

22

**COMMITTEE
ON EXTERNAL AFFAIRS
(2022-23)**

SEVENTEENTH LOK SABHA

MINISTRY OF EXTERNAL AFFAIRS

INDIA'S NEIGHBOURHOOD FIRST POLICY

TWENTY SECOND REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

JULY, 2023 /Sravana, 1945 (Saka)

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COMMITTEE ON EXTERNAL AFFAIRS
(2022-23)

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INDIA'S NEIGHBOURHOOD FIRST POLICY

Presented to Lok Sabha on 25 July, 2023
Laid on the Table of Rajya Sabha on 25 July, 2023



LOK SABHA SECRETARIAT
NEW DELHI

JULY, 2023 / Sravana, 1945 (Saka)

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COMPOSITION OF THE COMMITTEE ON EXTERNAL AFFAIRS (2019-20)

1. Shri P.P. Chaudhary - Chairperson

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5. Shri Jayadev Galla
6. Shri Dileshwar Kamait
7. Smt. Preneet Kaur
8. Shri Pakauri Lal Kol
9. Smt. Meenakashi Lekhi
10. Smt. Poonam Mahajan
11. Shri P. C. Mohan
12. Shri Borlakunta Venkatesh Netha
13. Shri Ritesh Pandey
14. Dr. K. C. Patel
15. Shri Soyam Babu Rao
16. Shri Achyutananda Samanta
17. Shri Ram Swaroop Sharma
18. Shri Ravindra Shyamnarayan Shukla *alias* Ravi Kishan
19. Shri Manoj Tiwari
20. Shri Rebati Tripura
21. Shri N.K. Premachandran

Rajya Sabha

22. Shri K. J. Alphons
23. Smt. Jaya Bachchan
24. Smt. Misha Bharti
25. Shri P. Chidambaram
26. Shri Swapan Dasgupta
27. Shri Ranjan Gogoi*
28. Shri Shamsher Singh Manhas
29. Shri Kapil Sibal
30. Shri Abdul Wahab
31. Vacant**

*Shri Ranjan Gogoi, Member, Rajya Sabha nominated w.e.f. 23.07.2020, Parliamentary Bulletin Part II No. 59970 and

**Shri Chunibhai Kanjibhai Gohel and Shri Sharad Pawar, Members, Rajya Sabha ceased to be Members of the Committee w.e.f. 09.04.2020.

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9. Smt. Goddeti Madhavi
10. Smt. Poonam Mahajan
11. Shri P. C. Mohan
12. Ms. Chandrani Murmu
13. Shri Ritesh Pandey
14. Dr. K. C. Patel
15. Shri N.K. Premachandran
16. Shri Navneet Ravi Rana
17. Shri Soyam Babu Rao
18. Shri Manne Srinivas Reddy
19. Shri Rebati Tripura
20. Vacant[§]
21. Vacant^{*}

Rajya Sabha

22. Shri K. J. Alphons
23. Smt. Jaya Bachchan
24. Smt. Misha Bharti
25. Shri P. Chidambaram
26. Shri Ranjan Gogoi
27. Shri Swapan Dasgupta[#]
28. Shri Kapil Sibal
29. Shri Abdul Wahab^{@@}
30. Shri Brij Lal
31. Vacant[@]

[§] Shri Ram Swaroop Sharma passed away on 17 March, 2021.

^{*} Smt. Meenakshi Lekhi ceased to be Member of the Committee on her appointment as Minister w.e.f. 07.07.2021.

[#] Shri Swapan Dasgupta resigned on 17.03.2021 and has been re-nominated w.e.f. 11.06.2021.

^{@@} Shri Abdul Wahab retired on 21.03.2021 and has been re-nominated w.e.f. 11.06.2021.

[@] Shri Jyotiraditya M. Scindia ceased to be Member of the Committee on his appointment as Cabinet Minister w.e.f. 07.07.2021.

COMPOSITION OF THE COMMITTEE ON EXTERNAL AFFAIRS (2021-22)

1. Shri P.P. Chaudhary - Chairperson

Lok Sabha

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4. Shri Kalyan Banerjee
5. Shri Dileshwar Kamait
6. Shri Suresh Kumar Kashyap
7. Smt. Preneet Kaur
8. Smt. Goddeti Madhavi
9. Smt. Poonam Mahajan
10. Shri P. C. Mohan
11. Smt. Queen Oja
12. Shri Ritesh Pandey
13. Dr. K. C. Patel
14. Shri N.K. Premachandran
15. Smt. Navneet Ravi Rana
16. Shri Soyam Babu Rao
17. Shri Manne Srinivas Reddy
18. Shri Rebati Tripura
19. Dr. Harsh Vardhan
20. Shri E.T. Mohammed Basheer*
21. Vacant

Rajya Sabha

22. Shri K. J. Alphons
23. Smt. Jaya Bachchan
24. Smt. Misha Bharti
25. Shri Brijlal
26. Shri P. Chidambaram
27. Shri Swapan Dasgupta
28. Shri Prakash Javadekar
29. Shri Sanjay Raut
30. Shri Kapil Sibal
31. Shri K. Somaprasad

* Shri E.T. Mohammed Basheer, Member of Parliament, Lok Sabha nominated to the Committee w.e.f. 7.02.2022.

COMPOSITION OF THE COMMITTEE ON EXTERNAL AFFAIRS (2022-23)

Shri P.P. Chaudhary - Chairperson

Lok Sabha

2. Smt. Harsimrat Kaur Badal
3. Shri Abhishek Banerjee
4. Shri Kalyan Banerjee
5. Shri E. T. Mohammed Basheer
6. Shri Dileshwar Kamait
7. Smt. Preneet Kaur
8. Smt. Goddeti Madhavi
9. Smt. Poonam Pramod Mahajan
10. Shri Srinivas Reddy Manne
11. Shri P. C. Mohan
12. Smt. Queen Oja
13. Shri Ritesh Pandey
14. Dr. K. C. Patel
15. Shri N.K. Premachandran
16. Smt. Navneet Ravi Rana
17. Shri Soyam Bapu Rao
18. Shri Vishnu Datt Sharma
19. Shri Rebaty Tripura
20. Dr. Harsh Vardhan
21. *Vacant*

Rajya Sabha

22. Smt. Jaya Bachchan
23. Smt. Misha Bharti
24. Shri Anil Desai
25. Shri Ranjan Gogoi
26. Shri Deepender Singh Hooda
27. Shri Prakash Javadekar
28. Dr. Wanweiroy Kharlukhi
29. Dr. Ashok Kumar Mittal
30. Shri Kapil Sibal
31. Shri Abdul Wahab

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| 1. | Dr. Ram Raj Rai | — | Joint Secretary |
| 2. | Smt. Reena Gopalakrishnan | — | Director |
| 3. | Ms. K Muanniang Tunglut | - | Deputy Secretary |

INTRODUCTION

I, the Chairperson, Committee on External Affairs (2022-23) having been authorized by the Committee to submit the Report on their behalf, present this Twenty Second Report (17th Lok Sabha) on the subject 'India's Neighbourhood First Policy'.

2. The Committee selected the subject 'India's Neighbourhood First Policy' for detailed examination during 2019-20 and continued the examination during 2020-21, 2021-22 and 2022-23. Briefing on the subject was held on 8 September, 2020. Thereafter, the Committee took oral evidence of the representatives of the Ministry of External Affairs on 18 December, 2020; 29 July, 2021; 16 December, 2021 and 19 December, 2022. Further, the Committee heard the views of two experts on the subject namely, Dr. Constantino Xavier, Fellow, Centre for Social and Economic Progress, New Delhi and Dr. T C A Raghavan, Director General, Indian Council of World Affairs, New Delhi on 12 January, 2021 in accordance with Rule 331 (L) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Report was considered and adopted by the Committee at their Sitting held on 20 July, 2023. The Minutes of the Sittings of the Committee are appended to the Report.

4. The Committee wish to express their gratitude to the Ministry of External Affairs as well as the experts for placing material information as well as tendering evidence and views before the Committee.

5. For facility of reference, the Observations/Recommendations of the Committee have been printed in bold letters in the Report.

NEW DELHI
20 July, 2023
29 Ashadha, 1945 (Saka)

P.P. CHAUDHARY,
Chairperson,
Committee on External Affairs

CHAPTER I

INDIA'S NEIGHBOURHOOD FIRST POLICY - CONCEPT AND RELEVANCE

1.1 India's 'Neighbourhood First' Policy is a flagship addition to India's foreign policy discourse in recent years. It was conceived in order to forge strong neighbourhood relations based on a consultative, non-reciprocal and outcome-oriented approach. The stage for enhancing partnerships with neighbouring countries was set on the occasion of the swearing in ceremony of the Government on 26 May 2014, during which an invitation to Heads of the Governments of all SAARC countries was extended. The subsequent invitation to BIMSTEC leaders in the 2019 swearing in ceremony was testament to 'Neighbourhood First' becoming one of the central pillars of India's foreign policy framework.

1.2 The principles of engagement in the neighbourhood has been outlined in the form of *Samman* (respect), *Samvad* (dialogue), *Shanti* (peace), *Samriddhi* (prosperity) and *Sanskriti* (culture). The 'Neighbourhood First' Policy underlines the renewed primacy that India seeks to attach to its neighboring countries to comprehensively upgrade and strengthen the current relationship framework and achieve the goal of lasting peace, stability and prosperity in the region. This Policy has evolved into an institutional priority for all the relevant arms of the Government managing relations and policies with our neighbourhood.

1.3 The region is tied together with intricate civilizational bonds of history, culture, language, and geography. Therefore, countries in the neighbourhood are of special significance to us. This creates opportunities while also making the region susceptible to peculiar threats and vulnerabilities. Policy initiatives taken by India and its neighbours, have implications for each other. Ties with the neighbouring countries have a direct relevance to our States bordering these countries. India also realizes its prosperity and growth are linked to that of its neighbours. We cannot develop unless our neighbours develop. On this basis, all countries in our region work towards developing better partnerships with each other. The overarching philosophy is to ensure that our partners in the region draw benefits and values from the growth, development and rise of India.

1.4 During the course of briefing on the subject on 8 September 2020, the Foreign Secretary enumerated on the genesis and evolution of India's Neighbourhood First Policy as under:-

“Neighbourhood First construct as a policy came about sometime around in 2008 when we looked at how we could increase our, let us say, close cooperation with our neighbouring countries. Neighbourhood First Policy is a continuation of our foreign policy. I do not think it can be seen as something which is specific to Governments. It is a generic platform for our foreign policy in which we attach priority to our neighbours. That is continued through Governments and that I think has got more focus and more salience after 2014 when the current Government took over and decided that the neighbourhood needs to actually get even more attention than it has got before”.

1.5 The Foreign Secretary also explained the concept of India's Neighbourhood First Policy in his opening statement on 8 September 2020:-

“Arguably, the Neighbourhood First Policy is an effort to accord institutional priority and centrality across all relevant arms of Government to the management of our policies

towards our South Asian partners. It has built on the recognition that the optimal management of bilateral relations with our immediate neighbourhood is as much a domestic security and economic imperative, as it is strategic in foreign policy requirement. In general, this holds good for all nations. However, in our South Asian context, this is more so than most of the other regions in the world. Even the complex civilizational bonds of history, culture, language and geography connect us to our immediate neighbours.

I also want to inform the Committee that the Cabinet Secretary issued a letter to all Government Ministries and Departments informing them that the Neighbourhood First is the Central pillar of our foreign policy. While implementation of this is with the Ministry of External Affairs, every Ministry has a certain responsibility in terms of prioritizing its initiatives, planning visits, networks, bilateral mechanisms, training and promoting business ties with our neighbourhood. In other words, we have mainstreamed the Neighbourhood First Policy into the entire Government process. In specific terms, the Policy aims to coordinate across our Government Ministries and Departments an approach to these partner countries that is consultative, non-reciprocal and outcome oriented.

The objective is to create mutually beneficial and people-oriented partnerships in South Asian region with focus on development, connectivity and capacity building. We also made sustained efforts to support regional frameworks aimed at promoting greater connectivity, economic integration and a collective approach to deal with shared challenges in the region.

Our larger philosophy is to ensure that everyone in the region sees benefit from the growth, development and strengthening of India and it is on this basis that all countries in the region could work together, developing closer partnerships for mutual benefit”.

1.6 The representative of MEA further highlighted some of the elements of the Neighbourhood First Policy while tendering evidence before the Committee on 18 December 2020 :-

“The Neighbourhood First Policy is a Central pillar of India’s foreign and national security policies.....The primacy focus of this policy is our South-Asian neighbourhood. The priority countries are Afghanistan, Bangladesh, Bhutan, Nepal, Maldives, Myanmar, Pakistan and Sri Lanka. These countries are of unique and special significance to India, both, because they are closely connected with us through the ties of geography, culture and history and also because the internal and external dimensions of our policies and theirs directly intersect and overlap with each other. With the exception of Pakistan, the central principle of Neighbourhood First Policy is to accord the greatest attention and emphasis to these countries in our diplomatic efforts. We have been promoting greater connectivity with our neighbours with physical, economic, energy, digital or even cultural projects. We have focussed on infrastructure development, capacity building and overall socio-economic development projects in our neighbouring countries. We are working to enhance people-to-people contacts in various ways. We are encouraging trade and investment linkages towards a larger goal of closer economic integration. We are working on defence and security

issues to address our shared security challenges. We have commenced cooperation in previously uncharted territories such as space, information, cyber security, civil nuclear energy, disaster management, etc. We are prioritising the neighbourhood in terms of allocation of funds and resources so that we can enhance our development partnership with a sharper focus on timely implementation. A consultative and non- reciprocal approach permeates all our activities. We are working with our neighbours not just bilaterally but also in plurilateral and regional constructs. Our overall vision is that stability, growth and prosperity of our neighbours helps India and is in India's interest. We are also working to showcase our neighbours that India's continued growth and development is beneficial to them. This will create its own dynamics for the greater interconnection and integration. Domestically, we are working to mainstream Neighbourhood First Policy through the entire Government machinery so that all other Ministries and Departments approach their interaction with the neighbourhood from a similar proactive perspective. We had requested Cabinet Secretary to write to all Secretaries to inform that Neighbourhood First is a central pillar of our foreign policy and to take suitable actions in pursuance of the same. This has helped in raising awareness about the policy and we are working with various Ministries to take forward specific initiatives.

Our Neighbourhood First Policy also has close linkages with development in our border areas, particularly, in the North East Region of our country. The Policy creates various opportunities for States in the North East, greater cross border trade, investment and movement of people, infrastructure development as well as improved connectivity”.

1.7 During the course of evidence on 19 December 2022, the Foreign Secretary summed up India's Neighbourhood First Policy as under:-

“Central thrust, connect and converge, overcome asymmetry through preferential non-symmetrical, non-reciprocal offers, connectivity, stability, security and link up the prosperity of these countries with ourselves, demand driven people centric development. It is people thread runs through this and do in a manner that Neighbourhood First is not just good for the people of India but for the people of neighbourhood but it spreads the goodness. It is a virtuous cycle of good economic situation, good political stability, secure societies, transmitting and converting themselves into large regional and global good. That is the start and the focus of the Neighbourhood First”.

1.8 Regarding the institutional mechanism under the Neighbourhood First Policy for optimal management of bilateral relations with our immediate neighbours to achieve the objectives, the Ministry has stated that India's Neighbourhood First Policy is driven by the recognition that the optimal management of bilateral relations with our immediate neighbours is not only a domestic security and economic imperative, but also a strategic and foreign policy requirement. Therefore, our immediate neighbourhood forms the first circle of priority in India's relations with the world.

1.9 To that effect, there are established institutional mechanisms with neighbouring countries for monitoring and reviewing the various aspects of the bilateral cooperation. These vary from country to country, but broadly include high-level mechanisms such as Joint Commission Meetings at Foreign Minister-level, Foreign Office Consultations at Foreign Secretary-level and Inter-Governmental Committees at the Secretaries-level. At the functional level, there are Joint

Working Groups which deal with sector-wise cooperation including political and security issues; trade, commerce and investment; development cooperation; human resource development, education and culture. In addition, Joint Project Monitoring Committees and Oversight Mechanism exist for monitoring progress of various development assistance projects. Regional Border Committee Meetings and Boundary Working Group talks are held regularly, in addition to Staff Talks between all three defence services have been held in recent years with our neighbours.

1.10 Discussions at these mechanisms are guided by Government's Neighbourhood First policy as well as the directives flowing from the regular high-level visits, telephonic exchanges, and virtual summits at the level of HoS/HoG/EAM. Alongside bilateral mechanisms, our engagement with our neighbours is also driven by multilateral and regional mechanisms such as BIMSTEC, BBIN and SAARC.

