial role in development efforts. A fairer Intellectual Property Rights regime is required, which would facilitate transfer of technology to developing countries at concessional and preferential rates. This is particularly relevant for sectors like public health and for climate change technologies. In this regard, we stress the need for accelerating work on the development-related mandate concerning Trade-related Aspects of Intellectual Property Rights [TRIPS], including measures to make it fully supportive of the objectives of the Convention on Biological Diversity.

Mr. Chairman,

The international community also needs to take proactive steps to assist developing countries, particularly Least Developed Countries and other vulnerable economies, to remove supply side constraints so as to benefit from international trade opportunities. We must effectively operationalize "Aid for Trade", and address preference erosion issues. I am happy to inform that despite being a developing country, India has unilaterally announced, earlier this year, a scheme to grant duty-free and preferential access to products from all LDCs. The tariff lines covered under this scheme span 92.5% of global exports of all LDCs, and 94% of India's total tariff lines. We also provide assistance to numerous other developing countries, particularly in Africa, through our technical assistance programme. Nevertheless, efforts by fellow developing countries like India can only complement the requisite efforts by our developed partners. Before concluding, Mr. Chairman, I would like to reiterate our support to UNCTAD, which has a key role in supporting developing countries. We thank Ghana for successfully hosting UNCTAD XII and support the focus of the Accra Accord on measures to make globalization pro-development.

Thank you, Mr. Chairman.



750 Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Rajeev Shukla on Agenda Item 120 – Financial Situation of the United Nations at the Fifth Committee of the UNGA.

New York, November 6, 2008.

Mr. Chairman,

We thank the Under Secretary-General for the Department of Management for her statement on the financial situation of the United Nations. My delegation aligns itself with the Statement made by Antigua and Barbuda on behalf of Group of 77.

Mr. Chairman,

My delegation has consistently maintained that payment of assessed contributions by Member States, in full, on time, and without conditions, is not just a charter obligation but also a moral one. We also believe that sympathetic consideration should be given to those Member States that are unable to pay their assessed contributions due to circumstances beyond their control. While expecting clear and across the board accountability from the UN Secretariat for efficient and effective delivery of mandates given to it by Member States, we have to ensure the provision of timely and adequate resources for the Secretariat, so as to facilitate the full implementation of the mandated tasks.

Towards the achievement of this goal, it is imperative that Member States fully pay their assessed contributions in a timely manner.

Mr. Chairman,

On the regular budget, we welcome the decrease in unpaid assessments from \$ 836 million in October 2007 to \$ 756 million in October 2008. Nevertheless, the outstanding balance still amounts to a considerable 40% of the total assessments, a significant amount which could affect the Secretariat's mandates delivery capacity. Notably, 94% of the unpaid assessment is concentrated in one Member State. At the same time, we are concerned that the cash position of the regular budget is in a deficit of \$ 66 million due to higher expenditure on Special Political Missions and a general weakening of the dollar as compared to the budgeted exchange rates. While we could blame the deficit partially on the weakening dollar;

nonetheless, it is also a manifestation of poor budgetary practices, exacerbated by non-payment of assessed contributions. We hope that this unhappy situation would be addressed urgently by all sides concerned.

Mr. Chairman,

As a major troop contributing country, which also has significant contingent-owned equipment deployed with UN peacekeeping operations, we are particularly troubled by the amount of \$ 2.9 billion outstanding assessed contributions for peacekeeping operations. We acknowledge that the unpaid assessments are partly due to the peacekeeping financial cycle. However the major portion is due to non-payment by Member States. As in the regular budget, the unpaid assessments for peacekeeping operations are highly concentrated, with 62% owed by just two member states.

Mr. Chairman,

The delay in receipt of contributions from Member States adversely impacts the Secretariat's capacity to make quarterly payments to troop and equipment contributors of peacekeeping operations. India's contribution of troops and contingent-owned equipment to UN peacekeeping operations is not a commercial enterprise; it is a manifestation of India's commitment to the principles and purposes of the UN Charter. However, once a written MOU has been signed with the United Nations regarding the terms and conditions of our participation in peacekeeping operations, we are justified in expecting that all sides to the understanding fulfill their obligations. Delayed payments, sometimes non-payment as in a few closed peacekeeping missions, of troop costs and contingent-owned equipment reimbursements, reflects poorly on the United Nations. It also makes it difficult for the troop contributing countries to explain to national legislatures, why such debt is owed by the United Nations to Member States for their troops and equipment contributions. This situation must be rectified otherwise it could have a negative impact on Member States' commitment towards future peacekeeping operations.

Mr. Chairman,

We are happy to note that the Organization's debt to Member States at the end of 2008 is projected to be around \$ 645 million, which is lower than the \$ 779 million in December 2008 but still considerable by any standard. Despite the decrease, an indebted United Nations should not be expected to evoke confidence from the peoples it aspires to serve. It is, therefore,

essential that Member States assist the Organization in achieving zero indebtedness, as an integral part of our common quest for prudent budgetary and financial management. This would be done by fully meeting financial obligations in a timely manner.

Mr. Chairman,

Last week, the Under Secretary-General for Management in her remarks had concluded that the position of the regular budget was uncertain given the current and projected cash situation, and the final outcome would depend on the action taken in the next few months by a few Member States. Similar, action would be required for unpaid assessments of peacekeeping operations in order to reduce the organization's indebtedness to Member States. We urge all Member States, especially those with the requisite means, to take expeditious action to meet their financial obligations, so that the United Nations can return to a healthy and sound financial situation and does not have to draw unsavory comparisons with the collapsing giants of the global financial markets, which we have witnessed in the recent months. The financial well being of the Organization is in our common interest!

Thank you.



751. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Sukhdev Singh Dhindsa on behalf of the Government of Sweden and Government of India on Agenda Item 65 (a): Strengthening of the Coordination of Humanitarian and Disaster Relief Assistance of the United Nations in the Plenary Session of the UNGA.

New York, November 10, 2008.

Mr. President,

I have the honour to deliver this statement on behalf of the Governments of Sweden and India.

We would like to thank the Secretary General for the documentation presented under this item including his Report. We appreciate the introduction provided by Under Secretary-General John Holmes.

Mr. President,

India and Sweden recognize that the coordination of emergency humanitarian assistance is one of the most important responsibilities of the United Nations. The impartial, voluntary and multilateral nature of United Nations humanitarian assistance is highly valued by both countries.

Sweden and India have noted that the demands for humanitarian assistance are likely to show an increasing trend in the near future. We take note of the fact that there is an increase in the number and impact of natural hazards. We further take note of complex emergency situations and the humanitarian challenges these situations continue to pose.

Mr. President,

India and Sweden reiterate that humanitarian principles and international humanitarian law provide the basis for humanitarian assistance. The letter and spirit of these principles need to be scrupulously respected. Sweden and India reaffirm that humanitarian assistance must be provided in accordance with the principles of humanity, neutrality and impartiality.

Mr. President,

National governments have primary responsibility for disaster management. It is sometimes difficult for states to tackle emergencies on their own. Nations

can and must cooperate amongst themselves to find collective and cooperative solutions to the challenges that disasters represent. The efforts of Member States to come together to promote a more responsive, prompt, fair and need-based humanitarian assistance system must be augmented and strengthened.

Mr. President,

India and Sweden believe that the capabilities and role of the United Nations in coordination and delivery of international humanitarian assistance need to be strengthened. This would mean an augmentation of the operational coordination capacities of the Office for Coordination and Humanitarian Affairs (OCHA), improved delivery of humanitarian services by relevant UN funds and programmes as well as greater accountability to stakeholders.

Disaster management has to be a holistic process. India and Sweden believe that prevention is better than cure. We must therefore give greater attention and resources to disaster risk reduction and disaster preparedness. Disaster risk reduction and preparedness need to be mainstreamed into development policies

Sweden and India also believe that disaster management must be an inclusive process. Communities, civil society and the private sector all have important roles to play. We must act in partnership to exploit and augment synergies.

Cooperation to strengthen local, national and regional capacities in the areas of emergency response, disaster risk reduction and disaster preparedness will benefit all. In a globalised world, each nation has capabilities, resources, experiences and knowledge that can be used in partnership by all nations and the international community for their mutual benefit. Mechanisms that tap these capacities and disseminate best practices and knowledge therefore must be given high priority by the United Nations.

Mr. President, The world is going through an unprecedented financial crisis. It is important in these times to highlight the continued requirement for maintaining and augmenting the levels and predictability of funding for humanitarian assistance. In this regard, Sweden and India believe that the Central Emergency Response Fund (CERF) has been a success. The fund has succeeded in mobilizing US\$ 1 billion during its two years of operations. The disbursement of these funds have had a role in accelerating responses to

emergency situations and have had a positive impact on the management of these situations.

The institution and operation of the Central Emergency Response Fund has highlighted the collective and shared interests that all Member States have in the humanitarian agenda.

Mr. President,

Member States have a common interest in ensuring effective delivery of international humanitarian assistance. The consensus that exists on these common interests can be articulated and strengthened through constructive and informed dialogue. This will reinforce our common ability to face disasters whether natural or man-made.

Thank You



752. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Sukhdev Singh Dhindsa on Agenda Item 65 [A] – Strengthening of the Coordination of Humanitarian and Disaster Relief Assistance of the United Nations at the Plenary of the UNGA.

New York, November 10, 2008.

Mr. President,

I will now make a national statement on behalf of the Government of India. India would like to align itself with the statement made by Antigua and Barbuda on behalf of the Group of 77.

Mr. President,

The humanitarian role of the UN has assumed added importance in the recent past. The Secretary General, in his report on International Cooperation on Humanitarian Assistance in the Field of Natural Disasters (A/63/277), has stated that there is a longer term trend of increasing frequency and intensity of recorded disasters associated with natural

hazards. Asia, including India, has been affected by these hazards in the past year.

In addition to disasters associated with natural hazards, the global humanitarian scenario has been complicated and placed under greater stress by the emergence of new challenges such as the unprecedented increase in food prices. The rise in food prices will have a negative effect on populations living around and under poverty thresholds and will increase humanitarian distress in large parts of the developing world. The nature, contour and resourcing of the humanitarian response to this development is a matter of interest and concern to India and other developing countries. In these circumstances it would be logical to assume that the demands on the United Nations in the field of humanitarian assistance will continue to grow.

Mr. President,

Member States have the primary responsibility for provision of humanitarian assistance in response to all emergencies. While there is no substitute for effective national efforts, a national response alone can sometimes be inadequate. The United Nations has a key part to play in complementing and supplementing these efforts of Member States.