1.11 When asked to justify the need for an umbrella Neighbourhood First Policy under the existing robust foreign policy, the Ministry has stated that the Policy is an effort to accord institutional priority and centrality across all relevant arms of Government to the management of policies towards our partners in our immediate neighbourhood: Afghanistan, Bangladesh, Bhutan, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka. The region is tied together with complex civilizational bonds of history, culture, language, and geography. These commonalities and complexities give way to unique opportunities while also making the region susceptible to peculiar threats, granting South Asia a principal place in our foreign policy thinking.

1.12 The Neighbourhood First Policy is driven by a recognition that the optimal management of bilateral relations with our immediate neighbours is not only a domestic security and economic imperative but also a strategic and foreign policy requirement. Therefore, our immediate neighbourhood forms the first circle of priority in India's relations with the world.

1.13 The overarching philosophy is to ensure that our partners in the region draw benefits and values from the growth, development and rise of India and on this basis, all countries in our region work towards developing better partnerships with each other. This is a logical extension of the Government's policy of *Sabka Saath, Sabka Vikas, aur Sabka Vishwas* into the foreign policy arena. The Neighbourhood First Policy is aimed at enhancing physical, digital and people to people connectivity across the region, augmenting trade and development, and ultimately contributing towards building a secure and stable neighbourhood.

1.14 India's foreign policy has received a potent boost from its multiple spatial and thematic verticals and policy orientations. This allows focused, holistic and impactful management of policy across all relevant Government bodies. Herein, the fundamental spatial orientation of our policy remains Neighbourhood First because of the incontrovertible importance of the region to India. India can contribute towards building a safe, secure, prosperous, and well-connected South Asia.

1.15 The Committee enquired whether there has been a paradigm shift in our efforts for reshaping of India's foreign policy towards our neighbours. The Ministry has informed that the Neighbourhood First Policy is a flagship addition to India's foreign policy discourse in recent years. It underlines the renewed primacy that India seeks to attach to its neighbouring countries to comprehensively upgrade and strengthen the current relationship framework and achieve the

goal of lasting peace, stability, and prosperity in the region. In that way of renewed importance, there has been a shift in our relationship with our neighbours.

1.16 India's Neighbourhood First Policy is not a static policy. It is a dynamic policy that adjusts to our renewed interests in the region, and to evolving regional circumstances. It is a constant endeavour to adapt to the contemporary realities of our immediate neighbourhood.

1.17 The importance of the neighbourhood was evident not only during Prime Minister Shri Narendra Modi's first term but also after his re-election. PM Modi invited leaders of SAARC countries for his first swearing-in ceremony in 2014, and leaders of BIMSTEC countries for his 2019 swearing-in ceremony. This indicates the increasingly important place the Neighbourhood occupies in India's foreign policy space.

1.18 India has expanded the quantum of development cooperation in its partner countries in the neighbourhood. This includes projects in the fields of agriculture, education, culture, health, human resource development, drinking water and sanitation, disaster relief and rehabilitation, capacity building, trade and investments as well as defence and security. Trade has been enhanced with these countries. With new air, land and river and sea connectivity corridors, India is now better connected with its neighbours.

1.19 In Afghanistan, where India has committed over US \$3 billion in its developmental efforts, India provide one of the largest programmes in the world for education, infrastructure, capacity building, skills and human development, which is scheduled to continue till 2022. Our Land Boundary Agreement (LBA) with Bangladesh in June 2015 has been a milestone in bilateral relations and the maritime border between the two countries have been amicably resolved. In Bhutan, during the 11th Five Year Plan (2013-18), 83 major and 595 small High-Impact Community Development Projects of bilateral cooperation were implemented with GoI assistance. 'India First' has now become a stated policy of the Government of Maldives. As the country where Act East policy begins and where it converges with our Neighbourhood First policy, Myanmar acts as a bridge for ASEAN. With Nepal, our economic partnership has expanded to new initiatives in agriculture, inland waterways connectivity and energy cooperation. PM Modi's first visit to Sri Lanka in 2015 was historical as the first stand-alone bilateral visit by the PM of India since 1987.

1.20 There has also been a paradigm shift in dealing with threats emerging from our immediate neighbourhood. India now pre-emptively quells the threat posed by cross-border terrorism. The Government of India is firmly and resolutely committed to taking all necessary measures to fight the menace of terrorism. It fundamentally believe that bilateral relations with our neighbours can only be held in an atmosphere free from terror, hostility and violence.

1.21 On being asked about the renewed role of MEA and other stakeholders in implementing this Policy in letter and spirit, the Ministry has informed that Government accords the highest priority to India's relations with our neighbouring countries. The MEA has implemented this Policy into action by signing several Agreements and MoUs with the respective Foreign Ministries of our neighbouring countries. India is an active political and economic partner of its neighbours and is involved in various infrastructural and development projects with these countries. We also have extensive education, culture, trade and investment linkages with our neighbours. Over the last six years, this Policy in action has helped in delivering benefits like greater connectivity, improved infrastructure, stronger development cooperation in various

sectors, regional security, and robust people-to-people contacts. Our neighbouring countries support India's membership at the UNSC. We actively support each other's candidature and positions at the various international bodies.

1.22 When asked about the platforms through which the philosophy of Neighbourhood First Policy can be shared with our neighbours, the Ministry has stated that the philosophy and objectives of India's Neighbourhood First Policy are shared regularly through high-level bilateral interactions and Foreign Office Consultations with the neighbouring States. SAARC and BIMSTEC have also served as remarkably effective platforms for sharing the essence of our objectives. SAARC Leaders' Video-conferencing held on 15 March 2020 at the invitation of Prime Minister Narendra Modi, with the objective to jointly combat COVID-19 Pandemic in the region, served as a crucial podium for India to display its commitment to the region at the time of the Pandemic. Despite many such platforms for dialogue existing, in their view, it is the successful implementation of the Policy that can best convey the philosophy to our neighbours. This requires concerted efforts such as timely execution of development projects and enhancing mutually beneficial cooperation. India also holds regular Parliamentary Exchanges with its neighbouring partners which is also a substantial platform for the implementation of the Neighbourhood First Policy.

1.23 On being asked to furnish the details regarding participation of Parliamentarians/ Parliamentary exchanges in strengthening the Neighbourhood First Policy in the recent years, the Ministry has stated that a 10-member delegation led by Speaker of the People's Majlis of Maldives, Mohammed Nasheed visited India from 8 to 13 December 2019.

1.24 On the query of the Committee regarding facilitating interaction of Parliamentarians of India and those of our neighbouring countries, the Foreign Secretary during evidence on 19 December 2022 stated:-

“We will be happy to do that. We, in fact, bring young Parliamentarians from these countries often for a visit to India. We would be happy to arrange interaction between our young Parliamentarians and their young Parliamentarians”.

1.25 The Committee also enquired about the difference between our 'Neighbourhood First Policy' and 'Act East Policy' and the manner in which synergy can be established between these two policies. The Ministry has informed that the first circle of priority for the Government is neighbourhood. Under the Neighbourhood First Policy, the Government is committed to developing friendly and mutually beneficial relations with all its neighbours. The Policy includes within its ambit 3 Cs that have become integral to its implementation. These are Connectivity, Commerce and Cultural Commonalities. Implementation of the Neighbourhood First Policy, based on this approach, has strengthened the spirit of mutual respect and closer cooperation between India and her neighbours.

1.26 While 'Neighbourhood First' Policy exclusively focuses on India's immediate neighbourhood, 'Act East Policy' focuses on the extended neighbourhood in the Asia-Pacific region. In that sense, the Act East Policy is a logical extension of the Neighbourhood First Policy.

1.27 Act East Policy was set into motion during Prime Minister Modi's maiden visit to ASEAN-India Summit in 2014, where he emphasised on practicing a more action-oriented policy towards ASEAN and the wider East Asia. Prime Minister placed ASEAN at the core of India's Act East Policy. Enhancing connectivity with our Asian neighbourhood is one of our strategic priorities, making ASEAN our bridge to the wider Indo-Pacific region. This enhanced connectivity will undoubtedly bring multifarious benefits to all countries of the region. However, it holds immense potential to bring about a significant positive developmental impact on the North-Eastern region.

1.28 The key principles and objectives of Act East Policy are to promote economic cooperation, cultural ties and develop strategic relationship with countries in the Indo-Pacific region through continuous engagement at bilateral, regional and multilateral levels, hereby providing enhanced connectivity in its broadest sense, including political, economic, cultural and people-people relations. The Prime Minister articulated India's vision for a free, open, inclusive and rule-based Indo-Pacific in Singapore in 2018 promoting Security and Growth for All in the Region (SAGAR).

1.29 Both Neighbourhood First and Act East Policies focus on creating a stable and prosperous neighbourhood through continued engagement at bilateral, regional and multilateral levels. For instance, Myanmar is the only country where both Neighbourhood First and Act East Policies converge.

1.30 When asked whether India has explored the possibility of broader soft power diplomacy to strengthen our relations with neighbouring countries and the details of steps taken to infuse soft power diplomacy in this regard, the Ministry has informed that ICCR has been the cultural institution under the MEA mandated to cultivate the elements of soft power for furthering India's relations internationally and earning goodwill through various instrumentalities such as running Cultural Centres, Chairs of Indian Studies, Conferences & Seminars, visits of performing art groups, fine art exhibitions etc. The focus of ICCR's activities has been to organize its activities in such a way as to cover each of the regions of the world. Focusing on the region in India's neighbourhood, ICCR has been running Indian Cultural Centres in Nepal, Sri Lanka, Bangladesh, Bhutan, Afghanistan, Maldives and Myanmar which are the nodal point for promoting our cultural relations in these countries. Academic cooperation is an important part of ICCR's activities. ICCR has been administering special scholarships schemes for the nationals of these countries on behalf of MEA. Regular exchanges in the fields of performing/fine art and academics are held with these countries in consultation with MEA.

1.31 Regarding the positive impacts of Neighbourhood First Policy on bilateral/multilateral and regional ties and in terms of improving our relations with our neighbouring countries, the Ministry has stated that the dividends of the Policy have translated into strong support for India in various multilateral fora such as the UN, NAM, Commonwealth, SAARC and BIMSTEC. India works in close cooperation with its neighbouring partners in these groupings towards ensuring the security and growth for all in the region.

1.32 When the Committee desired to know about the achievements of the new dynamics of India's foreign policy during the last six years, the Ministry informed that tangible results of diplomacy are often seen in the long-term. The achievements of this Policy have been the delivery of benefits like greater regional connectivity, improved infrastructure, stronger

development cooperation in various sectors, enhanced security and broader people-to-people contacts. It has brought a new impetus to our bilateral relations with neighbours, whilst cooperation with them at multilateral fora has introduced a regional/sub-regional dimension to bilateral relations and led to a stronger understanding of the region.

1.33 When enquired whether the Government has reviewed its Neighbourhood First Policy and formulated any fresh strategy to bring about greater relevance to meet the present needs in view of the evolving regional circumstances and the contemporary realities of our immediate neighbourhood, the Ministry has informed that India's Neighbourhood First Policy is an effort to accord institutional priority and centrality across all relevant arms of Government to the management of policies towards our partners in our immediate neighbourhood. It is driven by a recognition that the optimal management of bilateral relations with our immediate neighbours is not only a domestic security and economic imperative but also a strategic and foreign policy requirement.

1.34 The overarching philosophy is to ensure that our partners in the region draw benefits and values from the growth, development and rise of India and on this basis, all countries in our region work towards developing equitable partnerships with each other. This is a logical extension of the Government's policy of inclusive growth and inclusive development into the foreign policy arena. The salient characteristics of this approach are that it is consultative, non-reciprocal and outcome-oriented.

1.35 India's Neighbourhood First Policy is a dynamic policy that adjusts to our renewed interests in the region, and to evolving regional circumstances. It is a constant endeavour to adapt to the contemporary realities of our immediate neighbourhood.

1.36 Regarding assessment of our Neighbourhood First Policy, the Foreign Secretary while tendering evidence before the Committee on 19 December 2022 submitted:-

“...it is an assessment which is made every week within our divisions mainly because the impact of those decisions is felt on the ground in a very real way. We can measure it, we can feel it, we can record it, we can quote it as an evidence”.

1.37 A non-official witness, while deposing before the Committee on 12 January 2021 stated:-

“If I may summarize my evaluation of India's Neighbourhood First Policy into one sentence, it would be this. India is on the right track and doing more than ever before in the neighbourhood, but it is still far too little”.

1.38 Elaborating on what India's approach and focus in the neighborhood should be, the non-official witness also made the following submission before the Committee:-

“Political and security factors must continue to inform India's approach to the region. But India's strategic interests must focus primarily on attaining economic and infrastructural connectivity with its neighbours. This is easier said than done. As a result

of economic protectionism, India has neglected its border lands and neighbours. Our research shows that India was some times better connected to its neighbours back in the 1950s and 1960s than it is today. For example, there were more railway connections between India and East Pakistan in the early sixties than they are today with Bangladesh. It was easier to fly from Kolkata to Yangon and back in the 1950s than it is today.

We like to say that India-Nepal border is an open border on paper. But anyone who has visited its crossing border between, say Uttar Pradesh and Bihar and Nepal knows that circulation is extremely difficult due to the absence of basic infrastructure.

To correct these connectivity gaps requires an extraordinary effort, both financially and mentally. At the level of capabilities, it requires India to invest massively in upgrading infrastructure – from roads to rail, from inland waterways to ports, from energy and telecommunications to digital customs. And at the level of the mind, it requires a change to think about economic openness and connectivity to the neighbourhood as an advantage and not as a threat to India’s security”.

1.39 He further added:-

“.....free trade and investment deals will be of limited effect unless there is basic connectivity infrastructure in place, from cross-border roads and ports to digital links. India must sustain and continue to expand efforts to develop regional infrastructure in border areas which will help tie neighbouring countries to the Indian economy. One avenue to generate this would be through a regional development fund for connectivity infrastructure, an idea that could be further tested under BIMSTEC institution”.

1.40 On the issue of border infrastructure, the Foreign Secretary during the course of evidence on 19 December 2022, stated:-

“I would encourage some of other Parliamentary Committees to look at our border infrastructure. There is a huge deficiency here. This deficiency relates to the way our border districts are developed compared to those facing the districts across the country. So, if you take the entire stretch of 1,600 plus kilometres of border, let us say, between India and Nepal or border between India and Bangladesh, India and Bhutan..... you will find that the border villages, the border districts, many of them, not all of them, on our side, are less developed than they are on the other side.”

1.41 Responding to the queries of the Members on the need for development of border, the Foreign Secretary also made the following submission:-

“Sir, the ultimate effort is to develop our border. It has to happen at all levels. We must raise it with Ministry of Home Affairs. We must mention it in Border District Committee. I will give you one classic example of telecom towers in Uttarakhand..... I have personally invested months only trying to get that done. Eventually, it is getting done. It

did not happen through MHA or through Border District Committee. But as a Ministry, we felt it should be done. We took it up, we found the avenue and plenty of money with the Government to do it. It is just a question of converging everybody's interest and focus.....”

1.42 When asked to state the manner in which India plan on creating a momentum to the relationship amongst the neighbouring countries in order to help address the contentious issues related to China and Pakistan, the Ministry has stated that India seeks normal relations with all its neighbours including Pakistan. Our consistent position is that issues, if any, should be addressed bilaterally and peacefully in an environment free from terror, hostility and violence.

1.43 One of our core concerns is terrorism emanating from territories under Pakistan's control. Any meaningful dialogue with Pakistan can only be held in an atmosphere free from terror, hostility and violence. The onus is on Pakistan to ensure such a conducive atmosphere.

1.44 India has made several attempts to build normal neighbourly relations with Pakistan. India's initiatives have been responded to with acts of cross border terrorism and violence. However, it has been made clear to Pakistan that India will not compromise on issues relating to national security and will take firm and decisive steps to deal with all attempts to undermine our security and territorial integrity.

1.45 2021, for instance, saw a positive development in the form of the renewed Ceasefire Understanding between the Director Generals of Military Operations (DGsMO) of India and Pakistan in February. The Understanding held quite well for the first few months, but Pakistan again upped the ante in terms of cross-border infiltrations and ceasefire violations from July 2021 onwards.

1.46 During the year, India, as a result of proactive outreach with the international community, successfully thwarted Pakistan's attempts to present an alarmist situation of the region; interfere in internal affairs of India; and internationalise bilateral issues.

1.47 While the Government is aware of China's engagements with neighbouring countries, India's relations with these countries stand on their own footing and are independent of the relations of these countries with third countries. We have also maintained that India and China must pursue their relationships with other countries in a manner that does not become a source of concern for each other, and is based on mutual respect and sensitivity to each other's concerns and aspirations.

1.48 On the issue relating to China and Pakistan, one of the non-official witnesses, while deposing before the Committee on 12 January 2021 stated:-

“...China factor is ever present in each of our neighbours which is something undeniable. This is going to be a principal challenge which we will face in the decades to come. How do we deal with this issue? To some extent, it will require a certain amount of reorientation of our world view and of our general foreign policy approach because for a long time, our approach was based on the premise that if we keep great powers out

of our neighbourhood, it is in our interest and also in the interest of our neighbouring countries.....