There is also a need for more bilateral, regional and international cooperation to deal with disasters and to make those effective uses of our capabilities. Greater cooperation is required not only in the emergency phase of reacting to disasters but also in relief and rehabilitation, in disaster preparedness, and in setting up and maintaining early warning systems. These all are, and should be, parts of effective disaster management strategies.

Mr. President,

The Central Emergency Response Fund has completed two years of existence. India has noted the report of the Secretary General that the Fund has largely achieved its objectives and has become, in a short time, a valuable and impartial tool for humanitarian action inter alia by helping to accelerate response and by catalyzing field-level coordination. CERF today accounts for about 5% of annual global humanitarian assistance flows. As a developing country with strong faith in the universality, neutrality, impartiality and multilateral nature of UN assistance, India would like to see this share increase.

Mr. President, India is deeply concerned by the increasing incidence of attacks on humanitarian personnel and UN premises. India has always opposed violence and condemns such attacks in the strongest possible terms.

India would also like to take this opportunity to reiterate that humanitarian assistance has to be given on the basis of humanitarian principles and International Humanitarian Law. The General Assembly has on numerous occasions, including in the Guiding Principles of resolution 46/182, stated that humanitarian assistance should be provided with the consent of the affected country and on the basis of an appeal by it. It also emphasizes that humanitarian assistance must be provided in accordance with the principles of humanity, neutrality and impartiality.

We have noted, however, that there have been efforts to expand this base and the scope for intervention. While the existing normative and legal basis for humanitarian assistance is adequate, India is open to new ideas to strengthen the operational and coordination capabilities of the UN. We also believe that the spirit and letter of inter-governmental processes must be adhered to in such initiatives.

Mr. President,

Disaster management in India aims to build a safe and disaster-resilient India by developing a holistic, proactive, multi-disaster and technology-driven strategy. A National Disaster Management Authority headed by the Prime Minister has been instituted to achieve this through a culture of prevention, mitigation and preparedness, so as to generate a prompt and efficient response at the time of disasters.

India's Disaster Management strategy is in conformity with the International Strategy for Disaster Reduction, the Rio Declaration, the Millennium Development Goals and the Hyogo Framework 2005-2015.

The pillars on which India's disaster management strategy are based are:-

- Community-based disaster management,
- Capacity development
- Consolidation of past initiatives and best practices.
- Cooperation with agencies at national, regional and international levels.

The Government of India is committed to promoting a culture of prevention and preparedness and encouraging mitigation measures based on state-of-the-art technology and environmental sustainability. It is also committed to mainstreaming disaster management into the development planning process and to creating an institutional and legal framework and an enabling regulatory environment and a compliance regime. It believes that an efficient humanitarian response must give special attention to those who are vulnerable and weak.

The Government lays great emphasis on developing contemporary forecasting and early warning systems. It also believes in working together with the media, NGOs and the private sector in generating awareness and capacity development in tackling humanitarian disasters.

Thank you.



753. Statement of Member of Parliament and Member of the Indian Delegation to the United Nations K. Yerrannaidu on Agenda Item 17 – The Situation in Afghanistan at the UN General Assembly.

New York, November 10, 2008.

Mr. President,

Let me begin by expressing India's appreciation for scheduling this discussion on a subject of great significance for us, our region and the world. I commend the effort by the delegation of Germany in coordinating inter-governmental negotiations that have led us to this annual General Assembly resolution on the situation in Afghanistan. We are happy to continue to co-sponsor this resolution, which is traditionally adopted by consensus.

Mr. President,

The arrangement of this resolution is in accordance with a few central themes. Thus the operative section of the text begins with issues relating to security, and follows up thereafter with paragraphs on governance, human rights, rule of law, economic and social development, counter narcotics and finally, coordination issues. It therefore accords with our

perspective of the substance of the challenge that the international community faces in Afghanistan. A similar perspective is borne out in the latest report of the UN Secretary-General on the scale of the challenge and the difficulties that beset our efforts to assist Afghanistan. Thus, as both the resolution and the Secretary-General's report before us underscore, the escalation in asymmetric attacks in areas cleared of the Taliban and the Al-Qaeda is deeply worrying. Civilians, humanitarian workers, international staff and diplomatic personnel—including our Mission in Kabul—have been attacked. While we correctly condemn the perpetrators of these savage acts, the ultimate responsibility lies with those who support, finance and empower the Taliban, Al-Qaeda, and other terrorist and criminal groups. Their acts of violence are callous and brutal, but not mindless, since they deliberately aim to weaken the resolve of the Afghan people and the international community. In fact however, the increase in random acts of violence targeting civilians only illustrates the desperation of terrorist groups in seeking to convert strategic defeat into tactical advantage.

It is for this reason that we need to pay attention to the signals we are sending through our actions and messages. Not only should we avoid inadvertently giving terrorists and their supporters comfort, we must also ensure that our legitimate concern at the complexity of the challenge is not mistaken for a weakening of our collective will to win this war. It is also important that we ensure that we do not accord the terrorists parity with the legitimate government of Afghanistan, or the international community that acts in support of the latter. But most of all, it is essential that we focus on ensuring that our message is clear and unequivocal—something that we occasionally neglect in the annual UNGA resolution on Afghanistan. It is in this sense that we commend the effort made this year to sharpen the focus of this text on several key messages.

To India, Mr. President, the central thrust of the message that we see in this resolution is clear: our support for and commitment to the central challenge in Afghanistan is unshaken. We will not be diverted from the task of helping the people of Afghanistan bring back to their nation peace, order, stability, governance and development, based upon the traditionally moderate and inclusive culture of Afghanistan. We may differ individually in prioritising and selecting strategies to reach the goal, but there should be no mistaking the collective determination of the international community to the larger goal. From this standpoint, therefore, the road ahead is clear.

India believes that there is no alternative but to work on simultaneously implementing a three-pronged strategy in Afghanistan. One element in this must be security, for without security neither the people of Afghanistan nor our own citizens can hope to see a peace dividend after decades of strife in Afghanistan. While we accept the argument that seems to be made more regularly of late that Afghanistan cannot be secured through military means alone, the converse is also true: without a robust military effort, we cannot secure Afghanistan through any other means either. It is for this reason that India sees a need for a much closer alignment between the consistent application of force wherever terrorist groups are present, and the achievement of the political objectives of our efforts in Afghanistan.

A second element must be to raise governance capacities in Afghanistan, to ensure that our Afghan partners will be left with the capacity and the resources to chart their own road, whenever the time for that comes. Developmental efforts are an important part of it, because any long term strategy of stabilizing Afghanistan must be predicated upon creating an impetus from the ground that builds upon ground cleared through military measures. Here too, we must collectively ensure better coordination of our collective efforts in support of the Government of Afghanistan. To begin with, we must make a greater effort to offset the humanitarian challenge posed by drought, climatic hardship and food scarcity.

The third element is to ensure that Afghanistan is at peace within its region, and vice versa. Without this, we cannot hope to stabilize Afghanistan solely from within. This includes, but is not limited to, regional economic cooperation. Afghanistan's entry into the South Asian Association for Regional Cooperation, and its membership in other regional groups are aimed at revitalizing Afghanistan's historic linkages with the countries of its region. The central challenge remains to ensure that programmes evolved in regional mechanisms are implemented. These include resolving barriers to effective overland trade and transit, as well as to the operation of mechanisms to deal with the challenge posed by trafficking in drugs, cross-border terrorism and so on. This is particularly so in the southern and eastern regions, where countering narcotics production remains an endemic problem. Unless robust security measures are followed by a larger strategy of crop substitution and securing market access for farmers, we cannot expect long term success in countering the production of narcotics in the region.

Mr. President,

In context of the regional aspect, I should like to reaffirm India's national commitment to assisting Afghanistan in this complex moment in its transition. We do so not only because of the long historical and cultural ties between our people, and not only because of the excellent relationship our two countries enjoy, but also because history has shown us that regional prosperity, security and progress is indivisible. Therefore our consistent effort has been to design our assistance programmes in a manner that focuses upon bringing developmental benefits both at the local level, and also at the larger national level. Not only has India recently announced an increase in its commitment to Afghanistan, now amounting to US \$ 1.2 billion, we are pleased to have completed the construction of the Zaranj-Delaram highway in Western Afghanistan. This is one of three major infrastructure projects India is undertaking in Afghanistan—the others being a large hydroelectric project and a large power transmission project. Another project of considerable symbolic value for us is the construction of a parliament building in Afghanistan. We hope to begin construction later this month.

Mr. President,

In conclusion, I should like to revert to the message of our resolution. For India, it is important that the clarity of our message should not be diluted by adding excessive expectations based on efforts that ultimately tend to replicate our national socio-economic models in an inappropriate setting. We need to remind ourselves that we cannot realistically resolve all of Afghanistan's problems at once. Given the challenge that faced us a little over seven years ago, we should recognize that progress will continue to be recorded but sectorally and partially. Patience and perseverance are essential for the long-term success of our investment: that and a willingness to listen to those whom we seek to help. It is for this reason that an Afghan-led process of prioritization of tasks remains essential.

I thank you, Mr. President.



754. Freely adapted from extempore remarks of Permanent Representative at the UN Nirupam Sen at the meeting of the Open-ended Working Group on the Question of Equitable Representation on and Increase in the Membership of the Security Council and other Matters Related to the Security Council.

New York, November 11, 2008.

Mr. Vice-Chairman,

I am grateful to the President of the General Assembly for organizing this meeting and I congratulate you on your appointment as Vice-Chairman, presiding over this meeting. It is a sign of the PGA's confidence in you which we share.

The latest OEWG Report [Document A/62/47] is factual (in the sense of providing bare facts without contextual meaning) and provides no useful insights whatsoever. The only document which is important meaningful and agreed to in it is Decision 62/557. In fact the Reports of the Vice Chairpersons, annexed to it, were expressly rejected in the OEWG by the UFC, the G4, the L.69, and their supporters.

Decision 62/557, adopted unanimously, recognized this reality and decided to commence intergovernmental negotiations in an informal plenary of the GA, based on proposals by Member States, within a defined time limit. In deference to requests made by a few delegations, the majority went along with the view that the OEWG may also be allowed to continue immediately to address the framework and modalities in order to prepare and facilitate intergovernmental negotiations. The OEWG in fact has been given a subsidiary role in the decision of September 15, 2008. Therefore, it is not clear why this meeting is being held. This is the conclusion that one can draw after listening to distinguished colleagues who have spoken earlier. It would have been better to have the OEWG meeting after the beginning of intergovernmental negotiations on November 21. There could then have been a discussion on how the framework and modality of the negotiations is operating. For fifteen years, this OEWG talk shop has been enough of a drain on our time, energy and resources. It should have been about time to put an end to this barefaced mummery.

Given the past record of the OEWG, we do not expect that any concrete progress will be achieved by it. In the highly unlikely eventuality of its coming

up with useful idea it can provide synergy to the negotiations. In the much greater likelihood of its failing to do so, it would not. In any case, the informal GA Plenary on negotiations is not bound to take it into consideration. It is abundantly clear that undertaking negotiations is not related in any way to actions taken under para (c) of Decision 62/557. The term "so far" in the first line of para (d) of Decision 62/557 removes any doubt on this issue. Thus, "so far" means that the GA plenary would only take note of what the OEWG has done till September 15, 2008; it is not bound to take note of what the OEWG does subsequently. So, let us be clear: the wording of Decision 62/557 excludes the possibility of any linkage between the conclusion of work of the OEWG and the commencement of negotiations in the informal GA plenary. I agree with the PRs of UK and France that "the OEWG cannot establish preconditions for negotiations since this would be against the GA Decision".

As regards the framework and modalities for the negotiations, we believe that these issues too are quite clear. The framework is the informal GA Plenary and the modality is the proposals of the Member States. Since we have decided to commence intergovernmental negotiations in an informal plenary of GA, based on proposals by member states, the rules of procedure of the GA would apply. Any further details on these issues can be worked out as part of the negotiation process, as has been the case with other negotiations.

A couple of speakers have said that we should define purpose and objective of negotiations, which have already been clearly formulated in the World Summit Outcome Document and Decision 62/557. These speakers talk of road map, parameters and the like. None of this figures in Decision 62/557. These are attempts to create artificial obstacles in order to go back to the pre-September 15 period and illegally, through these manoeuvres to undermine if not reverse the unanimous Decision 62/557.

Another speaker said that the informal GA Plenary can only be held after the OEWG presents its Report, latest by February 1, 2009. He completely ignored the important phrase "so far" in para (d) of Decision 62/557 in terms of which the informal GA Plenary is not bound to take into consideration the OEWG's future Report at all. He also made the suggestion that "first all proposals have to be tabled and only then negotiations can begin". The logical conclusion is that the proposal tabled by his Group, including through a formal Resolution, was after all not a proposal at all. Proposals of the Member States are well known and are contained in the Resolutions tabled,

the letters written to the Presidency and the Statements made since at least 2005. Another speaker talked of not rushing the process?. After fifteen years it is a little excessive to speak of rushing any thing.

One speaker referred to some kind of gentlemen's agreement. We proposed insertion of the phrase "so far" to the then PGA and we were not part of any such agreement nor are we aware of it. In any case, these are strange gentlemen who meet in a small group in secret that the rest of us know nothing about. Rather a select and secret league of gentlemen.

They are in fact ghosts holding on to the ghost of the OEWG, sitting crowned on the grave thereof. The cold, withered hand of the dead is trying to hold back living negotiations. The absurdity of continuing in this manner is shown by a simple thought experiment. Let us add a phrase to President-elect Obama's moving address after his historic election victory: "A man touched down on the Moon, a wall came down in Berlin and the OEWG met!" You can see from the reaction in this august assembly what the significance of the present OEWG is. After fifteen years of failing to achieve any concrete results the only language that is applicable to it is the question in the great American novelist Thomas Pynchon's latest novel "Against the Day": "What is it doing here, so late in history, with the dismal metonymies of the dead behind it?"

I am also somewhat surprised by the statements made by three colleagues representing countries that are part of the Ibero-American community. I would like to quote from the Special Communiqué of the Ibero-American Community on United Nations Reform, adopted as recently as October 31, 2008 by Heads of State and Government: "The Heads of State and Government of the Ibero-American countries, in their meeting in San Salvador, El Salvador, on occasion of the XVIII Ibero-American Summit Meeting, recognized that after fifteen(15) years of debates, on 15 September 2008 the United Nations adopted Decision 62/557 to initiate negotiations for the reform of the United Nations Organization...

They recognized the urgent [the word is not mine, it is in the communiqué] need to reform the Security Council in favour of its democratization and the just representation to which our peoples aspire."

A speaker raised the issue of OEWG as prepcom which was specifically raised by one of his distinguished colleagues on September 15 and equally specifically and decisively rejected. Also, democracy having been established in his country, we thought there would be greater sympathy

for the idea of voting. Its position is somewhat like saying in a democracy: "We do not want to lose. So let us not have elections." This is certainly no way to run a democracy and would be no way to run negotiations.

In conclusion, Mr. Vice-Chairman, we welcome and totally support the PGA's letter of October 10 announcing intergovernmental negotiations on November 21, 2008. I would like to reiterate that Decision 62/557 clearly says that we should „commence intergovernmental negotiations on the basis of proposals by Member States', not just have a proforma session. We would respectfully hold you to that.

I thank you, Sir



755. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Priya Dutt on Agenda Item 123 – Human Resources Management at the Fifth Committee of the UNGA.

New York, November 14, 2008.

We thank the Under Secretary-General for the Department of Management for her statement on the Agenda Item 123: Human Resources Management. We also thank the Under Secretaries-General for the Department of Field Support and for the Office of Internal Oversight Services; the Director of the Ethics Office and Chairman of the Joint Inspection Unit for introducing their relevant reports. We convey our appreciation to the Chairperson of the Advisory Committee on Administrative and Budgetary Questions for introducing the Advisory Committee's report. We welcome the presentation by the Staff representatives. My delegation aligns itself with the statement made by the distinguished Deputy Permanent Representative of Antigua and Barbuda on behalf of the Group of 77.

The human resources of an organization largely determine its success or failure. In this age of rapid change, marked by new and emerging technologies, it is vital for the United Nations to have a well-trained, multi-skilled, and versatile workforce that is committed to and equipped for confronting the growing challenges and complexities confronted by the Organization. For this, it is important not only to recruit high-quality staff,

but also to retain them and to provide motivation for continuous self-improvement and skill enhancement. These objectives can only be achieved through the collective efforts of the management and the staff, with unwavering support from Member States.

Given the critical importance of the human resources management reforms and the numerous proposals by the Secretary-General on the subject, some already approved and under implementation, others still being deliberated by the General Assembly; we are disappointed that the Secretary-General's report on Human Resources Management reforms (A/63/282) while providing an overview of and update on the implementation of the previous reform proposals, does not provide sufficient statistical data to substantiate the progress reported, nor does it include benchmarks against which progress could be measured. We also concur with the ACABQ that the report does not provide the financial implications of the proposed initiatives or clear timelines for their implementation. Above all, the report fails to analyze the interrelationships between the various human resources reform proposals that are interlinked and require synchronized implementation.

The Office of Human Resources Management (OHRM) is the pivotal entity in the UN Secretariat responsible for strategic human resources planning and policy development; interpretative guidance; and delegation of authority on human resources throughout the Secretariat. We commend the OHRM for its efforts despite the magnitude of its task and the relative scarcity of its resources. Nevertheless, we are troubled by the findings in the OIOS report on the in-depth evaluation of the OHRM (A/63/221), which underscores that the credibility of the staff selection process is not highly rated by stakeholders with regard to facilitating promotion opportunities, identification of highly qualified external candidates and support for geographical representation and gender balance goals. Furthermore, lengthy staff selection timeframes; lack of integrated approach to career development of staff and the failure of the managed mobility policy are the other areas of concern. We fully endorse the recommendations of the OIOS on the OHRM, especially the development of an integrated approach to enhance staff selection process, better support for career development and promotion of staff mobility; clarification and streamlining of delegation of authority and prioritization of the implementation of human resources reform initiatives. We are convinced that these measures would make a significant contribution in expediting and facilitating the effective and efficient human resources management.

We welcome the Secretary-General's intention to implement an integrated workforce planning system through establishment of a Talent Management Framework. Though, we are surprised that in a large and geographically diverse international civil service like the United Nations, this was not done much earlier, as it would have addressed a number of challenges, such as expensive and time consuming recruitment process, high vacancy rates, succession planning etc. While implementing the work force planning system, it would be essential to install a robust monitoring system that would ensure accountability for departmental planning and performance, especially at the senior management levels. It would also ensure effective monitoring of the delegated authority in human resources, which has been highlighted by the OIOS as an area of serious concern.

On career development and support, my delegation is convinced of the importance of training for staff development. The United Nations should nurture talent, learning and professional development of its staff. However, training should not be an end in itself. It is a means to creating an effective workforce that is efficient, versatile and multi-skilled. We agree with the ACABQ that a more integrated, strategic and results-based approach to training, encompassing both headquarters and the field, should be adopted, which fulfills the emerging needs of the United Nations. Moreover, clear linkages should be made between training programmes and career paths and measures to identify and promote future leaders in the Organization, should be inclusive, transparent, non-discriminatory, merit-based. This would also hold true for the staff recruitment process at all levels, particularly the senior management.

We all agree that a credible, fair and fully functioning performance appraisal system is critical to effective human resources management. Various surveys conducted amongst the staff in the Secretariat have indicated a lack of faith in the existing performance appraisal system. In order to develop a culture of rewarding performance and penalizing under/non-performance in the United Nations, it is essential that appraisals accurately capture performance. We encourage the Secretary-General to expeditiously address the reported shortcomings in the existing performance appraisal system and establish clear links between performance and future career paths, as an important step towards rewarding excellence and strengthening accountability.

The streamlining of contractual arrangements and harmonizing the conditions of service, including for the UN field operations, are important issues pending with the Member States. We have to move with deliberate

haste on these matters as they have a direct bearing on the overall functioning of the Organization. It is undeniable that having multiple contractual arrangements is inefficient. Similarly, having disparate compensation, benefits and entitlements amongst staff performing similar functions is not only unfair and unjust but also demoralizing. We look forward to a satisfactory resolution of these critical in the coming weeks.