....while the security factor is very important in our approach to Pakistan because we face a major terrorist threat, at the same time, we have to keep non-security elements and non- security approach also as part of our policy. I do think that combining these two is important although it is a very difficult process because there is public opinion in India which has to be taken into account and there are numerous other complexities, but nevertheless how we combine a de-securitized approach with an overall securitized relationship is the real challenge with regard to Pakistan”.

1.49 The Committee note that India’s Neighbourhood First Policy as a concept came about in 2008 and after 2014, it has got more focus and salience. Conceived in order to forge strong neighbourhood relations based on a consultative, non-reciprocal and outcome-oriented approach among the priority countries viz., Afghanistan, Bangladesh, Bhutan, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka, the Neighbourhood First Policy has emerged as a Central pillar of India’s foreign policy in recent years. Our immediate neighbourhood forms the first circle of priority in India’s relations with the world. The Committee further note that the Neighbourhood First Policy has been a cardinal component of India’s foreign policy and involves the entire Government machinery so that all other Ministries and Departments approach their engagement with the neighbourhood with a similar proactive perspective. The Committee appreciate the efforts made by the Ministry as they recognize that optimal management of bilateral relations with our immediate neighbours is a strategic foreign policy requirement and not just a domestic security and economic imperative. The real impact of the Neighbourhood First Policy would, however, depend on how far mainstreaming of the Policy is successful and the extent to which the Ministry is able to coordinate across all the relevant arms of the Government – Ministries, Departments and agencies concerned to achieve its objectives. The Committee, therefore, urge the Ministry to create and maintain an

effective coordination mechanism with all the Ministries, Departments and agencies of the Central and State Governments for implementation of the Neighbourhood First Policy in letter and spirit. MEA being the nodal Ministry for implementation of the Neighbourhood First Policy should establish a Cell to identify specific initiatives, projects and programmes that can be taken up by the various Ministries and Departments with our neighbouring countries and bring about convergence in the implementation of such initiatives, projects and programmes for greater impact.

(Recommendation Sl. No. 1)

1.50 The Committee note that high-level mechanisms and Joint Working Groups exist for optimal management of bilateral relations with our immediate neighbours. In addition, there are Joint Project Monitoring Committees, Oversight Mechanism, Regional Border Committee Meetings, Boundary Working Group Talks and Staff Talks between the defence services. India's engagement with its neighbours is also driven by multilateral and regional mechanisms such as SAARC, BIMSTEC and BBIN. While acknowledging the initiatives undertaken through the said mechanisms/platforms, particularly in recent years, the Committee feel that the impact of the Neighbourhood First Policy should be felt on the ground in a more effective and extensive manner. This calls for strengthening of the institutional and multilateral/regional mechanisms. The Committee, therefore, urge the Ministry to conduct periodic review of its bilateral and multilateral/regional relationship framework on the basis of contemporary realities and upgrade, strengthen and energize these mechanisms on a continuous basis.

(Recommendation Sl. No. 2)

1.51 The Committee observe that in keeping with Neighbourhood First Policy, India desires normal neighbourly relations with all neighbouring countries free of terror,

hostility and violence. However, for more than three decades the country has been facing threats and continuous tension, instability and heightened possibility of terrorist and militant attacks from our immediate neighbourhood. The Committee fully endorse the changed approach of the Government to quell the threats posed by cross-border terrorism in a pre-emptive manner as well as maintaining a tough stand that bilateral relations with our neighbours can only be held in an atmosphere free from terror, hostility and violence. The Committee, therefore, desire that India should work towards more closer cooperation amongst the member States in the region to create an environment where all neighbouring countries speak in one voice against the countries engaged in such activities and take proactive steps to counter the menace of terrorism and help to achieve the goal of lasting peace, stability and prosperity in the region.

(Recommendation Sl. No. 3)

1.52 The Committee note that the philosophy of India's Neighbourhood First Policy are regularly shared through high-level bilateral interactions and Foreign Office Consultations with the neighbouring States and through the platforms of SAARC, BIMSTEC, video-conferencing, dialogues, etc. However, in Committee's view, a successful implementation of the Policy can only convey the best and convince our neighbours and requires concerted efforts, such as, timely execution of development projects and enhancing mutually beneficial cooperation. The Committee, therefore, urge the Ministry to ensure that development projects undertaken in the neighbourhood are executed within a timeframe by strengthening the Joint Project Monitoring Committees and Oversight Mechanisms for monitoring the progress of various development assistance projects for their timely execution. The scope of mutually beneficial cooperation with our neighbours may also be enhanced with fresh initiatives.

(Recommendation Sl. No. 4)

1.53 The Committee find that there aren't enough Parliamentary exchanges between India and its neighbourhood countries and there has been only one Parliamentary visit from the People's Majlis of Maldives in the recent years. The Committee are of the strong view that regular Parliamentary Exchanges with neighbouring partners can also play a pivotal role in the implementation of the Neighbourhood First Policy. The Committee, therefore, urge the Ministry to utilize the Parliamentary forum in a better way by facilitating more and more Parliamentary exchanges between India and its neighbouring countries for better interaction between Parliamentarians of India and the countries in the neighbourhood so that the philosophy of the Neighbourhood First is widely shared and upheld in its true spirit.

(Recommendation Sl. No. 5)

1.54 While considering the principles and objectives of 'Neighbourhood First Policy' and 'Act East Policy', the Committee note that the Neighbourhood First Policy exclusively focuses on India's immediate neighbourhood while the Act East Policy focuses on the extended neighbourhood in the Asia-Pacific region. Both Neighbourhood First and Act East Policies focus on creating a stable and prosperous neighbourhood through continued engagement at bilateral, regional and multilateral levels. The Act East Policy can also be seen as a logical extension of the Neighbourhood First Policy. The Committee further note that enhanced connectivity with our Asian neighbourhood, which is one of the strategic priorities under Act East Policy, holds immense potential to bring about a significant positive developmental impact on the North-Eastern Region. The Committee feel that economic development of the North-Eastern Region which shares land borders with many of the neighbouring countries is also integral to the success of the Neighbourhood First

Policy and would impact the successful implementation of the Act East Policy. The Committee, therefore, urge the Ministry to maintain a synergy between these two important foreign policies as it holds significant potential to bring about connectivity, economic development and security of the North-Eastern Region and apprise the Committee about the outcome accordingly.

(Recommendation Sl. No. 6)

1.55 The Committee note that ICCR being the cultural institution under the MEA mandated to cultivate the elements of soft power for furthering India's international relations by earning goodwill, has been running Indian Cultural Centres in Nepal, Sri Lanka, Bangladesh, Bhutan, Afghanistan, Maldives and Myanmar. These cultural centres are the nodal points for promoting our cultural relations in these countries. In view of the importance of cultural engagement in our Neighbourhood First Policy, the Committee desire that the Ministry should make an assessment of the adequacy of such centres in our neighbouring countries and strengthen the existing ones in a balanced manner. The academic cooperation, special scholarships schemes and exchanges in the fields of performing/fine arts undertaken by ICCR may be scaled up in consultation with the Ministry so that increased participation in the said activities strengthen our neighbourhood relations.

(Recommendation Sl. No. 7)

1.56 The Committee observe that India's Neighbourhood First Policy has achieved over the years benefits like greater regional connectivity, improved infrastructure, stronger development cooperation in various sectors, enhanced security and broader people-to-people contacts with our immediate neighbours. Further, regular assessments are being

done and the impact on the ground is measured in a real way. The Committee while acknowledging the efforts of the Ministry are of the view that more needs to be done, especially, addressing the huge deficiency in our border infrastructure. The Committee find that the deficiency relates to the way our border districts are developed compared to those facing the districts across the country. As our border areas are pivotal in unlocking the potential of our engagements with our neighbours, the need to stabilise and develop the border regions have become critical. So, for more effective engagement with our immediate neighbours, connectivity infrastructure like cross-border roads, railways, inland waterways and ports, energy, telecommunication and digital links, etc. needs to be enhanced. The Committee, therefore, desire that the Ministry of External Affairs should take it up with various Central Ministries, Departments and agencies concerned the need for regional infrastructure development of the border areas through increased allocation/investment, pooling of resources and above all, convergence of everybody's interest and focus. The Committee also desire that the feasibility of setting up a regional development fund for connectivity infrastructure under regional frameworks like BIMSTEC may also be explored.

(Recommendation Sl. No. 8)

1.57 The Committee are also seized of the fact that India is facing continuing threats from cross-border terrorism, illegal migration, smuggling of fake currency and contrabands, trafficking in drugs and weapons, etc. and find it imperative to enhance security infrastructure at the borders. The Committee had also discussed the issue of border safety and security with the representatives of MEA, MHA and MoD during their meetings as well as during on-the-spot study visits. The Committee, therefore, urge the Government to take comprehensive measures for upgrading border security apparatus and bridge connectivity gaps at the borders under the Neighbourhood First Policy. The Committee

also desire that Demographic changes through illegal migration in the bordering areas may also be monitored vigilantly and the Committee be apprised accordingly in this regard.

(Recommendation Sl. No. 9)

1.58 The Committee note that the dividends of the Neighbourhood First Policy have translated into strong support for India in various multilateral fora such as the UN, NAM, Commonwealth, SAARC and BIMSTEC. India works in close cooperation with its neighbouring partners in these groupings towards ensuring the security and growth for all in the region. The Committee desire that the Government should not be complacent but be ever vigilant of the new developments in the neighbourhood and the region to leverage the support and cooperation from all countries in various multilateral fora in the coming years. The Committee urge the Ministry to remain focused on building closer relationships as a strong regional player while positioning itself as supporting the growing aspirations of its smaller neighbours.

(Recommendation Sl. No. 10)

1.59 India's Neighbourhood First Policy is a dynamic policy that adjusts to our renewed interests in the region while evolving according to regional circumstances. Being aware of China's Belt and Road vision and America's Indo-Pacific vision, the Committee are of the considered view that it is in India's strategic interests and foreign policy requirements to focus on wider engagements and deepening of ties with smaller neighbours. The Committee also desire that the opportunities presented by an open and competitive South Asian market may also be grasped and consolidated from both security and economic perspectives.

(Recommendation Sl. No. 11)

1.60 The Committee observe that unlike India's relationship with other countries in the neighbourhood, bilateral relations with Pakistan and China has been plagued by contentious issues. One of the core concerns with Pakistan is terrorism emanating from territories under its control. The Ministry has stated that the onus is on Pakistan to ensure a conducive atmosphere for any meaningful dialogue. The Committee have also been informed that as a result of proactive outreach with the international community, India has successfully thwarted Pakistan's attempt to present an alarmist situation of the region; interfere in its internal affairs and internationalize bilateral issues. In view of the belligerent attitude of Pakistan, the Committee desire that the Government should continue to proactively engage with the regional and multilateral bodies/organizations extensively so as to sensitize them of the role played by Pakistan in fostering terrorism and win their support in the fight against terrorism on its soil. Efforts may also be made to establish a common platform for countering terrorism under the Neighbourhood First Policy. Despite the lack of progress on the diplomatic front, the Committee urge the Government to consider the establishment of economic ties with Pakistan if they come forward and work towards broader people-to-people contacts in view of the cultural commonalities and civilizational linkages between our two countries and no feeling of enmity amongst citizens of both the countries.

(Recommendation Sl. No. 12)

CHAPTER II

INDIA'S ENGAGEMENT WITH ITS NEIGHBOURS

2.1 Afghanistan, Bangladesh, Bhutan, Maldives, Nepal, Myanmar, Pakistan and Sri Lanka are the priority countries under our Neighbourhood First Policy.

Physical Connectivity with Neighbourhood Countries

2.2 An inter-connected region with higher economic growth fosters trade and investment opportunities that offer the region a win-win situation. The massive investments in infrastructure have steadily led to improving physical connectivity- by road, by water, by railway and by air and often by a combination of them.

2.3 Chabahar port and the Zaranj Delaram highway improve connectivity to landlocked Afghanistan and link South Asia to Central Asia. Landlocked Bhutan has access through Indian inland waterways and improved road networks to Bangladesh and the Bay of Bengal. India shares its longest land border with Bangladesh, which includes five States. India and Bangladesh are also linked by 54 rivers and share a coastline. Connectivity through road, rail, inland and coastal waters with Bangladesh has been a priority area of cooperation. Fourth and final trial runs for the operationalization of the 2015 Agreement to use Chattogram and Mongla Port was completed on 19 October 2022. Once operationalized, the Northeastern States will get access to the sea through Bangladesh. A direct cargo ferry between India and Maldives moves containers between the two countries.

2.4 Another line of communication to North East India, and therefore between South and South East Asia is being created through the Kaladan multi-modal transport project, which pivots on Sittwe port in Myanmar. The Trilateral Highway project to Laos, Cambodia and Vietnam will provide land connectivity between South Asia and South-East Asia.

2.5 Railways between countries are causing a "rapid shrinking of South Asia's geography". Sustained effort has been made with Bangladesh to leverage historical railway connections into a contemporary network. 5 of 6 pre-1965 rail links between Bangladesh and India have been reactivated. Another rail link is being restored and a new rail link, connecting Akhaura and Agartala is being built. India is now connected to Nepal through the Jayanagar-Kurtha railway line. The Jogbani-Biratnagar railway link is in advance stages of implementation. A Raxaul Kathmandu railway line is on the anvil. A preliminary study for construction of a railway line between Gelephu (Bhutan) and Kokrajhar (India) has been carried out by the Ministry of Railways for establishing rail connectivity between India and Bhutan. The emerging railway networks are a win-win solution that can drive greater connectivity and growth in what we call BBIN - Bangladesh Bhutan India Nepal - configuration.

2.6 Passengers wishing to travel between India and Bangladesh can use trains, such as Mitali, Maitree and Bandhan Express, or 5 cross-border bus service routes connecting cities such as Dhaka, Kolkata, Agartala, Guwahati etc. Numerous bus services operate between India and Nepal. A bus service that links Mandalay with Imphal has been agreed upon. A network of land ports and integrated check posts are being built along our land borders to upgrade the cargo transshipment and passenger transit experience. Air connectivity has also improved. A Chennai-

Jaffna passenger air link, started in 2019 was suspended due to Covid 19 pandemic, and the same has since been resumed from 12 December 2022.

Energy Connectivity with Neighbourhood Countries

2.7 In the field of energy connectivity, easier movement of hydrocarbons is being promoted across the region. Cross-border pipelines link India and Nepal - via Motihari and Amlekhgunj. Another is being planned between Siliguri and Jhapa. An India-Bangladesh Friendship Pipeline linking Siliguri to Parbatipur in northern Bangladesh is also being constructed. Indian Oil Corporation Ltd. (IOCL) has recently been empanelled as a G2G supplier of refined petroleum products to Bangladesh. India has major investments in exploration and upstream hydrocarbon production in the region. Indian energy majors have invested USD 1.4 billion in gas assets in Myanmar. Indian companies are also active in hydrocarbon sectors in Myanmar and Sri Lanka.

2.8 Grid interconnection is the foundation of any meaningful cooperation in the electricity sector. The Indian grid is connected to Nepal, Bhutan and Bangladesh through high-capacity connections. These are being augmented. Grid interconnection with Sri Lanka and Maldives is under discussion. A small radial interconnection also exists between India and Myanmar. These connections allow India to currently supply about 1160 MW of power to Bangladesh, about 700 MW to Nepal, and import 1.8 GW from Bhutan. Trans-national movement of electricity in the neighbourhood is thus a reality. A transformative step in promoting regional trade of electricity was taken recently with the notification of procedures for export and import of electricity with our neighbouring countries. These will not only allow export and import of power but will also facilitate transit of power through India between two neighbouring countries. This also opens up our vast power trading market to our neighbours.

2.9 India has also taken the lead in creating power capacity that is available to the region. The most successful example of regional cooperation has been between India and Bhutan. India has created 2136 MW of hydropower capacity in Bhutan. More is being created. India is also constructing a 1320 MW Maitree Super Thermal Power Project in Bangladesh. The Unit-I of Maitree Super Thermal Power Plant was unveiled during the visit of Prime Minister Sheikh Hasina in September 2022 and is expected to be commissioned soon. Indian companies are implementing hydropower projects of more than 4000 MW capacity in Nepal.

2.10 The Government is working on the possibility of wind energy projects with Myanmar and renewable energy projects with Sri Lanka. India has also offered a USD 100 million Line of Credit for the development of solar power projects in Sri Lanka. India is also working on distribution of solar power in five townships of Rakhine State in Myanmar.