The declared goal of the mobility policy is to develop a versatile, multi-skilled and experienced international civil service. Mobility is also expected to increase Secretariat's flexibility and responsiveness, improve its programme delivery capacity, and offer increased staff development and career advancement opportunities. As reported by the Secretary-General, we have taken note of the difficulties experienced in the initial implementation of the "managed reassignment" programme. The OIOS has also been critical of the "managed reassignment" programme. In light of these experiences, we call upon the Secretary-General to undertake the proposed comprehensive review of the mobility policy, taking into account the lessons learnt from the managed mobility programme; the OIOS evaluation and the outcome of Staff Management consultations. While there are challenges in achieving the desired mobility outcomes, the eventual implementation of the mobility policy, if approved by the General Assembly, would have to be based on a clear definition of mobility and implemented in a fair, transparent and inclusive manner, encompassing all levels of the Secretariat.

On recruitment and staffing, my delegation welcomes the efforts of the Secretary-General to achieve the gender balance and geographical distributions targets, but calls for additional measures, including intensive outreach activities, to further ameliorate the situation, which is far from satisfactory. We also endorse the comments of the ACABQ on the pre-screened rosters as a tool for staff selection and on the broadening of the scope of the National Competitive Exams as a useful, objective and competitive tool for recruitment of highly qualified young professionals at entry level.

The Secretary-General has reported an increase in the use of consultants and individual contractors by 88.7% and 166.6% respectively, involving a combined expenditure of \$131.5 million during the reporting period. Moreover, majority of the consultants have been engaged for programme implementation and advisory services, which should normally be the responsibility of the regular staff. We firmly believe that the practice of

hiring consultants should be restricted to only to those instances where the necessary in-house skills and expertise is not available. Meanwhile, factors contributing to the use of consultants should be identified and appropriate steps should be taken to address skill gaps within the Secretariat. However, if hiring of consultants becomes inevitable, we call for maintaining a balance in their geographical representation.

Before concluding, let me once again reiterate the importance of expeditious implementation of human resources management reforms in the United Nations. Especially, in view of the transformation of the United Nations from a conference servicing and meeting organizing body to a more field-oriented and operational Organization, which undertakes more and more complex tasks of peace & security and economic & social issues. We have to keep in mind that reform does not come free. Even if the initial costs seem considerable, over the long run this investment would reap high dividends in the form of more efficient and effective delivery of mandates and programme implementation. It is in our common interest to provide, in a judicious manner, the required resources for the implementation of this much needed and pressing reform.

Thank You.



756. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Sukdeo Paswan on Agenda Item 150 – Report of the Committee on Relations with Host Country at the sixth Committee of the UN General Assembly.

New York. November 14, 2008.

Mr. Chairman,

We thank the Chairperson of the Committee on Relations with the Host Country for presenting the Report of the Committee.

The Committee on Relations with the Host Country provides a useful forum for addressing issues relating to the functioning of Missions of Member States and for enabling their representatives to perform their functions without hindrance.

This year the Committee had examined a number of problems related to question of security of missions and safety of their personnel, acceleration of immigration and customs procedures, entry visas issued by host country, transportation and other matters raised by interested delegations. The open and transparent exchange of views in this forum helped in addressing these issues in a spirit of cooperation and in accordance with international law.

We appreciate the host country's commitment to fulfill its obligations under the Convention on the Privileges and Immunities of the United Nations and the Host Country Agreement, to accord facilities to missions accredited to the United Nations to ensure their smooth functioning.

Mr. Chairman,

India had brought to the attention of the Committee the issue of property taxes being imposed by the City of New York on diplomatic premises used by Permanent Mission of India to the United Nations to house its diplomats. The issue is presently being pursued in New York Courts.

In a very short judgment in February this year, the New York District Court held that the Vienna Convention on Consular Relations and the Vienna Convention on the Diplomatic Relations support the City of New York's position that the residential exception from taxes is limited to "residence of the Head of Mission" and not others. The Government of India has filed an appeal with the Court of Appeals against this order of the District Court.

Nevertheless, we continue to believe that under international laws and Vienna Convention on Diplomatic Relations, my government, being a sovereign, is immune from the jurisdiction of US Courts and is not liable to pay property tax in respect of the portion of the building of the Permanent Mission owned by it and occupied by its diplomats for residential purposes.

We understand that many Permanent Missions are facing a similar problem. We hope that the host country will devote urgent attention to the matter and remove the ambiguity in its laws so as to ensure that it grants to the UN Member States and their staff the same privileges as are granted to other diplomats accredited to it. This is also a requirement under the Headquarters Agreement between the UN and the United States.

On immigration and customs procedures, we recognize that the host country has a right to monitor and control entry into its territory and to adopt the requisite security measures it deems necessary. This has to be balanced, on the one hand, with the right of delegations to participate in the work of the UN and, on the other, to ensure that delegations do not misuse their privileges and immunities. Nevertheless, security and immigration officials must also be made aware of the privileges and immunities enjoyed by diplomats and their families with a view to maintaining respect for them.

We welcome the steps taken to address the parking problems of diplomatic missions and hope that the residual issues in this respect, including the request for parking slots by the Indian Mission, would also be addressed soon.

In conclusion, we commend the Host Country for taking all the complaints seriously and making efforts to address them promptly.

Thank You Mr. Chairman



757. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Tarit Baran Topdar on Agenda Item 107 – Follow-up to the Outcome of the Millennium Summit; 44 – Integrated and Coordinated Implementation of and Follow-up to the Outcome of the Major United Nations Conferences and Summits in the Economic, Social and Related Fields and 112 – Strengthening of the United Nations System at the UN General Assembly.

New York, November 17, 2008.

Mr. President,

We welcome the opportunity to participate in this joint debate on the various agenda items relating to the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields. We thank the Secretariat for the report on these issues.

Mr. President, United Nations conferences and summits held since the 1990s have generated an unprecedented global consensus on a shared vision of development. However, what is of concern is the lack of a similar consensus in the matter of implementation of this vision. Implementation remains hampered, firstly by a continuing lack of adequate resources and, further by absence of an enabling international environment. I do not need to repeat facts, like the continuing fall in Official Development Assistance flows or the net outflow of resources from developing to developed countries, to highlight the former. The current ongoing financial crisis, which did not originate in developing countries but is impairing their development efforts, is just one example of the latter.

The 2005 World Summit embraced a broader concept of internationally agreed development goals, not just limited to the Millennium Development Goals. These can only be reached through the implementation of the broader set of commitments undertaken at the major United Nations conferences and summits. Further, the different goals and targets adopted at these conferences and summits can be achieved only if they are pursued together, in an integrated manner.

In this regard, we have been repeatedly emphasizing the importance of development-oriented international economic, financial and trade policies

to assist developing countries in their development initiatives. Globalization, with its enhancement of flow of capital and goods without sufficient attention to its adverse impacts, has made the need for such pro-development policies imperative and most urgent. This has been amply demonstrated by the current financial crisis, coupled with the food crisis and a higher risk to energy security.

Mr. President,

To ensure that international policies are pro-development, concerns of developing countries in the formulation and implementation of these policies must be effectively taken on board. Unfortunately, current institutional structures do not permit this, even though developing countries are the most affected ones. We are heartened by the near global consensus on the need for an urgent and fundamental reform of the international financial and economic architecture. Such reform must enhance the voice and participation of developing countries in the decision-making and norm-setting processes. In order to make this process as inclusive as possible, the United Nations, with its unique position and legitimacy, could play a key role.

Trade must assist countries in their development efforts. An early development-oriented outcome of the Doha Development Round of trade negotiations, which does not sacrifice the livelihood concerns of millions of poor and marginal farmers, is of paramount importance. We also need to accelerate the implementation of the development mandate of the Agreement on Trade Related Aspects of Intellectual Property Rights. We must ensure that rewards for innovators must be balanced with benefits for humankind, particularly in issues like public health, benefit sharing of use of genetic resources, and affordable environment-friendly technologies that are crucial for addressing climate change and related aspects.

Mr. President,

The Economic and Social Council has a crucial role in fostering a comprehensive development agenda of the United Nations through an integrated and coordinated implementation of the commitments. The Council has an acknowledged role as a principal body for coordination, policy review, policy dialogue and recommendations on issues of economic and social development. The strengthening of the Economic and Social Council in 2006, and the incorporation of new elements in its functioning,

were useful steps in this regard. We particularly highlight the importance of the new mandate given to the Council in 2006 for undertaking a regular and periodic review and assessment of international economic and development policies and their impact on development. We must enhance the capacities of the Economic and Social Council in order to effectively implement this mandate, including periodic reviews based on a development perspective, of the policies of international financial institutions.

It is satisfying that the Annual Ministerial Review of the Economic and Social Council has become an important event to review efforts to achieve the Millennium Development Goals, and learn from sharing of experiences. This event must have an added focus on evaluating the implementation of the “global partnership for development”. The Development Cooperation Forum, which held its first session earlier this year, must consolidate its unique role in overseeing trends in international development cooperation. The Council should also continue to discuss topical and emerging issues, and provide policy inputs and guidance. Only through such an integrated approach can the development agenda be maintained at the core of the efforts of the United Nations.

Mr. President,

Strengthening the United Nations system without a comprehensive reform of the UN Security Council is inconceivable. The reform of the Security Council must include an expansion in both permanent and non-permanent categories and improvement in its working methods. Let us recall that at the 2005 World Summit, we had pledged for early reform of the Security Council, identifying it as an essential element of our overall efforts to reform the United Nations. The continued delay in reforming the Security Council illustrates the fundamental deficiency in implementing decisions adopted.

Consultations in the Open-Ended Working Group have outlived their utility. We are happy that there was unanimous recognition of this, and Decision 62/557 adopted on September 15, 2008 agreed to commence intergovernmental negotiations in an informal plenary of the General Assembly, based on proposals of Member States, within a defined timeframe. We fully support the decision of the President of the General Assembly to commence these negotiations on November 21, 2008. This is entirely in line with Decision 62/557, and we look forward to the negotiating process producing concrete results.

The United Nations system also cannot be strengthened without revitalizing the General Assembly. This must be not simply a technical process concerned with agenda and the technical means employed but a political process where the General Assembly takes important political decisions on comprehensively reforming the Security Council, on issues of peace under certain circumstances, on having an actual say in the election of the Secretary-General etc. An important part of such a reform would be increasing the accountability of the Secretariat to the Member States and an increase in the efficiency of the Secretariat.

Before concluding, Mr. President, let me highlight that we are now in the process of negotiating the outcome document of the Doha Conference on Financing for Development. It is important that we do not perpetuate an endless cycle of commitments without implementation, and the Doha outcome document appropriately focuses on means of implementation.

Thank you, Mr. President.



758. Statement by Member of Parliament and Member of the Indian Delegation to the UN Vijay Bahuguna during the Joint Debate on Agenda Items 9 – Report of the Security Council and 111 – Equitable Representation on and Increase in the membership of the Security Council and other related matters at the UNGA.

New York, November 18, 2008.

Mr. President,

We welcome the opportunity to participate in this joint debate on Agenda Item 9 – Report of the Security Council and Agenda Item 111 – Equitable Representation on and Increase in the Membership of the Security Council and Other Related Matters. We thank the delegation of Costa Rica for introducing the annual report of the Security Council for the period August 2007 to July 2008.

Mr. President,

My delegation notes that the Report remains a largely statistical compilation of events, a bland listing of meetings and outcome documents. In our view such a report must include an analysis of the issues on the Council's agenda. Pressing issues concerning international peace and security that are before the Council, such as the Middle East, cannot be simply dismissed by noting that despite seven attempts presented by different delegations over 12 months, the Council "was not able to reach the unanimity needed for it to take any action". It also needs to be shared as to why the Council was unable to reach an agreement. The Report reveals that only half of the formal meetings as well as consultation sessions of the Council were held in open format. This itself is indicative of a need for greater transparency in the Council's functioning. Further, in the context of the listing of resolutions and statements adopted, the Report does not indicate how often non-Council members immediately concerned with any particular issue were consulted. Perhaps the Report does not bring to the larger membership an analytical survey of the activities of this important organ because the Council itself remains insufficiently representative, its working methods remain non-inclusive, and its activities remain extremely opaque. Mr. President, Like most others, we remain convinced that the only remedy is a comprehensive reform of the Security Council, involving expansion in its permanent and non-permanent categories. There are a few who argue that an expansion

only in the non-permanent category would suffice. This is being unrealistic and has been proved wrong by history. We should not forget that we expanded the Security Council in 1965, with only additional non-permanent members, but the problems with the Council have only exacerbated. Non-permanent members have not been able to implement their ideas, to prevent the encroachment of the Council in areas beyond its competence as per the UN Charter, to improve its decision-making process, to ensure the full compliance with Articles 31 and 32 of the Charter, to enhance the participation of Troop Contributing Countries in decision making, or even to improve access and participation of non-members specially Small States. And this has not been for want of trying by many non-permanent members. Thus electing non-permanent members has failed to ensure the accountability of the Council.

It is self-evident that real change and improvement can come only through inducting new permanent members through the principles of election and subsequent accountability to the wider membership through an appropriate review mechanism while ensuring permanent institutional memory, with new points of view and fresh resources to ensure optimal decision making and its translation into action. Without expansion of permanent membership the real problems cannot even begin to be addressed nor political culture even begin to be transformed. Attempts to portray an "interim model" as a solution are inherently flawed. Such a model will simply add to numbers without addressing the issues, and in effect would be the worst of both worlds. Let me reiterate our demand for a reform of the Security Council with the following elements:

- Expansion in both permanent and non-permanent categories.
- Equitable geographical representation.
- Greater representation to the developing countries, including better access for small island, landlocked and other vulnerable states.
- Adequate representation to the developed countries and those with economies in transition.
- Comprehensive improvement in the working methods.
- Provision for a review mechanism.

In this context, we welcome the unanimous Decision 62/557 adopted by this Assembly on September 15, 2008. This Decision has clearly recognized the

futility of further consultations in the Open-Ended Working Group format. It is unambiguous in its decision to commence intergovernmental negotiations in the informal plenary of the GA, based on proposals by Member States, within a defined time limit. Further, the term "so far" used in para (d) of this Decision, which deals with the commencement of intergovernmental negotiations, makes it abundantly clear that the negotiating process is not bound to take into account any further activity in the Open-Ended Working Group after September 15, 2008. In the extremely unlikely scenario of the Working Group coming up with any useful result, these could be considered as inputs in the negotiating process. In terms of Decision 62/557, there have to be intergovernmental negotiations in the Informal General Assembly Plenary on the basis of the proposals of Member States. The framework is the formal GA Plenary and the modality is the proposals of the Member States. These proposals are well known and are contained in the Resolutions tabled, the statements made and the letters written to the Presidency since at least 2005. If further refinements are to be negotiated, these would be done in the informal GA Plenary, as in any other negotiation. Thus, we reject the proposal presented by Mexico for a schedule of meetings of the Open-Ended Working Group, purportedly to discuss objectives of the reform, nature of the agreement as well as guiding principles, rules, nature, agenda and terms of negotiations. These issues are not relevant for the Working Group, serve only to obstruct and delay the commencement of negotiations, and violate the mandate of Decision 62/557.

At the meeting of the Open-Ended Working Group yesterday, the President of the General Assembly indicated that the informal GA plenary to commence intergovernmental negotiations would probably not be held on November 21, 2008. We are intrigued by this development, especially since commencement of negotiations on that date had been supported by an overwhelming majority of Member States, and was in line with Decision 62/557. Well over two-thirds of Member States who spoke yesterday were skeptical of the future utility of the Open-Ended Working Group. Let me reiterate that vide Decision 62/557, we had all agreed that the commencement of negotiations is not conditional upon the future work of the Open-Ended Working Group. We look forward to the early convening of the informal GA plenary for commencing negotiations in accordance with Decision 62/557.

Thank you, Mr. President.



759. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Tiruchi Siva on Agenda Item 110 – Revitalization of the Work of the General Assembly, at the Plenary of the UN General Assembly.

New York, November 20, 2008.

Mr. President,

India is happy to participate in the debate on the Revitalisation of the General Assembly. This is one of the most important issues on agenda of the 63rd General Assembly as it addresses fundamental questions about the structure and functioning of the world order. India would like to align itself with the statement on this issue made by the delegation of Cuba on behalf of the Non-Aligned Movement.

Mr. President,

My delegation would like to take note of the proceedings of the ad hoc working group on the revitalization of the General Assembly created pursuant to a decision of the 61st General Assembly. The group has painstakingly catalogued decisions in this regard and divided them into three main clusters. These clusters, deal with firstly, working methods, documentation, agenda, etc; secondly, selection of the Secretary General and finally, the role and authority of the General Assembly. This helps us obtain an overview of where the revitalization process stands. A review of the situation reveals, to our regret, though perhaps not to our surprise, that very limited progress has been made on this issue since it was introduced into the Agenda of the General Assembly at its 46th session. My delegation acknowledges the importance of progress where it has taken place, particularly progress in those areas where practical results have been obtained. However, there is a limit to which discussions relating to time limits on speeches and provisions relating to modern technologies will revitalize the General Assembly.

Mr. President,

India's position on this issue is guided by its desire to have a more effective United Nations. India also wants an organization that is more responsive to the priorities and aspirations of the Member States, particularly the developing countries, who constitute the vast majority of members.

Mr. President,

India believes that the General Assembly will not be empowered merely by strengthening procedures. It will only be empowered if its position as the chief deliberative, policy-making and representative organ of the United Nations is respected in letter and in spirit. This requires that the General Assembly take a lead in setting the global agenda. The convening power of the United Nations must be used more decisively, particularly on economic issues. The General Assembly must also restore the centrality of the UN in development matters. The Thematic Debates have been a step forward as have been the Annual Ministerial Review and the Development Cooperation Forum of ECOSOC. However, more needs to be done. The benefits of involving the General Assembly in international economic governance have been made evident during the current financial crisis. A section of its membership drawn from the global South has consistently pointed out that economic orthodoxies proposed by a group of nations have grave shortcomings. These fears, often voiced in this Assembly and its Committees, have been validated by recent events. Events have also underscored the importance of giving a representative body such as the General Assembly a much greater say in shaping the international economic and financial architecture, particularly in the reform of the Bretton Woods Institutions.

Mr. President,

Control over legislation, over materials and over men, confers power. Within the United Nations system, it is the Security Council, with its opaque working methods and widely accepted need for reform that controls certain vital legislation and senior manpower. While the General Assembly has some influence, through the Fifth Committee and the budgetary process, there is a fundamental disparity of authority between the Security Council and the General Assembly. Mr President, One of the more egregious examples of how disparity manifests itself is through the process of selection of the Secretary General. India's view is that the General Assembly, being the voice of the international community, must be given a greater say in the process of selection. Several mechanisms to put in place a more inclusive and transparent procedure for the appointment of the Secretary-General, consistent with Article 97 of the Charter, have been proposed. Efforts in this direction are better undertaken when a selection process is not on the horizon or underway. This is an appropriate time.

Mr. President,

In our view the appointment of high-ranking UN officials, at the level of Under Secretary General and Deputy Secretary General, should also be subject to scrutiny by the general body of the Member States as represented through the General Assembly. Thus, candidates for such senior positions should require to be confirmed by the General Assembly. This practice is observed in many countries and is consistent with the principles of democracy and representative governance. The issue of preventing encroachment upon the mandate of the General Assembly and of making the Security Council more responsive to it must also be addressed. The General Assembly's competence in areas such as the process of standard-setting and codification of international law, must be scrupulously respected.

Mr. President,

I would like to conclude by submitting that it is only the presence of political will that would revitalize and empower the General Assembly. It is only political will that will provide the General Assembly with the tools and the mechanisms that will enable it to have a role in the making and implementation of international law and in the creation and maintenance of a just and equitable world order. Revitalization of the General Assembly has been on its agenda for the last 18 years. India believes that there must be meaningful progress in the areas outlined above to prevent this debate from becoming a sterile discussion.

Thank You



760. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Dr. K. Dhanaraju on Agenda Item 132 – Administration of Justice in the UN at the Fifth Committee of UN at the UNGA.

New York, November 20, 2008.

We thank the Under Secretary-General for the Department of Management for introducing the report of the Secretary-General on Administration of Justice in the United Nations. We also wish to thank the Ombudsman for introducing the report of the Secretary-General on the activities of the Office of the Ombudsman. We convey our appreciation to the Chairperson of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for introducing her Committee's relevant report. My delegation aligns itself with the statement made by the Distinguished Deputy Permanent Representative of Antigua and Barbuda on behalf of the Group of 77.

The General Assembly in its resolution 61/261 established a new, independent, transparent, professionalized, adequately resourced and decentralized system of internal justice, consistent with relevant rules of international law and the principles of the rule of law and due process, to ensure respect for the rights and obligations of staff members and accountability of managers and staff members alike. The new system, which emphasizes on informal resolution of employment-related disputes, is expected to improve accountability and have a positive impact on human resources management in the Secretariat.