2.11 India has invested in technology as a bridge. The South Asia Satellite, a first of its kind initiative, was launched in May 2017. A number of capacity building programmes were conducted virtually during the pandemic. Tele-learning and tele-medicine are a few areas in which our neighbours might seek our assistance. India-Bhutan Sat, jointly developed by India and Bhutan was recently (Nov 2022) launched from Sriharikota by ISRO.

Trade Connectivity with Neighbourhood Countries

2.12 Neighbourhood First policy has a strong economic dimension. India share a common geographic space with our neighbours. It share resources and commons. It share economic challenges. Many of our problems have the same solutions. Prime Minister's vision of "*Sabka Saath, Sabka Vikas, Sabka Vishvas Sabka Prayas*" encompasses our approach to the neighbourhood.

2.13 Bangladesh remains our largest trade partner in the region and we remain Bangladesh's largest trade partner in Asia. In 2021-22, bilateral trade increased by 68% from USD 10.78 bn to USD 18.14 bn. Goods and people move between the two countries through a network of 36 Land Customs Stations including 4 Integrated Check Posts.

2.14 As Bhutan's primary economic and trade partner, the Government has worked closely to diversify the market for its goods in India and increase avenues for its trade with other countries. In this regard, India has opened new trade routes for Bhutan's bilateral and transit trade with India in last two years. Further, special market access and special export quotas have also been provided to Bhutan. Efforts have been made to step up the current level of trade between India and Maldives from existing USD 400 million.

2.15 India is Nepal's largest trading partners and foreign investor and also facilitates transit for the majority of Nepal's third-country trade. Our economic partnership has expanded to new initiatives in agriculture, inland waterways connectivity and energy cooperation.

2.16 In 2021, India was Sri Lanka's second largest trading partner with the bilateral merchandise trade amounting to about USD 5.45 billion. During the year, India was Sri Lanka's third largest export destination and the second biggest source of imports. In addition, India is also one of the largest contributors to Foreign Direct Investment in Sri Lanka.

2.17 Indian development partnership in the neighbourhood invests in the well-being of our neighbours and in the expansion of their capacities. Creation of institutions is supported. It aim to improve the lives of people.

2.18 India's Lines of Credit to its neighbours have jumped from USD 3.27 billion in 2014 to USD 14.7 billion in 2020. Almost 50% of our global soft-lending goes to our partners in the neighbourhood.

2.19 A key differentiating feature of India supported projects in the neighbourhood is their people-centric nature. Whether it is hospitals in Sri Lanka, Maldives, Nepal and Afghanistan; an ambulance project in Sri Lanka; institutes of higher learning in Myanmar; construction of tens of thousands of houses after the tsunami in Sri Lanka and the earthquake in Nepal; Supreme Court building in Mauritius; the Salma Dam in Afghanistan, or upgradation of skills and capacities across the neighbourhood, projects funded by India are primarily human-centric.

Maritime Connectivity with Neighbourhood Countries

2.20 India has taken the lead in expanding maritime security in the region. Maritime Domain Awareness has been enhanced through linked radar systems with our Indian Ocean neighbours. Coordinated patrolling with Bangladesh, counter terrorism exercises with our BIMSTEC neighbours, Search and Rescue and Pollution Control operations with Sri Lanka are just some examples of activity in this area. India has also assisted in upgrading security capacities and capabilities of some of its neighbours.

Humanitarian Engagement with Neighbourhood Countries

2.21 India is also the first responder to many humanitarian disasters in the neighbourhood. Indian HADR capacities were rapidly and effectively deployed in response to disasters ranging from the tsunami in Sri Lanka and water crisis in Maldives, to the earthquake in Nepal, to natural disasters and inflow of displaced persons in Bangladesh, to extreme weather events in Myanmar.

2.22 More people are moving around the neighbourhood than ever before. Bangladesh today is India's largest world-wide visa operations. Prior to the pandemic, close to 1.7 million visas were issued to visitors from Bangladesh. Our missions in Sri Lanka and Yangon report an increasing trend of visas being issued. Travel between India and Maldives now no longer requires visas.

Educational and Healthcare Engagement with Neighbourhood Countries

2.23 India is the educational hub of the neighbourhood. Tens of thousands of students from the neighbourhood at any given time are enrolled in Indian institutions ranging from primary schools to super-specialised training centres. The Indian Technical and Economic Cooperation programme leverages these strengths.

2.24 India is the healthcare hub for the neighbourhood. A large number of patients from our neighbouring countries travel to India for their medical treatment. During the pandemic, India provided COVID-19 related medical items and dispatched rapid response teams to its neighbours to help them deal with the crisis. Vaccine Maitri, the complex and far-reaching effort to make India's vaccine manufacturing capacity available for the greater good of mankind at a difficult time, is Neighbourhood First policy in action. Bhutan, Maldives, Bangladesh, Myanmar, Sri Lanka and Nepal were the first destinations for Indian made vaccines.

2.25 Whether it is the 'India First' policy of Maldives; 'Sonali Adhyay' in India-Bangladesh ties; B4B – Bharat for Bhutan and Bhutan for Bharat – spirit, the epithets describing India's relations with its neighbours are not by coincidence. They are manifestations of our Neighbourhood First policy in action.

2.26 The dividends of the Neighbourhood First Policy have translated into strong support for India in various multilateral fora such as the UN, NAM, Commonwealth, SAARC and BIMSTEC. India works in close cooperation with its neighbouring partners in these groupings towards ensuring the security and growth for all in the region (SAGAR).

Engagement with Neighbourhood Countries during COVID 19 Pandemic

2.27 When asked about the nature of collaboration and coordination with neighbouring countries to deal with corona virus disease in the region, the Ministry has informed that during the lockdown, while the borders closed for movement of nationals, movement of goods continued through India's borders with its neighbors as previously by land as well as air. In addition, India facilitated in repatriation of nationals of Bhutan, Bangladesh, Nepal, Myanmar, and Pakistan through its land borders during the lockdown. This gesture was reciprocated by the neighboring countries. These countries also facilitated evacuation of foreign nationals of third countries via India. India assisted nationals of Bhutan, Nepal, Bangladesh and Myanmar in third countries to travel back to their respective countries via India, after following due procedures of quarantine and testing as per guidelines laid down by MHA.

2.28 India also assisted its neighbours by providing medicines and medical equipment to combat corona virus through bilateral aid as well as through its commitments in the SAARC, as committed by Hon'ble Prime Minister in video conference with SAARC Leaders in March 2020. The Presidents of Afghanistan, Maldives and Sri Lanka; the Prime Ministers of Bangladesh, Nepal and Bhutan, the Minister of State for Health of Pakistan, and the Secretary-General of SAARC joined the Indian Prime Minister at the video conference. During the Video Conference, among other initiatives, India had proposed to create a COVID-19 Emergency Fund based on voluntary contributions from the member countries. India made an initial offer of 10 million US dollars of unilateral contribution to the fund to meet the costs of immediate actions. In the spirit of collaboration, voluntary contributions have also been committed by other Member states: Sri Lanka (USD 5 million), Bangladesh (1.5 million), Nepal (USD 1 million), Afghanistan (USD 1 million), Maldives (USD 200,000) and Bhutan (USD 100,000). Pakistan has pledged USD 3 million subject to the condition that it be administered by SAARC Secretariat in accordance with SAARC Charter.

2.29 The Committee note that under the Neighbourhood First Policy, India's engagement with its neighbours range from connectivity projects including economic, energy and digital connectivity to cultural projects; education and health care; developmental and technological cooperation; cooperation in maritime security to humanitarian and disaster relief. It is seen that massive investment in infrastructure has improved physical connectivity in the neighbourhood. In the field of energy connectivity, India is promoting easier movement of hydrocarbons across the region and as a part of this, cross-border pipelines including the India-Bangladesh Friendship Pipeline have been constructed. In the electricity sector, grid interconnection with our neighbouring countries is being augmented. The Committee find that India is also working on wind energy projects, renewable energy projects and solar power projects with some of the neighbouring countries. In the field of technology, the South Asia Satellite was launched in May 2017 and the India-Bhutan Satellite in November 2022. Tele-learning and tele-medicine have emerged as new areas for assistance to our neighbours. Further, India is the educational hub and health care hub for the neighbourhood. On the economic front,

bilateral trade with our neighbouring countries have improved and there has been a quantum jump from USD 3.27 billion in 2014 to USD 14.7 billion in 2020 in India's Lines of Credit to its neighbours. In fact, almost 50% of our global soft-lending goes to our partners in the neighbourhood. Maritime security in the region has been expanded and the security capacities and capabilities of some of our neighbours upgraded through India's efforts. Above all, India is the first responder during many humanitarian disasters in the region. The Committee acknowledge the efforts and initiatives taken so far, however, in view of the incontrovertible importance of the region to India and the potential of our country to contribute towards building a safe, secure, prosperous and well-connected South Asia, the Committee urge the Ministry to continue to uphold the "non-reciprocal policy" towards its smaller neighbours in the sub-continent and its immediate perimeter in the fields of capacity building, cooperation in information and digital technologies, space, cyber security, etc. Moreover, the Committee would like that a clear roadmap should be prepared for promoting trade connectivity and contact among people of neighbouring countries so that India can achieve global role through defined role and contribution of these countries.

(Recommendation Sl. No. 13)

2.30 The Committee appreciate the efforts made by the Government in ensuring continued movement of goods and people through India's borders during the COVID-19 lockdown facilitating the repatriation of nationals of Bhutan, Bangladesh, Nepal, Myanmar, Pakistan and other countries and in providing medicines/medical equipment to combat corona virus through bilateral aid as well as through its commitments in the SAARC. The initiative taken by India for creating a COVID-19 Emergency Fund based on voluntary contributions from the Member countries and the offer of 10 million US dollars

as unilateral contribution to the fund are highly commendable. The Committee are of the view that India should continue to take the lead in humanitarian outreach as such efforts reap good will and foster the spirit of solidarity amongst our neighbours. As countries in our immediate neighbourhood are prone to natural disasters like earthquake, tsunami, extreme weather events, etc., the Committee desire that the Ministry should also explore the feasibility of creating a Disaster Relief Fund on the lines of the COVID-19 Emergency Fund under the aegis of the Neighbourhood First Policy.

(Recommendation Sl. No. 14)

2.31 The country-wise details of India's engagements with its neighbours are enumerated below:-

A. Afghanistan

2.32 In the last 20 years, our developmental partnership with Afghanistan has centered around five pillars: (a) large infrastructure projects; (b) human resource development and capacity building; (c) humanitarian assistance; (d) High impact community development projects; and (e) enhancing trade and investment through air and land connectivity.

2.33 Over USD 3 billion has been committed to development efforts in Afghanistan. In August 2021, Afghanistan witnessed a major change in its political landscape. The deterioration of security after the developments of August 15 prompted the Government to evacuate Indian and Afghan nationals from Afghanistan and to provide humanitarian assistance to Afghan people in need. As an immediate measure, our Ministry set up a 24x7 Special Afghanistan Cell on August 16, 2021. India also committed to provide 50,000 MT of wheat, Covid-19 Vaccine doses and lifesaving drugs to the people of Afghanistan.

2.34 Recently, a consignment of essential medicines has been sent to Kabul. Further, to assist Afghan refugees in Iran, India has already gifted one million doses of COVAXIN to the Government of Iran.

2.35 India has been at the forefront of an effort to ensure a pivotal role for the UN in Afghanistan. During our rotating Presidency of the UN Security Council in August 2021, the UNSC met thrice to discuss the evolving situation in Afghanistan, resulting in four outcome documents. On 30 August 2021, the UNSC adopted Resolution (UNSCR) 2593. At the international level, our Ministry continues to engage with partners for ways to help and support the Afghan people.

2.36 Regarding the way forward, fresh initiatives and development projects taken up under the Neighbourhood First Policy, the Ministry has stated that post 2021, with changes in the political regime, India's approach to Afghanistan continues to be guided by its historical friendship. In order to assist Afghan people, India has supplied several shipments of humanitarian assistance consisting of 40,000 MT of wheat, 55 tons of medicines and 500,000 doses of COVID Vaccine.

2.37 In the wake of tragic earthquake that struck Eastern Afghanistan on June 22, 2022, India as a first responder, dispatched 28 tons of emergency relief assistance in two flights for the people of Afghanistan.

2.38 On being asked about the quantum of investment made, aids, loans and line of credit offered to Afghanistan currently and whether the Government has any plan to enhance the same, the Ministry has stated that given the current political situation in Afghanistan, India has decided to provide humanitarian assistance for the people of Afghanistan.

2.39 Regarding the details and status of projects/development projects undertaken through Lines of Credit/soft loans along with the amount involved in Afghanistan, the Ministry has informed that India has been engaged in a development partnership with Afghanistan that is based on the objectives of building capacities for governance; training human resource; creating infrastructure; enhancing connectivity; promoting trade and investment. India's development partnership with Afghanistan includes more than five hundred projects spread across each of the 34 provinces of the country. They cover critical areas such as power, water supply, road connectivity, healthcare, education, agriculture and capacity building.

2.40 Large infrastructure projects completed include construction of 218 Kms road from Delaram to Zaranj (on Iranian border) which provides alternate connectivity for Afghanistan through Iran; India-Afghanistan friendship dam; and the Afghan Parliament building which was inaugurated in 2015, a symbol of Afghan democracy, setting up of power sub-stations at Doshi-Charikar in northern Afghanistan, setting up of an Afghan National Agriculture Science and Technology University in Kandahar, Afghanistan, amongst others. Completed projects have already been handed over to the Government of Afghanistan.

2.41 The vast majority of the projects committed to by the India in Afghanistan have been completed and handed over.

2.42 The details and status of connectivity projects (rail network and roads) undertaken in Afghanistan is as under:-

2.43 Zaranj Delaram Project (218 kms)

2.44 Chabahar Port: During the visit of the Prime Minister to Iran in May 2016, a Trilateral Agreement to establish the International Transport and Transit Corridor (Chabahar Agreement) was signed by India, Iran and Afghanistan. India is participating in the development of the first phase of the Shahid Behesti Terminal, Chabahar Port in cooperation with the Government of the Islamic Republic of Iran to provide sea-access to land locked countries of the region, including Afghanistan.

2.45 The Indian company, India Ports Global Limited (IPGL), through its wholly owned subsidiary, India Ports Global Chabahar Free Zone (IPGCFZ), took over the operations of the Chabahar Port w.e.f. 24.12.2018. Since then, it has handled 250 vessels, 17,203 TEUs (Twenty-foot Equivalent Units) and 5.7 million tons of bulk and general cargo from various countries including Russia, Brazil, Thailand, Germany, Ukraine, Oman, Romania, Bangladesh, Australia, Kuwait, Uzbekistan and UAE.

2.46 India has committed total grant assistance of USD 85 Million and a credit facility of USD 150 Million for development of Shahid Behesti Terminal, Chabahar Port. As part of our commitment towards infrastructure development of Shahid Beheshti Terminal, Chabahar Port, India has supplied 06 Mobile Harbour Cranes (two 140 tons and four 100 tons capacity) and other equipment worth USD 25 Million.

2.47 The Chabahar Port has provided much needed sea-access to the landlocked Afghanistan. The port has also emerged as a commercial transit hub for the region. It is a more economical and stable route for landlocked countries of the region to reach India and the global market. Recently, it facilitated the delivery of humanitarian assistance, especially during the COVID-19 pandemic. India has utilized the Chabahar port to ship 75,000 MT of wheat as humanitarian food assistance to Afghanistan in 2020. Till date, a total of one lakh ten thousand tons of wheat and two thousand tons of pulses has been trans-shipped from India to Afghanistan.

2.48 When asked to furnish the details regarding cooperation between India and Afghanistan in various fields and the achievements so far, the Ministry stated that post-2021, with changes in the political regime, India's approach to Afghanistan continues to be guided by its historical friendship. In order to assist Afghan people, India has supplied several shipments of humanitarian assistance consisting of 40,000 MT of wheat, 55 tons of medicines, 500,000 doses of COVID Vaccine and winter clothing. In the wake of tragic earthquake that struck Eastern Afghanistan on June 22,2022. India as a true first responder, dispatched 28 tons of emergency relief assistance in two flights for the people of Afghanistan. The relief consignments were handed over to the United Nations Office for the Coordination of Humanitarian Affairs, UN World Food Program, Indira Gandhi Children Hospital and Afghan Red Crescent Society.

2.49 When the Committee enquired about the details of the Joint efforts made to stop cross border terrorism, illegal migration, smuggling of fake currency and trafficking in drugs and weapons and the outcome thereof, the Ministry responded that in view of our special historical and civilizational relationship with Afghan people, a decision was taken to engage with the current Taliban authorities to provide humanitarian assistance for welfare of the Afghan people. During the various official interactions, Taliban authorities have assured India of its core issues including that the Afghanistan's soil should not be used for anti-Indian activities and terrorism in any manner.

2.50 Furthermore, India has been at the forefront to support a pivotal role of the UN in Afghanistan. India held the rotating Presidency of the UN Security Council in the month of

August 2021. Under our Presidency, the UN Security Council met thrice to discuss the evolving situation in Afghanistan, resulting in four outcome documents. These included three press statements and a resolution. At the last of these meetings, on August 30, the Council adopted UNSC Resolution (UNSCR) 2593, which comprehensively addressed the main pending issues relating to Afghanistan. The resolution demands that the Afghan territory should not be used to threaten or attack any country or to shelter or train terrorists or to plan and finance terrorist acts, pursuant to UNSCR 1267 (1999).

2.51 When asked about the status of India's diplomatic relations with the Taliban regime in Afghanistan, the Ministry has stated India's approach to Afghanistan continues to be guided by its historical friendship. In order to assist Afghan people, India has supplied several shipments of humanitarian assistance.

2.52 In June 2022, an Indian technical team was deployed at the Embassy of India, Kabul to monitor and coordinate India's efforts to provide humanitarian assistance.

2.53 India has a civilizational relationship with the Afghan people and those long-standing links and UNSC Resolution 2593 would continue to guide our future approach on Afghanistan.

2.54 The Committee note that India's development partnership with Afghanistan covers areas such as power, water supply, road connectivity, healthcare, education, agriculture and capacity building running into more than five hundred projects spread across each of the 34 provinces of the country. India has committed over USD 3 billion for developments in Afghanistan. The Committee have also been informed that the majority of our projects in Afghanistan have been completed and handed over. The Committee further note that despite the changes in the political landscape of Afghanistan since August 2021, India continue to provide humanitarian assistance to the people of that country. Shipments of 40,000 MT of wheat, 55 tonnes of medicines and 500,000 doses of COVID vaccine have been supplied to the Afghan people. In the wake of the earthquake which struck Eastern Afghanistan in June, 2022, India as a true first responder had dispatched 28 tonnes of emergency relief assistance to the Afghan people. In view of the long standing civilizational relationship with the Afghan people, the Committee desire that the Government should continue as per the past practice to provide humanitarian assistance to the people of

Afghanistan in times of need. As far as pending projects committed earlier are concerned, concerted efforts should be made to complete them and hand them over at the earliest possible and also keep our arms open for other diplomatic gestures in the changed political scenario.

(Recommendation Sl. No. 15)

2.55 Under India’s Presidency, the UN Security Council met thrice to discuss the evolving situation in Afghanistan, resulting in four outcome documents. These included three press statements and a resolution. At the last of these meetings on 30 August 2021, the Council adopted UNSC Resolution 2593, which demands that the Afghan territory should not be used to threaten or attack any country or to shelter or train terrorists or to plan and finance terrorist acts. In view of the urgent need to prevent cross-border terrorism in the country, the Committee urge the Ministry to make diplomatic efforts for implementation of the said Resolution in letter and spirit so that terrorist networks and safe havens are not nurtured in the soil of Afghanistan.

(Recommendation Sl. No. 16)

B. Bangladesh

2.56 India and Bangladesh share an international border of more than 4000 km. Five States- Assam, Meghalaya, Mizoram, Tripura and West Bengal border Bangladesh. The land boundary has been amicably settled between the two sides with the ratification of the historic protocol to Land Boundary Agreement in 2015.

2.57 Prime Ministers of both countries have met 13 times since 2015. In 2021, both countries celebrated 50 years of diplomatic relations, Golden Jubilee of Bangladesh’s liberation and the birth centenary of Bangabandhu Sheikh Mujibur Rahman. After the historic State visits by the President and the Prime Minister to Bangladesh in 2021, Prime Minister Sheikh Hasina paid a State Visit to India on 5-8 September 2022 at the invitation of our Prime Minister.

2.58 Some of the recent notable developments include the unveiling of the Unit-I of Maitree Super Thermal Power Plant, inauguration of the Rupsha railway bridge, one of the longest rail

bridges in Bangladesh as well as the completion of the four trial runs of the 2018 Agreement on the Use of Chattogram and Mongla Ports.

2.59 Bangladesh is India's largest development partner. India became the top development cooperation partner for Bangladesh in terms of funds disbursement during the last financial year. India has extended concessional credits amounting to almost USD 10 billion to Bangladesh, including through three of its largest bilateral Lines of Credit, in various sectors including roads, railways, shipping, ports and power.

2.60 Bilateral trade touched a record high of USD 18.14 billion in FY 2021-22, witnessing a record increase of 68% against the trade of USD 10.8 billion in FY 2020-21. Bangladesh is India's largest trade partner in South Asia and India has become the largest export destination for Bangladesh in Asia.

2.61 With the operationalization of the Haldibari (India) – Chilahati (Bangladesh) rail link, five out of six pre-1965 rail links have been revived between India and Bangladesh. Third passenger train service "Mitali Express" from New Jalpaiguri to Dhaka was flagged off by the two rail Ministers on 1 June 2022. Inland Water connectivity between two sides has also been strengthened with both sides signing the 2nd Addendum to the Protocol on Inland Water Transit and Trade in May, 2020. Trade through protocol routes is cost effective and an environmentally cleaner mode of transportation. Both sides are accordingly undertaking dredging of certain routes in Bangladesh to improve navigability.

2.62 There is active cooperation between various agencies of both countries working jointly to combat illicit drug trafficking, fake currency, human trafficking, and cooperate on police matters, anti-corruption activities, among others. Mechanisms for the peaceful and cooperative management of the 4,096 kms-long international border are also actively focused on border fencing, joint inspection of boundary pillars, joint boundary demarcation including of riverine boundaries, among others.

2.63 Regarding the way forward, fresh initiatives and development projects taken up under the Neighbourhood First Policy, the Ministry has stated that during the recent State Visit of Prime Minister Sheikh Hasina, both sides acknowledged the importance of leveraging the potential of new and emerging areas of cooperation and directed authorities on both sides to augment cooperation in cutting edge areas of peaceful use of outer space, green energy, peaceful uses of nuclear energy, and technology enabled services in finance, health and education.

2.64 It was agreed to collaborate in new areas of cooperation, such as, environment, climate change, cyber security, ICT, space technology, green energy and blue economy. Both sides are looking at cooperation to strengthen trade and economic ties including through a bilateral Comprehensive Economic Cooperation Agreement (CEPA).

2.65 On the Comprehensive Economic Cooperation Agreement with Bangladesh, the Foreign Secretary during the course of evidence on 19 December 2022 stated as under:-

“We are also working to launch negotiations on the Comprehensive Economic Partnership Agreement with Bangladesh. This is still being discussed between the two commerce ministries. We do not have a clear landing zone on the start date for it but this is something which is in the works, of course, the increasing connectivity which I mentioned.....,integrated check post, cross border rail networks, road networks,waterways connectivity, and, of course, air connectivity is a given”.

2.66 When asked about the quantum of investment made, aids, loans and line of credit offered to Bangladesh currently and whether the Government has any plan to enhance the same, the Ministry has stated that USD 3.55 billion of Indian investment proposals have been registered with the Bangladesh Investment Development Authority. India has extended concessional credits amounting to almost USD 10 billion to Bangladesh, including through bilateral Lines of Credit worth USD 7.862 billion and USD 1.6 billion under Concessional Financing Scheme.

2.67 Regarding the details and status of projects/development projects undertaken through Lines of Credit/soft loans along with the amount involved, the Ministry has informed that Bangladesh is India’s largest development partner. India has extended concessional credits amounting to almost USD 10 billion to Bangladesh, including through Lines of Credit, worth USD 7.862 billion (Rs. 59,000 crores), comprising around 25% of India’s entire LOC portfolio. These include LOCs of USD 862 million (LOC-I), USD 2 billion (LOC-II), USD 4.5 billion (LOC-III) covering 42 projects across a wide range of sectors like roads, railways, ports, airport, power, urban development, special economic zones, information technology, and renewable energy.

2.68 In addition there is a separate LOC of USD 500 million dedicated only for defence related projects. Out of the 42 projects covered under the three LOCs, 14 projects have already been completed, while 8 projects are currently under execution. 7 projects are under tendering, while 13 projects are under preparation stage. USD 1.6 billion is also being provided to Bangladesh under Concessional Financing Scheme.

2.69 In addition to LOCs, India has also been providing grant assistance to Bangladesh for various infrastructure projects including, construction of Akhaura-Agartala rail link, dredging of inland waterways in Bangladesh and construction of India-Bangladesh Friendship Pipeline for supply of High Speed Diesel into Bangladesh.

2.70 High Impact Community Development Projects (HICDPs) constitute an active pillar of India’s development assistance. India has funded 74 HICDPs including construction of student hostels, academic buildings, skill development and training institutes, cultural centers, and orphanages as well as various heritage restoration projects.

2.71 Regarding connectivity projects (rail network and roads), GoI is undertaking 6 rail connectivity projects worth USD 1514.3 Million through Line of Credit (LOC) in Bangladesh.

The projects are Khulna-Mongla Railway Project (USD 388.93 Million), Dhaka-Tongyi-Joydebpur Railway Line Project (USD 235.10 Million), Kulaura-Shahbazpur Railway Project (USD 78.10 Million), Khulna-Darsana Railway Project (USD 312.48 Million), Parbatipur-Kaunia Railway Line Project (USD 120.41 Million) and Bogra-Shaheed M Monsur Ali Railway Line project (USD 379.29 Million).

2.72 GoI has also sponsored 4 Road connectivity projects worth USD 872 Million (funded by LOC). These are improvement of Ashuganj River Port-Sarail-Dharkhar-Akhaura Land Port Road - a 4 Lane national Highway project (USD 50.58 Million), 4 laning of Benapole-Jessore-Narail-Bhatiapara-Bhanga Road Project (USD 100 Million), 4 laning of Ramgarh to Baruerhat road (USD 80.06 Million) and 4 laning of Comilla (Mynamoti)- Brahmanbaria-Sarail road project (USD 345.37 Million).

2.73 GoI has also sponsored 1 Rail connectivity project worth INR 1101.25 crore (Akhaura-Agartala Rail Link Project) of which the Bangladesh portion is being undertaken through a GoI grant of INR 392.52 crore.

2.74 The Ministry has provided the following details regarding cooperation between India and Bangladesh in various fields and the achievements so far:-

2.75 Heritage Restoration Projects: Several heritage restoration projects have been undertaken under High Impact Community Development Projects in Bangladesh through grant assistance. Reconstruction work at National Sree Sree Ramna Kalimandir & Sree Maa Anandamoyee Ashram in Dhaka, reconstruction of Shree Shree Kanailal Jiur Mondir in Narsingdi and reconstruction of Sri Sri Radha Gobindo Jiu Mandir in Jamalpur are complete. Restoration of Rabindranath Tagore's Shiladaha Kuthibari has also been undertaken through HICDP.

2.76 Capacity building and Human Resource Development: An important ITEC partner country, Bangladesh annually sees around 800 participants availing benefits of the ITEC training courses. In March 2021, India announced 1000 "Suborno Jayanti Scholarships" for Bangladeshi students and in February 2022, a dedicated website was launched for desirous Bangladeshi students wanting to study in premier Govt of India educational institutes, including the IITs and NIITs, and pursue under-graduation, post-graduation and M.Phil/ PhD courses.

2.77 Humanitarian Assistance and Disaster Relief: We have offered HADR assistance to Bangladesh as and when required. India also participates in the annual multi-national disaster relief exercise conducted in Bangladesh as well as other HADR exercises conducted under aegis of multi-lateral forums. India gifted 3.3 million Covishield vaccines to Bangladesh to assist in its ongoing effort to fight against the pandemic. This is the largest tranche of Made-in-India Covid vaccines gifted to any country by India. Government of Bangladesh, BEXIMCO Pharmaceuticals Limited of Bangladesh and the Serum Institute of India (SII) signed a trilateral MOU to commercially procure 30 million doses of COVID-19 vaccine from the SII. Two

‘Mobile Oxygen Plants’ were gifted to Bangladesh with the help of INS Savitri in September 2021. India operated ‘Oxygen Express’ trains to transport Liquid Medical Oxygen (LMO) in railway containers, as part of commercial purchases made by Bangladesh. 20 such trains operated during the second wave of Covid-19.

2.78 ITEC assistance: An important ITEC partner country, Bangladesh annually sees around 800 participants availing benefits of the ITEC training courses.

2.79 Defence and Maritime Security Cooperation: There is a robust defence partnership with Bangladesh with deepening engagements at all levels. Bangladesh Armed forces personnel undergo various training courses including certain customized and tailor made courses related to defence in India. Both sides also held Annual Defence Dialogue chaired by Defence Secretaries as well as talks between respective services.

2.80 Operational interactions include annual bilateral and Special Forces exercises apart from training visits at each other defence services establishments. In addition, high level, functional and Subject Matter Expert Exchanges (SMEE) further strengthen the relationship. To enhance Maritime security cooperation and to combat transnational illegal activities at sea, a Memorandum of Understanding (MoU) between Indian Coast Guard and Bangladesh Coast Guard was signed in June 2015. Furthermore we also have offered a USD 500 million Line of credit to Bangladesh.

2.81 Trade: Bilateral trade touched a record high of USD 18.14 billion in FY 2021-22, witnessing a record increase of 68% against the trade of USD 10.8 billion in FY 2020-21. Bangladesh is India’s largest trade partner in South Asia and India has become the largest export destination for Bangladesh in Asia. A Joint Study Report for CEPA between both countries has been finalized and it was announced to start the CEPA negotiations during the visit of Prime Minister Sheikh Hasina to India in September 2022. Department of Commerce has announced that the negotiations will be commencing soon.

2.82 Technology: Technology has been one of the key areas of cooperation between India and Bangladesh. Recently during the VVIP visit of Prime Minister Sheikh Hasina, India and Bangladesh Signed 3 MoUs to boost bilateral technology cooperation, the first is MoU on Collaboration in IT systems and applications for Bangladesh Railways, second is MoU on Scientific and Technological Cooperation between Council for Scientific & Industrial Research (CSIR), India and Bangladesh Council of Scientific & Industrial Research (BCSIR) and last one is MoU on Cooperation in the Areas of Space Technology. MoUs between the two countries promote cooperation in the areas of e-governance, m-Governance, e-public services delivery, cyber security, software technology parks, start-ups etc. India and Bangladesh are involved in talks to explore new areas of technological cooperation like start-up ecosystem, cyber-security, emerging technologies, Fintech Sector (particularly UPI), and tech-skilling. A start-up delegation from Bangladesh will visit India soon. This was also announced during the recent VVIP visit.

2.83 Tourism: People-to-people relations are another critical element of our relationship, with Bangladesh today as India's largest world-wide visa operations. Prior to the pandemic, close to 1.7 million visas were issued to visitors from Bangladesh. There are buses and flights operational between both countries for enabling better tourism. Large number of visitors come to India from Bangladesh seeking medical treatment.

2.84 On the issue of pending disputes between India and Bangladesh and the fresh initiatives and meaningful dialogues proposed to be taken to resolve such disputes, the Ministry has informed that with the exchange of Instruments of Ratification of the India-Bangladesh Land Boundary Agreement on 6 June 2015, the land boundary between India and Bangladesh have been settled. There are established bilateral mechanisms such as Joint Boundary Working Group and Joint Boundary Conference which are held at regular intervals to discuss boundary related issues.

2.85 Regarding the Teesta Issue, India is committed to sign the agreement as and when there is consensus on this issue.

2.86 Regarding improvement and strengthening of border under the Neighbourhood First Policy, the Ministry has informed that efforts are being undertaken to strengthen the border infrastructure by opening and upgrading infrastructure at Integrated Check Posts (ICPs)/ Stations (LCS) and border haats at India-Bangladesh border. There are bilateral working mechanisms to discuss infrastructural and capacity constraints and procedural issues at border under the mechanisms of Sub-group on Infrastructure of ICPs/LCS, Commerce Secretary level talks (CSLT) and Joint Group on Customs(JGC) meetings. India-Bangladesh border has a network of 36 customs stations which includes 4 ICP and 5 Rail Custom Stations. Work is ongoing for upgradation of 6 more LCSs to ICPs on the India-Bangladesh border.

2.87 When the Committee enquired about Joint efforts made so far to stop cross border terrorism, illegal migration, smuggling of fake currency and trafficking in drugs and weapons and outcome of the same, the Ministry responded that these are issues which are discussed at established bilateral institutional mechanisms. The issue of illegal migration into India and related policy matters come under the purview of Ministry of Home Affairs. MEA assists the concerned State Government and MHA to verify the nationality of the individuals for their repatriation. MEA has also raised the issue of repatriation of illegal migrants with the Government of Bangladesh from time to time.