While the new system of administration of justice was to become operational from 1st January 2009, we are cognizant that the Secretariat is behind schedule in the preparatory work related to the implementation of the new system, particularly on staffing of the Office of Administration of Justice, finalization of the terms of reference for the registries, establishment of the Mediation Division in the Office of the Ombudsman and finalization of cost-sharing arrangements with the funds and programmes. The inability of the General Assembly to consider the draft statutes of the two tribunals and the arrangement for transition from the current system to the new one has added to the delay. In order to avoid further setback in the timetable, we call upon the Secretary-General to expedite the completion of the preparatory work, including filling up of all vacant posts, required for the implementation of the new system of administration of justice and also to update the timeline for its execution, while awaiting the approval of the

statutes of the tribunals and the transitional measures by the General Assembly.

Given the considerable increase in the number of disciplinary cases, from 72 in 2006 to 277 in 2008 even before the new system of internal justice is in place, all necessary steps should be taken to ensure that the backlog of cases from the old system does not overwhelm the new system at birth, and the current system continues to function properly until the new system becomes fully operational. In this regard, we support the Secretary-General's proposals for the transitional measures, including, transfer of all pending cases to the United Nations Dispute Tribunal, once the new system is in place. We also endorse the recommendations of the ACABQ on appropriation of resources to finance the three ad litem Judges and nine registry staff for a 12-month period for placement in New York, Geneva and Nairobi, to deal with the backlog cases.

Decentralization is the basic to the reform of the UN's internal justice system. Given that the Secretariat is no longer headquarters-based and more UN staff work in the field [80% of the disciplinary cases in 2008 coming from peacekeeping operations], the Secretary-General has proposed a limited delegation of authority for disciplinary matters to heads of offices away from headquarters and heads of field missions to impose minor sanctions, including censures and/or fines at an appropriate level. My delegation is of the view that in order to ensure a consistent application of disciplinary measures, a robust system must be in place in the field, accompanied by certain safeguards, including legal capacity to advise the management and staff on disciplinary matters. The delegation of authority must also be accompanied by the pre-requisites in respect of human resources, administrative instructions, guidelines and training, as well as relevant manuals and standard operating procedures. Much work still needs to be done on these issues, besides other areas that have been identified by the ACABQ.

According to the ACABQ, the Secretary-General's proposals on delegation of authority do not fully respond to the General Assembly's request in paragraph 49 of resolution 62/228 in terms of an assessment of possible implications for due process rights of staff members and on other options for delegation of authority. Little data is provided on actual number of cases opened and disposed of in peacekeeping missions. No estimate has been given of the number of minor cases that would be processed at the mission level and those that would be handled at headquarters. Even the basis for requested resources for each peacekeeping mission is not clear. Therefore,

we must carefully examine all the unanswered issues related to proper delegation of authority for disciplinary measures before taking a final decision. The Office of Internal Oversight Services in its recent report on the in-depth evaluation of the Office of Human Resources Management has given a detailed critique of the delegation of authority in the area of human resources management. Though not perfectly comparable, it may be useful to draw on the lessons learnt from that study.

We urge the Secretary-General to expedite the early conclusion of cost sharing agreements with the funds and programmes. We reiterate paragraph 62 of resolution 62/228, wherein the General Assembly had approved the cost sharing arrangement for the new system of administration of justice on the basis of "headcount" approach, rather than on the basis of actual cases disposed, as proposed by the funds and programmes.

We welcome the use of Information and Communication Technology to improve the functioning of the system of administration of justice, in terms of transparency and speed in the processing of the cases, as well as providing access to information via internet and e-filing of submissions. In this process strict confidentiality should be ensured so that damage due to leakages may not be caused to the Organization and to the concerned staff member.

My delegation convey its appreciation to the Office of the Ombudsman and calls for an expedited recruitment of all approved posts in that office and the new Mediation Division, in view of its critical role in the new system of administration of justice for facilitating conflict resolution. Besides providing an informal mechanism for dispute resolution, the reports of the Office of the Ombudsman give valuable insight into human resources management issues, including identification of a number of areas of systemic malfunction, such as perceived disparities in recruitment processes, mobility and career development. The Secretary-General should utilize these findings in addressing the systemic problems faced in human resources management in the Organization.

In conclusion, my delegation hopes for an early resolution of all outstanding issues on the subject in the coming weeks so that the United Nations has in place, by January 2009, a fully functional system of administration of justice as approved by the General Assembly.



761. Intervention by Member of Parliament and Member of the Indian Delegation to the UN P. V. Joshi during the 2008 Parliamentary Hearing at the United Nations on the subject 'Towards Effective Peacekeeping and the Prevention of Conflict Delivering on our Commitments' Session II – Sexual Violence against Women and Children in Conflict at the UN General Assembly.

New York, November 20, 2008.

Mr. Chairman,

Thank you for this opportunity to speak on this important issue.

Sexual violence against women and children is an unacceptable crime that unfortunately remains a serious modern-day challenge. India has taken note of Security Council Resolution 1820 of June 2008, which called for immediate and complete cessation of all acts of sexual violence against civilians by all parties to an armed conflict. Regrettably, instances of violence against women and children continue to rise, despite repeated and forthright international condemnation and an increase in collective efforts to stop such violence. It is a matter of great shame that in this day and age, women and girls remain victims of sexual violence, and are often targeted for such violence as part of an effort to humiliate, dominate, instill fear in, and eventually as a means to instigate forcible relocation of peoples. Such violence leaves permanent psychological scars in the victims, and in their societies.

Mr. Chairman,

There are adequate international legal agreements as well as domestic statutory laws that condemn such violence. No society or country can ever justify this practice. The fact that such violence persists is not due to the deficiency of legal measures to punish perpetrators. In our view, the problem lies in the implementation of such measures. We agree that adequate training must be given to troops, including through the extension of training to inculcate sensitivity to such issues, especially those involved in peacekeeping and peacemaking efforts. At the same time, governments must also ensure the application of appropriate disciplinary measures whenever these are necessary.

At the same time, there is also a need for greater involvement of women in peace making, peace keeping and peace building processes. Women must be involved in all aspects of decision making, especially in conflict situations, and thereafter as well, as active participants in the post-conflict phase. It is for the

UN to set standards in all conflict or post-conflict zones by encouraging greater involvement of women in its activities. In this context, as the nation that provided the first all-women Formed Police Unit in a UN Mission, we appreciate the effort to expand the inclusion of women in peacekeeping operations. I reiterate India's commitment to assist the UN in reaching out to vulnerable sections, particularly women and children, in conflict and post-conflict societies.

Mr. Chairman,

Another way of setting an example is by ending impunity and meting out swift punishment to the perpetrators of crimes against women and children, in accordance with the obligations States have undertaken under international humanitarian law and international human rights law. Swift and exemplary punishment, within existing laws, will deter others from committing such acts. At the same time, it is essential to bear in mind the primary responsibility of nation States to respect and ensure the protection of the human rights of all of its citizens.

Mr. Chairman,

Concern over sexual violence should not be restricted to cases of armed conflict alone, even though this is certainly of great concern to all of us. It must also be recognized that such violence, unfortunately, occurs in all countries and must be urgently and seriously addressed. In India, we have a statutory legal provision for punishing perpetrators of such crimes, but in order to strengthen this further in the context of domestic violence, we enacted in 2005 'The Protection of Women from Domestic Violence Act'. This has become an important milestone in tackling this scourge in India.

From this standpoint, we see merit in a larger international effort to root out such violence against women and children. It should be based on the application of suitably-drafted legislative measures, improved enforcement and implementation of such legislation, capacity building and training programmes for the promulgation of gender-related legislation, and the creation of support services for victims. It should also be our endeavour to create an enabling environment for women; an environment that is safe and free from violence, making it possible for women to be full stakeholders and partners in every country's development. We can and must do so by actively expanding the participation of women in decision and policy-making processes.

Thank you, Mr. Chairman.



762. Statement by Member of Parliament and Member of the Indian Delegation to the United Nations Tiruchi Siva on Agenda Item 110 – Revitalization of the Work of the General Assembly, at the Plenary of the UN General Assembly.

New York, November 20, 2008.

Mr. President,

Thank you for scheduling this discussion on an important subject that demands our collective attention: The situation in the Middle East. This discussion is appropriately timed, as it follows the commemoration of the International Day of Solidarity with the Palestinian people yesterday.

Mr. President,

As a nation with age-old historic and cultural connections to each of the communities that make up the Middle East, India has an abiding interest in the early resolution of this problem that has troubled the region since the inception of the United Nations. India follows with close concern developments in this ancient and holy land. We have perused with attention the reports of the Secretary-General on the Situation in the Middle East and on the Peaceful Settlement of the Question of Palestine. For India, commitment to the Palestinian cause is a cornerstone of our foreign policy even prior to our own independence. We recognize that a resolution of the problems in the Middle East begins with addressing the Question of Palestine. However, we are also aware that genuine peace in the region also requires resolution of other issues on the remaining tracks of the Middle East Peace Process, including restoration of other Arab lands that remain under occupation.

It is in this context that despite the hope engendered by the Annapolis meeting almost exactly one year ago, the lack of substantive progress remains a matter of abiding concern. Despite praiseworthy efforts within the region to resolve divisions in the Palestinian community, the situation created by the events of June 2007 persists. We watch with grave concern as Gaza remains cut off, and barriers to free movement persist in the West Bank. These problems are accentuated by the relentless expansion of the separation wall, in the face of international opinion, and of illegal settlements in the occupied territories. Such activities create new facts on the ground and fresh grievances in an old conflict, and can only have the effect of

making any future solution harder to reach. At the same time, the expansion of Palestinian capacity to secure towns on the West Bank is paralleled by a rise in violence perpetrated by settlers. All acts of violence—no matter by whom—only vitiate the atmosphere for a result-oriented dialogue based on trust, without which no solution is possible.

This is in no party's interest, as it makes it hard for the parties to make the necessary compromises to resolve the key issues relating to an independent, sovereign and viable Palestinian State, a solution to the problem of refugees, and the question of Jerusalem. At the same time, several of the fundamental issues relating to the occupation of other Arab territories in Lebanon and the Syrian Golan remain unresolved. These too add to a sense of frustration and desperation within the affected states. Such issues have the potential of exacting an immediate and long-term impact on the lives of the people, potentially contributing more fuel to an already combustible situation. It is for this reason that India consistently urges all parties to eschew violence and exercise restraint.