2.88 On the efforts being made by the Government to tackle the refugee crisis in India due to illegal migration; smuggling and trafficking in drugs and cross-border terrorism, the Ministry has informed that the issue of illegal migration into India and related policy matters come under the purview of Ministry of Home Affairs. MEA assists the concerned State Governments and MHA to verify the nationality of the individuals for their repatriation. MEA has also raised the issue of repatriation of illegal migrants with the Government of Bangladesh from time to time. Issues like

trafficking of drugs and other cross-border security concerns are dealt through relevant bilateral institutional mechanisms with Bangladesh.

2.89 Regarding the areas identified for further strengthening India's relationship with Bangladesh under the Neighbourhood First Policy, the Ministry has stated that apart from ongoing cooperation in areas such as connectivity, security, water-sharing, energy & power, cooperation in peaceful uses of nuclear energy, space cooperation, new technologies etc.

2.90 The major initiatives taken by India in the field of defence and security/maritime security cooperation and cooperation in energy, health and education sectors with Bangladesh under the Neighbourhood First Policy and the achievement so far, is as under:-

2.91 Defence and security/ maritime security cooperation: We have a robust defence partnership with Bangladesh with deepening engagements at all levels. A large number of training slots are provided to all Bangladesh Armed Forces. There are regular high level and functional visits as well as exchanges.

2.92 Both Navies have an annual bilateral exercise, coordinated patrol and Special Forces exercise in addition to their ships frequently visiting each other's ports. In addition, high level, functional, training visits and SMEEs strengthen the relationship. Memorandum of Understanding (MoU) between Indian Coast Guard and Bangladesh Coast Guard was signed in June 2015 to combat transnational illegal activities at sea.

2.93 Cooperation in energy, health and education sectors: Cooperation in the energy and power sector has become one of the hallmarks of India-Bangladesh relations. India-Bangladesh Friendship Pipeline connecting Siliguri to Parbatipur in Bangladesh is being built through a grant from GOI to meet the requirements of refined petroleum products in Bangladesh. Recently, IOCL has been registered as a G2G supplier for supply of POL products to Bangladesh.

2.94 During the April 2017 visit of Prime Minister Sheikh Hasina to India, a financing agreement was signed for construction of 36 community clinics in Bangladesh under GoI's Grant assistance of BDT 9 crores (approx. INR 7.78 crores). These clinics have been constructed in remote areas of 5 different districts of Bangladesh namely Sunamganj district and Habiganj district of Sylhet division, Jamalpur district & Sherpur district of Mymensingh division and Brahmanbaria district of Chittagong division. There are working bilateral mechanisms of cooperation in healthcare sector between India and Bangladesh such as JWG on cooperation in healthcare.

2.95 Bangladesh annually sees around 800 participants availing benefits of the ITEC training courses. In March 2021, India announced 1000 "Suborno Jayanti Scholarships" for Bangladeshi students and in February 2022, a dedicated website was launched for desirous Bangladeshi

students wanting to study in premier Govt of India educational institutes, including the IITs and NIITs, and pursue under-graduation, post-graduation and M.Phil/PhD courses.

2.96 On being asked about the details and outcome of capacity building measures and technological cooperation between India and Bangladesh during the last three years and in the current year, the Ministry has stated that an important ITEC partner country, Bangladesh annually sees around 800 participants availing benefits of the ITEC training courses. In addition, during this period total 38 customized/ specific courses were organized for Bangladesh including Covid Management courses (in Bengali language); Electronic and Digital Media Management for Young Journalists; Special training programmes for Bangladesh Teachers on IT; Web Designing and Pedagogy etc. In March 2021, India announced 1000 “Suborno Jayanti Scholarships” for Bangladeshi students and in February 2022, a dedicated website was launched for desirous Bangladeshi students wanting to study in premier Govt of India educational institutes, including the IITs and NIITs, and pursue under-graduation, post-graduation and M.Phil/PhD courses.

2.97 When the Committee specifically observed that Bangladesh is going through an economic slowdown and enquired whether the Government has sought any assistance from India or India has increased its quantum of investment, aids, loans or any other assistance, the Ministry responded that Bangladesh remains India’s largest development partner with a development cooperation portfolio of approximately USD 10 billion which includes concessional loans and grants for various projects. Bangladesh has requested for predictable supply of the essential food commodities such as rice, wheat, sugar, onion, ginger and garlic from India. It has been conveyed during the visit of Prime Minister Sheikh Hasina to India in September 2022 that Bangladesh’s requests will be favourably considered based on prevalent supply conditions in India and all efforts will be made in this regard. The Bangladesh side also requested the Indian side to assist in meeting its domestic requirement for petroleum products. The decision of the Bangladesh side to enlist Indian Oil Corporation Ltd. (IOCL) as a registered G2G supplier of refined petroleum products to Bangladesh was a step in that direction.

2.98 The Committee note that India and Bangladesh enjoy a robust partnership and 2021 saw their diplomatic relations completing 50 years. Acknowledging the importance of leveraging the potential of new and emerging areas of cooperation, India and Bangladesh have agreed to collaborate in new areas of cooperation, such as, environment, climate change, cyber security, ICT, space technology, green energy and blue economy. Presently, both countries are looking forward to strengthening their trade and economic ties through

a bilateral Comprehensive Economic Cooperation Agreement. As per the Ministry, a Joint Study Report on the Agreement has been finalized and the negotiations would be commencing soon. The Committee, hence, desire that the Comprehensive Economic Cooperation Agreement with Bangladesh, be finalized at the earliest and commence negotiations on the same for its early implementation within a time frame.

(Recommendation Sl. No. 17)

2.99 The Committee note that with the exchange of Instruments of Ratification of the India-Bangladesh Land Boundary Agreement on 6 June 2015, the land boundary between India and Bangladesh have been settled. Mechanisms for the peaceful and cooperative management of the 4,096 kms long international border are also actively focused on border fencing, joint inspection of boundary pillars, joint boundary demarcation including of riverine boundaries, among others. The Committee feel that there should be better management of the Indo-Bangladesh Border to prevent infiltration, cross-border smuggling, etc. and desire that the bilateral mechanisms for management of this long border should be strengthened. The Committee also desire to be apprised of the status of border fencing and the demarcation of riverine boundaries between India and Bangladesh.

(Recommendation Sl. No. 18)

2.100 The Committee are aware of the long outstanding issue between India and Bangladesh on sharing of Teesta River water and desire that this important issue be worked out at the earliest for improved bilateral relations with Bangladesh. The Committee also urge the Ministry to initiate meaningful dialogues with Bangladesh on a regular basis to arrive at a consensus in the matter and the progress/outcome may be informed to the Committee.

(Recommendation Sl. No. 19)

2.101 The Committee find that Bangladesh being India’s largest development partner, concessional credits amounting to almost USD 10 billion has been extended to them, including Lines of Credit (LOC) worth USD 7.862 billion (Rs. 59,000 crores), comprising around 25% of India’s entire LOC portfolio. These include LOCs of USD 862 million (LOC-I), USD 2 billion (LOC-II), USD 4.5 billion (LOC-III) covering 42 projects across a wide range of sectors. In addition, there is a separate LOC of USD 500 million dedicated only for defence related projects. Out of the 42 projects covered under the three LOCs, 14 projects have already been completed; 8 projects are currently under execution; 7 projects are under tendering and 13 projects are under preparation stage. Besides, Concessional Financing Scheme of USD 1.6 billion is also being provided to Bangladesh. In addition to LOCs, India has also been providing grant assistance to Bangladesh for various infrastructure projects including construction of Akhaura-Agartala rail link, dredging of inland waterways and construction of India-Bangladesh Friendship Pipeline for supply of High Speed Diesel into Bangladesh. 74 High Impact Community Development Projects including construction of student hostels, academic buildings, skill development and training institutes, cultural centers, orphanages as well as various heritage restoration projects have also been funded by India. The Committee feel that the benefits of our development partnerships with Bangladesh can best be reaped through timely and effective implementation of these projects. They, therefore, urge the Ministry to take effective steps for timely completion of all the projects including projects taken up under Lines of Credit through regular and intensive monitoring.

(Recommendation Sl. No. 20)

2.102 The Committee note that recently three MoUs have been signed between India and Bangladesh viz. MoU on Collaboration in IT systems and applications for Bangladesh Railways; MoU on Scientific and Technological Cooperation between Council for Scientific

& Industrial Research, India and Bangladesh Council of Scientific & Industrial Research and MoU on Cooperation in the Areas of Space Technology, to boost bilateral technology cooperation. Talks to explore new areas of technological cooperation like start-up ecosystem, cyber-security, emerging technologies, Fintech Sector (particularly UPI) and tech-skilling are also on between India and Bangladesh. The Committee desire that the MoUs and talks may result in enhanced cooperation between the two countries in various areas.

(Recommendation Sl. No. 21)

2.103 The Committee observe that efforts are being undertaken to strengthen the border infrastructure by opening and upgrading Integrated Check Posts (ICPs)/Land Customs Stations (LCS) and border haats at India-Bangladesh border. They also understand that infrastructural capacity constraints and procedural issues at border are discussed under the mechanisms of Sub-group on Infrastructure of ICPs/LCS, Commerce Secretary Level Talks (CSLT) and Joint Group on Customs (JGC) meetings. Presently, the work for upgradation of 6 more LCSs to ICPs on the India-Bangladesh border is on. In view of the importance of strengthening the infrastructure at the India-Bangladesh border from security and economic/trade perspective, the Committee urge the Government to open more ICPs/LCS as well as border haats, wherever required and upgrade the existing ones. Bilateral working mechanisms to discuss infrastructural and capacity constraints and procedural issues at border may also be strengthened.

(Recommendation Sl. No. 22)

2.104 The Committee are concerned to note the recurring instances of cross border terrorism, illegal migration, smuggling of fake currency and trafficking in drugs and weapons from across Bangladesh Border. The Ministry of External Affairs has been

raising the issue of illegal migration but with no outcome and the bilateral institutional mechanism has also not been capable enough to tackle the situation. The Committee, therefore, desire that the existing bilateral institutional mechanisms to control all these issues should be strengthened to make it effective. They also desire that MEA should work in close coordination with the Ministry of Home Affairs and the State Governments concerned to address the issue of illegal migration by monitoring the demographic changes taking place in Indo-Bangladesh border villages and other parts of the country due to such migration and take up the issue of repatriation of such illegal migrants with the Government of Bangladesh at the highest level for an early resolution.

(Recommendation Sl. No. 23)

2.105 The Committee observe that apart from ongoing cooperation in areas such as connectivity, security, water-sharing and energy, cooperation in peaceful uses of nuclear energy, space cooperation, new technologies, etc. have been identified as the areas for further strengthening of India's relationship with Bangladesh under the Neighbourhood First Policy. The Committee expect that the Government would come up with fresh mutually beneficial initiatives in these areas and implement the same for enhanced bilateral ties and growth and prosperity of both the countries.

(Recommendation Sl. No. 24)

C. Bhutan

2.106 Bhutan remains India's closest neighbour and partner with deepening ties by the day. India's financial and technical support in line with the Policy has helped advance Bhutan's developmental parameters significantly, and the Kingdom is expected to soon graduate to Middle-Income Country status.

2.107 There is also close cooperation between the two countries in the multilateral fora. Without exception, Bhutan has been extending support for all of India's candidatures at various regional and multilateral fora.

2.108 New areas of cooperation have been identified in line with the 'Neighbourhood First Policy' to include, space sector, digital connectivity, science and emerging technologies, tertiary education, and financial connectivity. During the pandemic, India was prompt in assisting Bhutan with 13 consignments of medical aid to Bhutan, including 550,000 vaccine doses.

2.109 In Bhutan, during the 12th Five Year Plan (2018-23), 82 major and 524 small High-Impact Community Development Projects of bilateral cooperation were implemented with assistance from the Government of India.

2.110 Regarding the way forward, fresh initiatives and development projects taken up under the Neighbourhood First Policy, the Ministry has stated that hydro-power development is a vital catalyst for socio-economic development of Bhutan. Till date, India has constructed four major hydro-electric power projects (HEPs) in Bhutan totaling 2136 MW. Keeping at pace with time the relationship is diversifying into new and emerging areas of financial as well as digital connectivity, space cooperation.

2.111 During the visit of Prime Minister to Bhutan in August 2019, both countries agreed to expand bilateral cooperation in new areas of space, digital connectivity, health, youth exchanges and tertiary education. Special emphasis is laid on Youth Exchanges, as well as cooperation in Tertiary Education with signing of 04 MoUs in Science, Technology, Engineering and Mathematics (STEM) areas between the Royal University of Bhutan and the premier educational institutes of India- IIT Delhi, IIT Kanpur, IIT Bombay and NIT Silchar in August 2019.

2.112 A new M.Tech scholarship (03 slots annually) at IIT Kanpur was instituted from the academic year 2020 onward for three Bhutanese students. In 2020, GoI has established 'India-Bhutan e-Library Project' in all districts of Bhutan with support from Centre for Development of Advanced Computing (C-DAC). This Project is in sync with the Digital Druk Yul Education Flagship Programmes of the Government of Bhutan.

2.113 The India-Bhutan SAT, jointly developed by India and Bhutan was launched into space on 26 November 2022 by ISRO's Polar Satellite Launch Vehicle (PSLV). The PSLV C54 carried the India-Bhutan SAT, along with India's Earth Observation Satellite -06 and other satellites from the Satish Dhawan Space Centre in Sriharikota, India. It is a new chapter in our advancing development partnership.

2.114 When asked about the quantum of investment made, aids, loans and line of credit offered to Bhutan currently and the plan to enhance the same, the Ministry stated that India has committed an assistance of Rs. 4500 crores as support to the 12th Five Year Plan of Bhutan (2018 – 2023). A Transitional Trade Support Facility of Rs. 400 crores, and Mangdechhu Tariff Adjustment of Rs. 100 crores has also been given to Bhutan during Bhutan's current plan period.

2.115 India is funding the development of 1200 MW Punatsangchhu – I (40% grant and 60% loan) and 1020 MW Punatsangchhu – II HEPs (30% grant and 70% loan) in Bhutan. GoI has

extended a Standby Credit Facility of Rs. 700 Crores at an interest rate of 2.5% in 2022. A Currency Swap facility of USD 200 million over and above the existing swap facility of USD 200 million was offered by RBI to Royal Monetary Authority in 2022.

2.116 India is the leading source of investments in Bhutan, comprising 47% of the country's total FDI. In 2019, FDI from India was USD 10.53 million. A proposal is under examination by RBI in consultation with RGoB for the establishment of a wholly-owned Subsidiary of the Bank of Bhutan (which has 20% shares by SBI), in India. This will be the first such overseas financial/banking venture by Bhutan.

2.117 Regarding the details and status of projects/development projects undertaken through Lines of Credit/soft loans along with the amount involved in Bhutan, the Ministry has informed that India is funding the Punatsangchhu – I HEP at a cost of Rs. 9375.5 crores (40% grant and 60% loan) and Punatsangchhu – II HEP at a cost of Rs. 8967 crores under consideration (30% grant and 70% loan). In the past, GoI has funded the construction of 336 MW Chukha, 60 MW Kurichhu, 1020 MW Tala and 720 MW Mangdechhu HEPs.

2.118 On being asked about the details and status of connectivity projects (rail network and roads) in Bhutan, the Ministry has informed that a preliminary study for construction of a railway line between Gelephu (Bhutan) and Kokrajhar (India) is being carried out by the Ministry of Railways for establishing rail connectivity between India and Bhutan. Air Travel Bubble Arrangement between India and Bhutan was established on 18 September 2020.

2.119 In digital and financial connectivity, several steps have been undertaken in last few years. Complete inter-operability of RuPay card with Bhutan has been achieved with the launch of Phase-II of RuPay card in October 2020. BHIM App was also launched in Bhutan on 13 July 2021 by the Finance Ministers of both countries. It would help Bhutanese shops to seamlessly transact with Indian nationals who travel to Bhutan in large numbers as tourists.

2.120 Interconnection between India's Knowledge Network (NKN) and Druk Research & Education Network (DrukREN) was established during PM's visit to Bhutan in August 2019 and the bandwidth from 1 GBPS to 5 GBPS has been increased in May 2022 in anticipation of the increase in demand. For physical connectivity, Land-port Authority of India is in the process of finalizing land for the construction of Integrated Checkpost at Jaigaon. In November 2021, India formalised the opening of seven new trade routes for Bhutan's bilateral and transit trade with India.

2.121 The Ministry has provided the following details regarding cooperation between India and Bhutan in various fields and the achievements so far:-

2.122 Heritage Restoration Projects: India has funded major heritage restoration projects such as Restoration of Simtokha Dzong, Restoration of Para Ta Dzong (National Museum), Reconstruction of Lingzhi Dzong, Reconstruction of Wangduephodrang Dzong.

2.123 Capacity Building and Human Resources Development: India is an important partner of Bhutan in capacity building and human resources development. Presently, India offers a number of scholarships to Bhutan, including the well-known Ambassador's Scholarship, prestigious Nehru Wangchuck Scholarship, Five-Year Plan project-tied assistance based Undergraduate Scholarship, Nalanda University Scholarship, ICCR Undergraduate Engineering scholarships, IIT Kanpur scholarship and AYUSH scholarships, Over 1100 Bhutanese students benefit from these scholarships.