All too frequently, violence has broken out, exacerbating sufferings and misery in the region, with profound repercussions for the entire world. The international community clearly has an immediate interest in a comprehensive and peaceful solution to the problems besetting the Middle East. Under the present circumstances, the possibility of creating a sovereign, viable and independent State of Palestine seems difficult. And yet the international community is committed to it, through its relevant resolutions of the UN General Assembly and Security Council resolutions 242, 338, 1397 and 1515. Our collective commitment can only be meaningful if we collectively strive to ensure that all parties to the conflict abide by their commitments under the Roadmap. We therefore urge the Quartet to do much more to push the process forward towards the desired outcome at the earliest. India remains in support of a political solution, based on the Road Map and the Arab Peace Initiative, which remain the main and widely endorsed frameworks for an agreement.

Mr. President,

While resolution of the six decade-long tragedy of Palestine will have an important impact on the situation in the Middle East, as I noted earlier, peace in the Middle East also requires forward movement on other tracks of the peace process. India is encouraged by regional efforts to resume the process of negotiations on the Syrian and Lebanese tracks, and we commend in particular the effort facilitated by Turkey to re-energize the Syria-Israel track. We look forward to the early resolution through dialogue

of the long-standing occupation of the Syrian Golan, to which this General Assembly annually commits itself.

At the same time, India recognizes the important progress made by countries of the region in assisting in resolving the political confrontation within Lebanon earlier this year.

This creditable effort was an important step towards returning Lebanon to the path of stability and economic development. We commend Qatar for its role in this regard. We also welcome the decision to establish diplomatic relations between Syria and Lebanon as a positive step in ensuring regional support for the stabilization of Lebanon. In the coming months, it will be essential for the international community to support the positive steps taken since the election of a President of the Lebanese Republic, including through expansion of assistance in building government capacity to fully assert its authority in all Lebanese territory.

Much remains to be done, but we are confident in the wisdom and determination of the Lebanese people in ensuring that their tragic past is never repeated. At the same time, it is important for the international community to help address other issues that are used as a means to sustain space for parallel structures of authority to flourish. For this it is essential that all parties concerned abide fully by their commitments under the relevant Security Council resolutions, and the processes begun under UNSCR 1559 and 1701, in particular. The practice of citing actions by other parties as a pretext for not abiding by these commitments only hinders the Government of Lebanon, which is of no benefit to any of the parties.

Mr. President,

The truism that all peace is indivisible is most clearly exemplified by the situation in the Middle East. In our interconnected world, we cannot allow the tragedy of the Middle East to continue to fester as it has for decades. An opportunity is at hand for us to collectively arrive at a just, lasting and durable solution to the various inter-related tracks that constitute the Middle East problem. We must seize the moment, in our collective interest, so as to enable the vision of an independent, viable and sovereign State of Palestine, living side-by-side and in peace with Israel, and a larger Middle East whose constituent nations remain at peace with each other and with the world at large.

I thank you.



763. Intervention by Member of the Indian Delegation to the UN Ashok Bhan during the 2008 Parliamentary Hearing at the United Nations on the subject “Towards Effective Peacekeeping and the Prevention of Conflict delivering on our Commitments” Session III – Integrating a Human Security Approach in the work of the United Nations at the UNGA.

New York, November 21, 2008.

Mr. Chairman,

I would like to thank you for giving me the floor. Let me also thank the participants for their useful insights into the emerging concept of human security.

Mr. Chairman, The concept of human security, though not clearly defined, encompasses a wide spectrum of issues with both domestic and international dimensions. On the one hand, it has been conceptualized as freedom from want, thereby calling on States to secure basic economic, social and cultural rights. On the other hand, it also includes freedom from fear, which comprises the securing of all aspects of civil and political rights, including protection of life in situations of terrorism and international and internal conflicts.

Mr. Chairman,

The major international challenge of today is not prevention of war or conflict, but tackling of unresolved chronic social and economic challenges like economic shortages and social deprivation, which has adversely affected the livelihood and survival of individuals. Having said this, I would like to add that the international community cannot handle social and economic challenge from a compartmentalized perspective, which is often the order of the day in the UN system. Instead, a comprehensive human security approach may help in handling the problem, as people's insecurities are mutually interconnected and responses cannot be effectively implemented in compartments, without proper coordination.

Furthermore, the international debate on human security should incorporate a greater role of States and Governments in national decision-making, as in today's world, terrorism, ethnic conflicts, social disintegration, pollution, organised crimes, international migration, financial crises and health

epidemics, are no longer isolated events, confined within national borders. Therefore, the concept of human security needs to be gradually realized through national effort and international cooperation, in keeping with the economic and other capabilities of States. While doing so, it must not be forgotten that a state has primary responsibility not only for the protection and promotion of all human rights of its citizens, but also for providing safe, healthy and secure environment to live in.

Mr. Chairman,

Parliamentarians have one of the key roles to play in this regard. As the ultimate law making authority in a country, Parliamentarians could be encouraged to develop a vision and knowledge of the complementary nature of various dimensions of human security, be it peace and security, development or promotion and protection of human rights of its citizens. They could focus on creating legal basis for sustainable development of the individual and the larger community.

Mr. Chairman,

In India, we, as parliamentarians, have been able to successfully enact laws and programmes in all spheres of human development. We have also successfully amended our Constitution to establish local governance at village levels, called *Panchayats*, thereby, encouraging empowerment of grassroots and institutionalization of inclusive decision making for national development programmes. We have also been able to enforce peace and security along with ensuring promotion and protection of human rights of all citizens by effectively overseeing the activities of government. With the further evolution of this concept of human security, we will be in a better position to conceptualize our efforts in a more focused manner and to bridge gaps in providing an adequate standard of living to our people.

Thank you, Mr. Chairman.



764. Statement by Member of the Indian Delegation to the United Nations Devendra Dwivedi on Agenda Item 16 – Question of Palestine at the UNGA.

New York, November 24, 2008.

Mr. President,

Thank you for convening this discussion on the Question of Palestine at the General Assembly today, as we mark the International Day of Solidarity with the Palestinian people. There can be little doubt that this issue remains of grave concern to the international community. Instability in this ancient and holy land begins with the question of Palestine, and has since impacted upon the wider situation in the Middle East, and thereby upon the entire world. As a nation with historical and cultural relations with all the communities of the Middle East through the millennia, and a strong tradition of support for a just and mutually acceptable solution to the question of Palestine, India has an abiding interest in the early resolution of this long-festered problem. The question of Palestine is a matter over which there is strong support among the people in every section of society, and political parties in India.

Mr. President,

Our meeting takes place almost one year after the international conference at Annapolis. We in India shared the sense of anticipation and hope that earnest and result-oriented discussions would commence at the earliest, aimed at finding the just, mutually acceptable and durable solution whose contours are well-known and hardly needs any reiteration. We had also hoped that the process of dialogue would help quickly address the daily litany of violence, blockades, rhetoric and privation. And yet our hopes remain unfulfilled. Settlements continue to expand in the occupied territories in contravention of the Fourth Geneva Convention and the Road Map. The separation wall continues to be built, in derogation of the advisory opinion of the International Court of Justice, and resolutions of the General Assembly. The division of Palestinian territories endures since the events of June 2007, despite efforts to unify the leadership. Most damagingly, the blockade of Gaza persists. Restrictions on movement and the enduring blockade of Gaza have serious humanitarian consequences in an already-precarious situation. Restrictions on supplies of fuel and electricity in Gaza have only intensified the humanitarian challenge. The announcement late last week of the suspension of humanitarian aid into Gaza, as a result of the resumption of the blockade, is deeply troubling and is cause of grave

concern. While we do hear reports of some resumption of access for humanitarian relief, we call for the lifting of this blockade to afford full access to Gaza for the supply of humanitarian aid and essential commodities. The security situation also remains a challenge. Despite efforts to maintain a ceasefire, incidents of indiscriminate violence and retaliation continue to erupt, thus perpetuating the cycle of violence. The rise of incidents of violence by illegal settlers is particularly disturbing as it runs the risk of inflaming further violence in these highly sensitive locations. In this context, India notes with satisfaction the positive progress recorded by the Palestinian Authority in securing several towns in the Palestinian territory. It is important that we retain clarity regarding the fundamentals. India believes that all violence must be eschewed if there is to be a positive atmosphere for any serious dialogue. However, this is not in itself adequate. There also needs to be a serious effort to dismantle the barriers to free movement within the West Bank, and the blockades around Gaza. Apart from facilitating the entry of humanitarian relief, it is also essential that normal supplies of basic facilities such as power and water, and essential commodities, are resumed. Citizens of Gaza also have the right to expect normalized access to medical facilities, like any other people. The construction of new settlements in the occupied territories, and of the separation wall, must stop forthwith.

Mr. President,

A sovereign, viable and independent State of Palestine, to which the international community is committed through all relevant resolutions, cannot be created under the current circumstances. Our collective commitment to UNSCRs 242, 338, 1397 and 1515 is devoid of meaning if we do not ensure that all parties to the conflict abide by their commitments under the Roadmap. As the Quartet leads the international community's efforts to assist the negotiations between Palestinian and Israeli leaders, we urge the Quartet to do much more so that the process is progressed in a manner that helps us achieve the desired outcome at the earliest. India remains in support of a political solution, based on the Road Map and the Arab Peace Initiative, which remain the only widely endorsed frameworks for an agreement.

Mr. President,

While India is not directly involved in supporting these negotiations, we have maintained our effort to help avert a larger humanitarian crisis. Last month, during President Abbas's visit to India, our Prime Minister not only

reaffirmed India's earlier commitment of \$ 20 million (15 million in project assistance and \$ 5 million assistance), he also announced a grant of \$10 million as budgetary support for the Palestine National Authority. An additional sum of \$10 million was announced for project assistance for Palestinian development programmes. India's assistance programmes in capacity-building, and in support to educational programmes were also expanded.

Mr. President,

This leads us to the larger point: the only lasting solution to the Question of Palestine is a just, lasting, mutually acceptable and comprehensive solution, drawn up along well-known contours that are set out and recognized in the relevant Security Council resolutions. The ongoing cycle of violence and counter-violence only makes the prospects of an eventual peace more remote. It remains critical for the parties to the conflict and the international community—in particular the Quartet—to redouble efforts to settle the Question of Palestine in the year ahead. India reiterates that an early, amicable and mutually-acceptable solution, in accordance with the relevant resolutions of the General Assembly and the Security Council, brooks no delay.

I thank you, Mr. President.



**765. Statement by Permanent Representative at the UN
Nirupam Sen on Agenda Item 11 - the role of Diamonds
in Fuelling Conflict at the UN General Assembly.**

New York, December 11, 2008.

Mr. President,

I have the honour to address the General Assembly today as Chair of the Kimberly Process Certification Scheme for 2008. In this capacity, it is my privilege to present, in fulfilment of the request of this Assembly made vide para 21 of its resolution 62/11, a report on the progress made in implementation of the Kimberley Process during the year.

Mr. President,

Diamonds have played a particularly significant role in causing and prolonging conflict in several countries, as a result of the misuse of wealth generated from this resource. In addition to financing devastating armed conflicts, the illicit trade in rough diamonds also impacts negatively on the legitimate international trade in diamonds. Efforts to address the problem, through the perspective of an overall development agenda, must focus not only on the supply side, but also on all parts of the supply chain, including processing, trading, and purchase by the consumer.

It is in this context that the Kimberley Process [KP] has proved to be remarkably successful, in breaking the linkage between conflict and illicit trade in diamonds, thereby protecting the peace, livelihood and security of millions of people across the globe. This success has translated into an increase in legitimate trade in diamonds. Today, diamonds have emerged as a vehicle of economic progress and as a means to confront developmental challenges in many countries. Over these years, the KP has emerged as a model for multi-stakeholder effort, in which national governments, industry and civil society have successfully collaborated to prevent conflict and promote peace, stability and development.

Mr. President,

India was privileged to lead the KP during 2008, in its continued multi-pronged efforts to further its implementation. The inclusiveness of the Process is a key area of its success. Membership is open on a non-discriminatory basis to all those willing and able to adhere to the requirements of the Scheme. Today, a substantial number of the diamond mining, trading and processing

countries are part of the KP. Mexico joined the Process in 2008, and approval was given for Republic of Congo to resume trading in rough diamonds. The inclusiveness of the Scheme is also reflected by the fact that almost all Participants are members of one of the many Working Groups of the Process. The commitment of the Participants has also been reaffirmed by their participation in review visits, in technical workshops designed to enhance knowledge and skill in the sector, and by their proactive extension of financial assistance to other Participants.

Mr. President,

During 2008, the KP engaged with the Bolivarian Republic of Venezuela by organizing a visit of Chair's nominees consequent to Venezuela's announcement during the June Intersessional in New Delhi to voluntarily separate from the KP for a period of two years and to cease certification for export of its diamonds. This visit has enabled the KP to arrive at a better understanding of the challenges faced by the country in its diamond sector. Venezuela no longer exports and imports rough diamonds. The KP has since decided that it will continue to engage with Venezuela in order to assist and support the country in developing appropriate internal controls over its alluvial diamond mining, consistent with the minimum standards of the Process. Venezuela will continue to be a Participant of KP, attend meetings of the KP and submit production statistics during the period of voluntary separation. This is yet another example of mutual inclusiveness inherent in the Scheme and stands testimony of the willingness of the KP family to stand together, learn from global best practices and proactively provide assistance as and when required.

Mr. President,

Transparency is another hallmark of the KP. The Process took a step forward in this regard by releasing the sub-annual data for rough diamond trade and production for 2004-2007. Statistics and Annual Reports submitted by Participants and reports of Peer Review Visits continue to be the key elements of monitoring. All Participants of the Scheme have submitted their respective statistics and Annual Report for 2007, which have also been analyzed to identify implementation issues and best practices. Statistical analysis for each Peer Review Visit has also been undertaken.

During the year, the Kimberley Process completed its ongoing work for finalizing the diamond production profiles for Côte d'Ivoire, Marange diamond fields of Zimbabwe and Togo. To complement this work, statistical

protocols have been developed. An initiative was also launched for harnessing Information Technology for improving the quality of the data.

Artisanal alluvial producing Participants of KP continued to follow up on the recommendations of the KP regarding artisanal alluvial production. A consolidated matrix of inventories of these participants of KP was published for the first time. The inventories will be updated every six months. Technical assistance and training in support of KP implementation also continued.

Mr. President,

During 2008, the KP further deepened its engagement with the United Nations. KP experts participated in the joint UN-KP visit to Côte d'Ivoire. At the request of the UN, a KP expert visited Mali to examine a seized consignment of rough diamonds and confirmed its possible Ivorian origin. The KP will continue its close cooperation with the UN in Côte d'Ivoire, which continues to be the subject of UN Sanctions and is not trading in rough diamonds.

Mr. President,

During its Chairmanship of the Process, India's endeavour has been to strengthen the KP, particularly by building on the previous traditions and conventions, and by coordinating with the KP Working Groups and Committees for improved implementation of the KP decisions. In this regard, we express our gratitude to the past KP Chairs for their efforts. Our sincere thanks also go to the Chairs of the Working Groups and Committees, and to all KP Participants, industry and civil society, for all the cooperation and support we received during the year.

Mr. President,

As Chair of the KP, India also has the honour to introduce draft resolution A/63/L.52 titled "The role of diamonds in fuelling conflict: breaking the link between the illicit transaction of rough diamonds and armed conflict as a contribution to prevention and settlement of conflicts". The support of the United Nations to the KP has been a key element of its success, and the UN General Assembly has traditionally adopted an annual resolution expressing support to the activities of the KP. As in previous years, this draft resolution highlights the important activities undertaken by the KP during the year.

The draft resolution also expresses satisfaction at the systematization of the work of the Kimberley Process with respect to continuing to develop

transparent and uniform rules and procedures. It welcomes the guidelines endorsed by the New Delhi plenary, recommending

interim measures on serious non-compliance with Kimberley Process minimum requirements listing out the guiding principles for determination of serious non-compliance and an indicative list of escalating measures. The draft resolution also highlights the development perspective of the KP, by acknowledging that the diamond sector is an important catalyst for achieving poverty reduction and meeting the requirements of the Millennium Development Goals (MDGs) in producing countries. We look forward to the support of all delegations in the adoption of this draft resolution, which will reaffirm the continued importance that the UN General Assembly attaches to the work of the KP. There are two small corrections to the document A/63/L.52 as circulated to bring it in line with the text agreed during informal consultations.

In OP 10, line 5, the word "urges" should be replaced by the phrase "led to the recommendation that". Further, the word "to" after Kimberley Process in the same line should be deleted.

In OP 13, line 7, the phrase "enabling Cote d'Ivoire to meet" should be replaced by the word "meeting". Further, in line 8, the phrase "imposed for" should be replaced by "on".

I thank you, Mr. President.



**766. Statement by Permanent Representative at the UN
Nirupam Sen on the Situation in Somalia at the UN
Security Council.**

New York, December 16, 2008.

Mr. President, Excellencies,

Thank you for scheduling today's open debate on the threat posed to international peace and security, and to the humanitarian situation in Somalia, by the acts of piracy in Somali territorial waters, and off the coast of Somalia. At the outset, let me express India's welcome for the adoption today by this Council of Resolution 1851, in this context.

As one of the nations that share the Arabian Sea with Somalia, India is particularly concerned by the incidents of piracy that are an unfortunate outcome of a larger and ongoing tragedy in Somalia. India endorses the need for coherent international efforts to anchor in Somali soil national and regional political processes, through an effective peacekeeping Mission, ideally, under UN leadership. A comprehensive approach that addresses the chaos that has long enveloped Somalia is the best long-term solution to the problem of piracy in Somali waters.

Nevertheless, recognizing the continuing tragedy of Somalia and our inability so far to integrate political processes in a larger peacekeeping effort cannot justify the lack of a well-coordinated response to the turmoil spilling out into the oceans. Piracy is a challenge that must be met urgently, collectively and cooperatively by the international community.

Mr. President,

Piracy in Somali waters and off the coast of Somalia is an immediate challenge not only to Somalia itself and the neighbourhood, but to international commerce and finance, besides international peace and security. India is directly affected by piracy. Attacks not only impact upon shipping to and from Indian ports and our extended neighbourhood, they also exact a heavy impact upon us, since the international merchant marine has a substantial proportion of persons of Indian origin. It is for this reason that India has responded to the challenge of piracy at the request of, and in consultation with the Transitional Federal Government

[TFG] of Somalia. Over the last two months, India has deployed two of its modern naval vessels to deal with the challenge of piracy. We have had some successes in this regard, including as recently as last weekend, but we recognize that piracy remains a significant threat. From this standpoint, India believes that the international response to piracy in Somalia needs to include the following:

- Enhanced and institutionalized coordination of international effort to deal with piracy. Not only must we institutionalize operational coordination among navies in the area, a mechanism must be set up for those involved in the anti-piracy effort to work with countries of the region in responding to the challenge. We welcome the announcement by the US Secretary of State of the decision to establish a Contact Group in this regard. India would also like to underscore the importance of ensuring a central role for the United Nations, given the international legitimacy that the UN brings, and not solely as a clearing house for the flow of information regarding anti-piracy efforts.
- Greater clarity is required as regards the legal framework of dealing with apprehended pirates. Moreover, common procedures need to be worked out to prosecute those arrested.
- There also needs to be a closer linkage between the arms embargo and the anti-piracy effort. This suggestion was made by the Monitoring Group on Somalia in its December 11 report, and we endorse it. It is important to stem the flow of weapons and to make those involved in planning, financing and enabling acts of piracy accountable, including by blocking their access to revenues generated from ransoms. This is required as payment of ransoms is encouraging further acts of piracy.
- Expansion of the capacity of Somali entities to deal with acts of piracy, both from land, where they are launched, and in Somali coastal waters.
- Other practical solutions could also be considered. In this regard, in May 2005 the Monitoring Group put forward a suggestion to establish a Caretaker Maritime Authority for Somalia. Although this had been rejected even earlier by the International Maritime Organization [IMO] after a Feasibility Study in 1998, the logic of the proposal continues

to resonate as the world needs to collectively develop a practical coastline monitoring programme for Somalia.

- Finally, the international community needs the IMO to lead a process of evolving effective protection n systems and strategies for merchant vessels to adopt when navigation piracy-infested waters. This will also help reduce the burden that is currently devolving upon a limited number of naval assets in protecting a large zone of impact.

In conclusion, Excellency, let me emphasize that while there is truth in the adage that an ounce of prevention is better than a pound of cure, we are currently beyond the phase where prevention can be contemplated. Therefore we have few options besides simultaneously attempting to deal with the symptoms and trying to cure the disease.

Thank you, Excellency.