2.124 India also provides training to Bhutanese civil servants and professionals from private sector. Approximately 20 Bhutanese civil service officers get training at the premier Indian administrative and special training institutions and academies every year. Bhutan is allotted 325 in-person training slots for upgrading administrative and technical skills of government officials and private sector employees.

2.125 At the request of Royal Government of Bhutan, a special customised ITEC programme for training 100 Bhutanese young entrepreneurs at the prestigious Entrepreneurship Development Institute of India (EDII), Ahmedabad started in September 2022. Teachers from India are recruited by Bhutan for school as well as college education. As on date, there are almost 100 teachers, lecturers and professors from India sharing their knowledge in schools and colleges of Bhutan including 2 Indian lecturers who are on deputation under the TCS-Colombo Plan Scheme administered by the Development Partnership Administration of the Ministry of External Affairs. India has recently launched new STEM-based cooperation initiatives, beyond the traditional realms of cooperation, and in line with the priorities of the Royal Government of Bhutan.

2.126 Humanitarian Assistance and Disaster Relief: Bhutan was the first country to receive the Made in India Covishield vaccines under Ministry of External Affairs Vaccine Maitri Initiative. The first consignment of 150,000 vaccines was gifted on January 20, 2021. On March 22, 2021, the India gifted a second consignment of 400,000 doses of the 'Made in India' vaccines to the Royal Government of Bhutan in keeping with the uniquely close and friendly relations between both countries. The total number of 550,000 doses of Covishield were given to Bhutan on a grant basis. In addition to 02 consignments of vaccines, the India has delivered 12 medical consignments to Bhutan containing essential medicines including Paracetamol, Cetrizine, Hydroxychloroquine and medical equipment including PPE kits, N95 masks, RT-PCR test kits and 07 portable digital x-ray machines to Bhutan. The 12th medical consignment was handed over by EAM to Bhutan on 29th April 2022 during his visit.

2.127 ITEC Programmes: Every year, a large number of Bhutanese government officials, professionals and others undertake ITEC training programmes administered by the Development Partnership Administration Division of the Ministry External Affairs. While prior to April 2020, Bhutanese nationals were training through in-person physical ITEC programmes; thereafter they are undertaking e-ITEC training programmes offered by the Ministry of External Affairs.

2.128 In recent times, the focus has been on developing customized ITEC programmes specifically for Bhutanese nationals. In 2020-2021, 250 Bhutanese nationals benefited from the e-ITEC training programmes. This number increased to 340 in 2021-22. In 2022, GOI also customised special ITEC programmes for training 100 Bhutanese young entrepreneurs at the prestigious Entrepreneurship Development Institute of India (EDII), Ahmedabad and 30 entrepreneurs at the Indian Institute of Packaging.

2.129 Trade, Technology and Tourism: India has consistently been Bhutan's top trading partner. Since 2014, India's trade with Bhutan has almost tripled from USD 484 million in 2014-15 to USD 1422 million in 2021-22, accounting for about 80% of Bhutan's overall trade, with the balance of trade in India's favour.

2.130 Considering the vital importance to connect farmers in Bhutan with agricultural markets, in 2020-21, GoI formalised the opening of seven new trade routes for Bhutan's bilateral and transit trade with India. New market access was also provided for allowing formal export of 12 agri-products from Bhutan to India (apple, arecanut, ginger, mandarin, potato, cabbage, cauliflower, chilli, carrot, soybean, beans, and snow pea) and three agri-products from India to Bhutan (okra, onion, and tomato).

2.131 On the issue of pending disputes between India and Bhutan and the fresh initiatives and meaningful dialogues proposed to be taken to resolve such disputes, the Ministry has informed that the India-Bhutan boundary is settled.

2.132 Regarding improvement and strengthening of border with Bhutan under the Neighbourhood First Policy, the Ministry has informed as under:-

2.133 Entry/Exit points: In line with our 'Neighbourhood First Policy', in 2020-21, GoI formalised the opening of seven new trade routes for Bhutan's bilateral and transit trade with India, viz. Nagarkata (conversion from temporary to permanent LCS without commodity restrictions), Agartala, Pandu riverine port, Jogighopa riverine port, Torsha Tea Garden/Ahllay corresponding to Jaigaon/ Phuentsholing, Kamardwisa (Rangapani) and Birpara. GoI also opened the first Plant Quarantine (PQ) centre at Jaigaon across Phuentsholing (Bhutan) to facilitate the seamless export of Bhutanese agri-commodities to India. LPAI is working on finalization of land offered for construction of Integrated Check Post at Jaigaon.

2.134 Railway: A preliminary study for construction of a railway line between Gelephu (Bhutan) and Kokrajhar (India) is being carried out by the Ministry of Railways for establishing rail connectivity between India and Bhutan.

2.135 When enquired whether Joint efforts have been to stop cross border terrorism, illegal migration, smuggling of fake currency and trafficking in drugs and weapons, the Ministry responded that India shares open border of over 699 km with Bhutan across 4 Indian states (Sikkim, West Bengal, Assam and Arunachal Pradesh). There are machinists to discuss the

border related issues for better border management and enhanced security cooperation. Two Border District Coordination meeting between Bhutan and State of Assam and West Bengal separately take place annually. Bhutan Security forces and SSB are in close coordination for addressing and sharing the information on smuggling, drugs, fake Indian currency, trafficking, etc.

2.136 On the efforts being made by the Government to tackle the refugee crisis in India due to illegal migration; smuggling and trafficking in drugs and cross-border terrorism, the Ministry has informed that India shares open border of over 699 km with Bhutan across 4 Indian states (Sikkim, West Bengal, Assam and Arunachal Pradesh). Cross Border Issues pertaining to Migration, smuggling and trafficking in drugs and cross – border terrorism are discussed bilaterally under the Border Districts Coordination Meeting Mechanism. Two Border District Coordination meeting between Bhutan and State of Assam and West Bengal separately take place annually. The 25th Border District Coordination Meeting held between Royal Government of Bhutan and State Government of West Bengal on 28-29 September 2022. The 12th Border District Coordination Meeting held between Royal Government of Bhutan and State Government of Assam was held on 22-23 December 2022.

2.137 Regarding the areas identified for further strengthening India's relationship with Bhutan under the Neighbourhood First Policy, the Ministry has stated that over the years, the multifaceted relationship between India and Bhutan has been deepening in both traditional as well as new areas of cooperation, including hydropower, ICT, health, culture, agriculture, space, tertiary education, and digital and financial connectivity.

2.138 During the visit of Prime Minister to Bhutan in August 2019, both countries agreed to expand bilateral cooperation in new areas of space, digital connectivity, health, youth exchanges and tertiary education. Special emphasis is laid on Youth Exchanges, as well as cooperation in Tertiary Education with signing of 04 MoUs in Science, Technology, Engineering and Mathematics (STEM) areas between the Royal University of Bhutan and the premier educational institutes of India- IIT Delhi, IIT Kanpur, IIT Bombay and NIT Silchar in August 2019. A new M.Tech scholarship (03 slots annually) at IIT Kanpur was instituted from the academic year 2020 onward three Bhutanese students.

2.139 In 2020, GoI has established 'India-Bhutan e-Library Project' in all districts of Bhutan with support from Centre for Development of Advanced Computing (C-DAC). This Project is in sync with the Digital Druk Yul Education Flagship Programmes of the Government of Bhutan. The India-Bhutan SAT, jointly developed by India and Bhutan was launched into space on 26 November 2022 by ISRO's Polar Satellite Launch Vehicle (PSLV). The PSLV C54 carried the India-Bhutan SAT, along with India's Earth Observation Satellite -06 and other satellites from the Satish Dhawan Space Centre in Sriharikota, India. It is a new chapter in our advancing development partnership.

2.140 The major initiatives taken by India in the field of defence and security/maritime security cooperation and cooperation in energy, health and education sectors with Bhutan under the Neighbourhood First Policy and the achievement so far, is as under:-

2.141 Energy: Cooperation in hydropower energy is a fundamental pillar of India-Bhutan bilateral relationship. Out of Bhutan's total hydropower generation capacity of 2326 MW, nearly 2136 MW generation capacity has been built with India's assistance. India has assisted in construction and commissioning of 336 MW Chukha HEP, 60 MW Kurichu HEP, 1020 MW Tala HEP and 720 MW Mangdechhu HEP. At present, construction is ongoing for 1200 MW Punatsangchhu-I HEP and 1020 MW Punatsangchhu-II HEP. With the easing of COVID-19 restrictions, construction for Punatsangchhu-II HEP picked pace, and is expected to be commissioned in 2024.

2.142 India is the sole importer and buyer of electricity from Bhutan. In 2022, Hydropower Sector continued to provide more than 40% of Bhutan's export revenue. India allowed import of 400 MW power to Bhutan in lean seasons of January to March 2022, to help Bhutan meet its lean power deficit.

2.143 COVID assistance: In line with India-Bhutan's unique and special relations, GoI ensured continuous supply of trade and essential items to Bhutan, despite COVID-19 related lockdowns. GoI provided essential medicines and medical supplies/equipment- including Paracetamol, Hydroxychloroquine, PPEs, N95 masks, digital X-Ray machines and test kits to the Royal Government of Bhutan. Bhutan was the first country to receive 550,000 doses of the Made in India Covishield vaccines in two phases. Another consignment of COVID-19 medical supplies/Anti-TB drugs was delivered to Bhutan in April 2022. GoI also facilitated the repatriation of over 2000 Bhutanese nationals stranded in various parts of India.

2.144. Education: Over 1,100 scholarships are being provided annually by India to Bhutanese students for studying in India in a wide range of disciplines including medicine, pharmacy, engineering, etc under various Scholarship Schemes, such as Ambassador's Scholarship, Undergraduate Scholarship under Project Tied Assistance, Nalanda University Scholarships, ICCR UG Engineering Scholarships, etc. The first two recipients of the India-Bhutan Friendship Scholarship for M. Tech studies at IIT-Kanpur, completed their course in 2022, with three other currently undertaking their studies there. Additionally, Bhutanese students have also been availing Scholarships under ICCR, AYUSH, SAARC, BIMSTEC Schemes, along with those offered by various Indian institutions. In 2022, on popular demand, the slots of ICCR Undergraduate Engineering Scholarship and Nalanda University Scholarship were increased from 20 to 25 and from 05 to 30 respectively for the Bhutanese students. In 2022, eight Bhutanese scholars were awarded India Science Research Fellowship (ISRF) by Indian National Science Academy for undertaking research at premier Indian institutions. More than 100 teachers are present in various education institutes.

2.145 The Committee note that India and Bhutan have agreed to expand bilateral cooperation in new areas of space, digital connectivity, health, youth exchanges and tertiary education. Four MoUs in Science, Technology, Engineering and Mathematics (STEM) areas have been signed between the Royal University of Bhutan and the premier educational institutes of India- IIT Delhi, IIT Kanpur, IIT Bombay and NIT Silchar in August 2019. A new M.Tech scholarship (03 slots annually) at IIT Kanpur was instituted from the academic year 2020 onwards. In 2020, GoI has established ‘India-Bhutan e-Library Project’ in all districts of Bhutan with support from Centre for Development of Advanced Computing. In a new chapter in our advancing development partnership, the India-Bhutan SAT, jointly developed by India and Bhutan was launched into space on 26 November 2022 by ISRO's Polar Satellite Launch Vehicle. Another significant milestone has been the complete inter-operability of RuPay card with Bhutan. Interconnection between India’s Knowledge Network (NKN) and Druk Research & Education Network (DrukREN) was established in August 2019. India also formalised in November 2021, the opening of seven new trade routes for Bhutan’s bilateral and transit trade with India. The Committee desire India and Bhutan to further expand the scope of bilateral cooperation under the Neighbourhood First Policy. The Committee also desire that such expansion should be made on the basis of findings of a 360 degree evaluation of the impact of the projects already implemented in Bhutan and MoUs signed for ongoing projects and after exploring the scope of expansion of bilateral cooperation under the Neighbourhood First Policy.

(Recommendation Sl. No. 25)

2.146. The Committee note that a number of proposals for new projects in Bhutan are currently in nascent stage, viz., establishment of a wholly-owned Subsidiary of the Bank of

Bhutan (which has 20% shares by SBI) in India; construction of a railway line between Gelephu in Bhutan and Kokrajhar in India; construction of Integrated Check Post at Jaigaon, etc. The Committee, therefore, desire that the Ministry of External Affairs should facilitate for an early finalization and implementation of these projects through effective coordination with the Ministries/Departments concerned.

(Recommendation Sl. No. 26)

2.147 Presently, India offers seven major scholarships to Bhutan, including the well-known Ambassador's Scholarship, prestigious Nehru Wangchuck Scholarship, Five-Year Plan project-tied assistance based Undergraduate Scholarship, Nalanda University Scholarship, ICCR Undergraduate Engineering scholarships, IIT Kanpur scholarship and AYUSH scholarships. Over 1100 Bhutanese students benefit from these scholarships, making it an important aspect of our bilateral relationship. A large number of Bhutanese civil servants and professionals from private sector and others undertake ITEC training programmes administered by the Development Partnership Administration Division of the Ministry of External Affairs. In recent times, the focus has been on developing customized ITEC programmes specifically for Bhutanese nationals. In 2021-22 alone, 340 Bhutanese nationals benefited from the e-ITEC training programmes whereas in 2020-2021, it was 250. In 2022, GoI also customised special ITEC programmes for training 100 Bhutanese young entrepreneurs at the prestigious Entrepreneurship Development Institute of India, Ahmedabad and 30 entrepreneurs at the Indian Institute of Packaging. Going by this track record, the Committee urge the Ministry to further expand the scope of scholarships and customized training programmes in the coming years to accommodate more number of students, Government officials and professionals.

(Recommendation Sl. No. 27)

2.148 The Committee understand that India shares over 699 km of open border with Bhutan across Sikkim, West Bengal, Assam and Arunachal Pradesh. In view of the open border between India and Bhutan, the Committee desire that the Government should work towards a regular border management and enhanced security cooperation and Central Government level by strengthening the existing mechanisms and not only leaving it open for annual border districts coordination meetings. The Committee also urge the Government to maintain closer coordination at Central level in sharing information on illegal activities; smuggling of drugs; fake Indian currency; trafficking; etc. between India and Bhutan for a safe and secure regional neighbourhood.

(Recommendation Sl. No. 28)

D. Maldives

2.149 For India, Maldives has always been a close and important maritime neighbor and our multifaceted ties have been strengthened despite the pandemic related disruptions. High level engagements have continued throughout 2021 and 2022 with the External Affairs Minister visiting Maldives and two visits by the Foreign Minister of Maldives to India. Recently, President of Maldives paid an Official visit in August 2022.

2.150 On international issues, Maldives had consistently supported India in multilateral fora, such as the UN, the Commonwealth, the NAM and the SAARC. India is seen as a net security provider.

2.151 India has been engaging intensively with the political leadership of Maldives. The defence partnership is underpinned by a comprehensive action plan for defence signed in April 2016. India provides the largest number (more than 70% of training requirements) of training opportunities and has trained more than 1250 Maldivian military personnel in the past ten years. India has undertaken key projects in the defence sectors, including construction of the Composite Training Facility of the Maldives National Defence Force, construction of the new Ministry of Defence headquarters and National Police Academy and setting up the Coastal Surveillance Radar System. Our defence cooperation also extends to areas of joint exercises, maritime domain awareness, hydrography, disaster management training and gifting of hardware.

2.152 India's assistance to Maldives also entails grants-in-aid, Lines of Credit and budgetary support which is well over USD 3 billion. The biggest of it being the iconic Greater Male Connectivity Project. It is the largest infrastructure project ever undertaken in Maldives. This project will not only boost economic activity and generate employment but also promote holistic urban development in the Malé region.

2.153 Other development cooperation with Maldives includes the creation of people-friendly infrastructure including parliament, judiciary, police, customs, civil services, culture, health and capacity building in various government departments. Development projects in water, sanitation, urban development, port development and social sectors have been identified and initiated.

2.154 'India First' has now become a stated policy of the Government of Maldives.

2.155 Regarding the way forward, fresh initiatives and development projects taken up under the Neighbourhood First Policy, the Ministry has stated that in the year 2022, a LoC agreement for additional USD 100 mn was signed between EXIM bank of India and GoM to meet spill over costs of developmental projects already included under previous LOC. A Contract for redevelopment of Hanimaadhoo airport under USD 800 mn LoC was signed between GoM and JMC projects Ltd in Sept, 2022.

2.156 7 MoUs for taking up the 7 new High Impact community Development projects (HICDPs) were signed in April, 2022. In Nov 2022, India gave budgetary support of USD 100 mn to GoM to overcome impact of ongoing economic crisis. In Dec 2022, RBI and MMA signed a Currency Swap Agreement of USD 200 mn.

2.157 On being asked about the quantum of investment made, aids, loans and line of credit offered to Maldives currently and whether the Government has any plan to enhance the same, the Ministry has stated that India – Maldives development partnership has expanded rapidly - Line of Credit (LoC), Buyers' Credit and grant projects worth USD 2 billion have been taken up for implementation in the last 4 years itself. LoC projects are being undertaken in the Maldives under 5 active LoC that add up to USD 1.3 bn. A USD 40 mn LoC extended in 2011 was re-purposed in 2021 to finance road development projects.

2.158 A USD 800 mn credit line agreement was concluded in March 2019, under which several large infra development projects are being executed. Greater Male Connectivity Project (GMCP), is being undertaken through a separate \$ 400 million LoC and \$ 100 million grant extended in 2020. Defense-related projects and sports infrastructure development projects are being taken up through exclusive USD 50 million and USD 40 million LoC extended in Feb 2021 and Sept 2021 respectively.

2.159 A LoC agreement for additional USD 100 mn was signed in Oct, 2022. The National Police Academy in Addu, inaugurated in March 2022, is India's largest grant project in the Maldives at a cost of over USD 30 million. Conservation of the Friday Mosque in Male' is a project being undertaken by ASI under grant assistance of USD 1.2 million.

2.160 India is supporting 45 HICDPs through the grant aid of approx USD 16 mn. India has also provided budgetary support of USD 1200 mn to GoM during the last 4 years.

2.161 Regarding the details and status of projects/development projects undertaken through Lines of Credit/soft loans along with the amount involved, the Ministry has informed that several projects are being implemented under LoCs amounting to USD 1.33 bn extended to Maldives. 9

large infrastructure projects have been taken up for implementation under the USD 800 million LoC extended to Maldives in December 2018. Contracts for 2 projects, namely, Addu Roads and Establishment of Water and Sanitation Network for 34 islands, were signed in February and March 2021 respectively and physical work is ongoing.

2.162 Contract of Reclamation & Shore protection work in Addu was awarded by Maldives to Van Oord India in March, 2022 and contract of redevelopment of Hanimaadhoo airport was signed with JMC projects Ltd. in September, 2022. Expansion of Cricket Stadium in Hulhumale', upgrade of MIFCO's fish processing units; construction of a new port in Gulhifalhu; expansion of Gan Airport in Addu and Cancer hospital are at different stages of implementation. Govt of Maldives awarded the contract for the GMCP in Aug 2021.

2.163 The groundbreaking ceremony of this project was held during Aug'22 visit of Maldives President to India. Under USD 40 mn sports LoC , 05 sports infrastructure projects are at PQ stage. Govt of Maldives proposals under USD 50 mn defence LoC are also at PQ stage.

2.164 The details and status of connectivity projects (rail network and roads) undertaken in Maldives is as under:-

- Addu road project is a key infrastructure project required for Addu to establish itself as the southern regional hub of Maldives. The scope includes roads, street lighting, storm water drainage and reclamation for the development of tourism infrastructure. The work was awarded in February 2021 by GoM to AFCONS Infra at a cost of USD 73.24 mn.
- GMCP was awarded to AFCONS Infra in August 2021. The 6.74 km long bridge and causeway link will connect capital city Malé with adjoining islands of Villingli, Gulhifalhu and Thilafushi. The ground-breaking ceremony of this project was held in August, 2022.

2.165 The Ministry has provided the following details regarding cooperation between India and Maldives in various fields and the achievements so far:-

2.166 Heritage Restoration Projects: Conservation of the Friday Mosque in Male' being undertaken by ASI under grant assistance of USD 1.2 million. It was announced during the State Visit of PM Modi to the Maldives in June 2019. Physical work has been progressing well. Approximately 40% of the work has been completed.

2.167 Capacity Building and Human Resources Development: India has been a traditional partner for the Maldives in human resource development across sectors for decades. In the past around 4 years, institutional linkages between counterpart organisations on both sides have increased adding heft to capacity building and training initiatives. Since 2019, more than 2000 Maldivians have been trained in India under various capacity building programmes. Similarly, more than 2000 Maldivians have utilised virtual training programmes slots.

2.168 Humanitarian Assistance and Disaster Relief: India was the first responder during disasters in the past including during tsunami in 2004 and water-crisis in 2014. India's

comprehensive assistance to Maldives during the Covid pandemic has reaffirmed this aspect. India has continued its commitment to regional cooperation under SAARC with initiatives such as launch of South Asia Satellites, and SAARC Disaster Management Center. During Covid-19 pandemic, India gifted essential medicines (incl 360 k doses of COVISHIED vaccine), and essential food.

2.169 ITEC Programme: Maldives has been a partner of the ITEC programme for several years. Under the ITEC in-person, number of Maldivians trained were 47, 28 & 84 in 2017-18, 2018-19 and 2019-20, respectively. During the COVID19 pandemic, due to suspension of ITEC in-person, various e-ITEC / customised e-ITEC programmes were conducted. From Oct 2020 until March 2022, close to 500 Maldivians participated in various e-ITEC / customised e-ITEC training programs. After the resumption of normalcy and opening of borders >90 Maldivians have been trained in India in various ITEC in-person programmes.

2.170 Defence and Maritime Security Cooperation: The defence partnership is underpinned by a comprehensive action plan for defence signed in April 2016. India provides the largest number of training opportunities and has trained more than 1400 Maldivian military personnel in the past ten years. India has been undertaking key projects in the defence sectors, including construction of the Composite Training Facility of the Maldives National Defence Force, construction of the new Ministry of Defence headquarters and setting up the Coastal Radar System. Our defence cooperation also extends to areas of joint exercises, maritime domain awareness, hydrography, disaster management training and gifting of ships, hardware, etc.

2.171 Trade, Technology and Tourism: India and Maldives signed a trade agreement in 1981, which provides for export of essential commodities. In July 2021, India extended the agreement on quotas for restrictions-free export of 9 essential commodities to the Maldives for the next 3 years. The quotas have been expanded by 15% as per request of GoM, keeping in view the requirements of Indian contractors implementing the LoC projects in Maldives. India-Maldives bilateral trade crossed the \$ 300 mn mark for the first time in 2021 & India emerged as Maldives' 3rd largest trade partner in 2021.

2.172 Indian exports to the Maldives include a variety of engineering and industrial products like pharmaceuticals, radar apparatus, rock boulders, aggregates, cement and agriculture produce like rice, spices, fruits, vegetables and poultry etc. This is a direct consequence of the launch of the cargo vessel service between the two countries in Sept 2020 and commencement of work on LoC projects since Feb 2021. Indian exports are registering a steady rise. In 2022, the bilateral trade as on Nov 2022 is USD 454.61 million with exports from India is USD 448.69 million.

2.173 Efforts are being made to tap the potential of seafood exports from Maldives to India. During Aug 2022 visit of President Ibrahim Mohamed Solih to India, facilitation of duty free tuna exports to India from Maldives was announced.

2.174 The Maldivian economy is heavily dependent on its tourism sector, which directly accounts for about 75% of GDP of Maldives. In 2019, India was the 2nd largest source of tourist

arrivals in Maldives. In a pandemic-hit 2020 & 2021, India was the largest source market for the Maldives with nearly 63,000 & 2.91 lakh (23% market share) Indians visiting the Maldives, respectively. India has maintained its top-spot in 2022 too with a 14.5% market share.

2.175 On the issue of pending disputes between India and Maldives and the fresh initiatives and meaningful dialogues proposed to be taken to resolve such disputes, the Ministry has informed that India's relationship with the Maldives is free of any politically contentious issues. The one-time claim of Maldives to Minicoy Island was resolved by the Maritime Boundary Treaty of 1976 between the two countries, whereby Maldives has recognized Minicoy as an integral part of India.

2.176 In response to the specific query by the Committee about the Joint efforts made to stop cross border terrorism, illegal migration, smuggling of fake currency and trafficking in drugs and weapons and the outcome of the same, the Ministry responded that India is working closely with Maldives on Defence and security cooperation. There are regular exchanges & cooperation between defence and security agencies like military, police, customs & immigration. Mechanisms like Colombo Security Conclave (CSC), an NSA level mechanism on marine security and JWG on Counter Terrorism (CT) are also active.

2.177 Regarding the areas identified for further strengthening India's relationship with Maldives under the Neighbourhood First Policy, the Ministry has stated that during the official visit of President Solih to India, PM and President Solih agreed to further deepen institutional linkages for cooperation in the areas including climate and renewable energy – identified as a frontier area for cooperation along with sports in the visit joint statement. Several ongoing initiatives being carried out in these new areas of cooperation. Efforts are on to strengthen cooperation in the area of renewable energy and grid inter-connectivity. Tourism and health sector are also potential areas for investment.

2.178 The major initiatives taken by India in the field of defence and security/maritime security cooperation and cooperation in energy, health and education sectors with Maldives under the Neighbourhood First Policy and the achievement so far, is as under:-

2.179 India has been engaging intensively with the political leadership of Maldives. The defence partnership is underpinned by a comprehensive action plan for defence signed in April 2016. India provides the largest number of training opportunities and has trained more than 1400 Maldivian military personnel in the past ten years. India has been undertaking key projects in the defence sectors, including construction of the Composite Training Facility of the Maldives National Defence Force, construction of the new Ministry of Defence headquarters and setting up the Coastal Surveillance Radar System. Our defence cooperation also extends to areas of joint exercises, maritime domain awareness, hydrography, disaster management training and gifting of hardware.

2.180 Medical tourism is an important aspect of the India-Maldives health cooperation. India is an important medical treatment destination for Maldivians. Due to better, frequent air

connectivity and less travel time, proximity and availability of affordable and quality medical services, every year a large number of Maldivians travel mostly to southern Indian states of Kerala, Tamil Nadu and Karnataka for medical consultations and treatment. Over the years, there is a growing ecosystem catering to medical needs of Maldivians travelling to India. Indian doctors do work in Male Hospitals or have clinics in Male where they offer initial consultation to patients and refer them to various hospitals in India. Maldivians can travel visa-free to India for medical purpose under the "Bilateral Agreement on the facilitation of Visa arrangement" (signed in Dec 2018). Notably, "Aasandha", the health care scheme of Government of Maldives provides financial support to Maldivians for overseas treatments which are not available in Maldives and in cases of trauma or accidents at empanelled hospitals abroad. Of the 40 such empanelled hospitals, 36 are in India. Maldivians also travel to India for treatment at hospitals which are not covered under Aasandha scheme.

2.181 India has been a traditional partner for the Maldives in human resource development across sectors for decades. Indian teachers have been a fixture at Maldivian schools across islands for decades. India has traditionally offered a substantial number of ICCR scholarships to Maldivian youth. In the past 4 years, institutional linkages between counterpart organisations on both sides have increased adding heft to capacity building and training initiatives.

2.182 On being asked about the details and outcome of capacity building measures and technological cooperation between India and Maldives during the last three years and in the current year, the Ministry has stated that India has been a traditional partner for the Maldives in human resource development across sectors for decades. In the past around 4 years, institutional linkages between counterpart organisations on both sides have increased adding heft to capacity building and training initiatives. Since 2019, more than a dozens capacity building MoUs have been signed and are active. Since 2019, more than 2000 Maldivians have been trained in India under various capacity building programmes. Similarly, more than 2000 Maldivians have utilised virtual training programmes slots.

2.183 The Committee note that Maldives has always been a close and important maritime neighbour of India. It has been observed that despite the pandemic related disruptions and political instability in Maldives, our multifaceted ties have got further strengthened. In April, 2022, MoUs for taking up 7 new High Impact Community Development projects were signed with Maldives. In November 2022, budgetary support of USD 100 million was given to Maldives by India to overcome the impact of the ongoing economic crisis. RBI and MMA also signed a Currency Swap Agreement of USD 200 million in December 2022. Nine large infrastructure projects have been taken up for implementation under the USD 800

million LOC extended to Maldives in December 2018. A number of projects, namely, construction of Addu Roads and Establishment of Water and Sanitation Network for 34 islands; redevelopment of Hanimaadhoo airport; expansion of Cricket Stadium in Hulhumale; upgradation of MIFCO's fish processing units; construction of a new port in Gulhifalhu; expansion of Gan Airport in Addu and Cancer hospital; conservation of the Friday Mosque in Male, etc. are at different stages of implementation. Besides, five sports infrastructure projects and proposals of the Government of Maldives under USD 50 million defence LOC are also at PQ stage. The Committee further note that several ongoing initiatives are being carried out in new areas of cooperation between India and Maldives. Efforts are on to strengthen cooperation in the area of renewable energy and grid inter-connectivity. Tourism and health sector are also potential areas for investment. The Committee feel that effective implementation and early completion of all the ongoing and pending projects in Maldives would be of immense mutual benefit to both countries and bring a new impetus to our bilateral relations. The Committee, therefore, urge the Ministry to make concerted efforts in this direction. The proposals for sports infrastructure projects and defence projects through LOC which are at PQ stage, may be finalized at the earliest. The Committee also desire that institutional linkages for cooperation in new areas like renewable energy and grid inter-connectivity, tourism and health sector, etc. be deepened.

(Recommendation Sl. No. 29)

2.184 The Committee note that efforts are being made to tap the potential of seafood exports from Maldives to India. Facilitation of duty free tuna exports to India was announced in August 2022. Recognizing the potential for seafood export-import trade between India and Maldives, the Committee desire MEA to work in close coordination with

the Ministries/Departments concerned for promotion of seafood trade between the two countries. India should also explore investment and partnership synergies with Maldives to tap the full potential for seafood trade between the two countries.

(Recommendation Sl. No. 30)

2.185 The Committee observe that the tourism sector directly accounts for about 75% of the GDP of Maldives. Since 2020, India has been the largest source of tourist arrivals to Maldives. Further, medical tourism is an important aspect of the India-Maldives health cooperation. In view of the opportunities and potential for economic development and employment generation offered by the tourism sector under its development partnerships with Maldives, the Committee urge the Ministry to promote investment in the tourism sector including medical tourism segment under the Neighbourhood First Policy.

(Recommendation Sl. No. 31)

E. Myanmar

2.186 Myanmar is a key partner for both India's "Neighbourhood First Policy" and "Act East Policy". Myanmar is India's land link to ASEAN as it is the only ASEAN country with which we share a border. Both countries share strong civilizational, historical and people-to-people ties. We have also enjoyed good security and defence cooperation with Myanmar authorities.

2.187 Bilateral trade between India and Myanmar stood at USD 1.895 billion for FY 2021-22, as compared to USD 1.299 billion in FY 2020-21. India and Myanmar signed an MoU in June 2021 under which India provides an annual import quota of 2.5 lakh metric tonnes of Black Matpe (Urad) and 1 lakh metric tonnes of Pigeon Peas (Tur) to Myanmar to be imported through private traders for five years i.e. from 2021-22 to 2025-26. In FY2021-22 India imported pulses worth USD 760.24 million which is a significant increase from USD 380.35 million in 2020-21. Our investments in Myanmar's energy sector are over USD 1.4 billion. The ongoing cooperation in defence and security sectors has also been robust.

2.188 As friends of the people of Myanmar, India has continued its human-centric initiatives under bilateral development cooperation. India's development assistance portfolio in Myanmar is about USD 2 billion, the bulk of which is in the form of grants. Major projects include the Kaladan Multimodal Transit Transport Project; the India-Myanmar-Thailand Trilateral Highway Project, Border Area Development Programme in Chin State and the Naga Self-Administered

Zone; assistance in setting up institutions for higher learning and research, namely Myanmar Institute of Information Technology (MIIT), Advanced Centre for Agricultural Research and Education (ACARE), Myanmar-India Centre for Enhancement of IT Skills (MICEITS); India-Myanmar Industrial Training Centres (ITC); Rakhine State Development Programme; the repair and conservation of earthquake damaged pagodas etc.

2.189 The pace of implementation of large infrastructure projects has suffered due to the security situation in Myanmar including the Kaladan Multimodal Transit Transport Project and the India-Myanmar-Thailand Trilateral Highway Project.

2.190 Capacity building has remained a priority area of cooperation to assist the people, especially youth of Myanmar. India is also contributing to capacity building by assisting Myanmar to offer various courses in institutions that have been set up with assistance from India. Myanmar Institute of Information Technology in Mandalay and Advanced Centre for Agricultural Research and Education (ACARE) have been set up with assistance from India for supply of equipment, training material and teaching courses in IT and agricultural research respectively. These institutes have been handed over to Myanmar in March 2022. GOI has also been providing technical and financial support to set up Indo-Myanmar Industrial Training Centres (IMITC) – two centres have already been established in Pakkoku and Myingyan, and two more are being set up in Monywa and Thaton.

2.191 Regarding the way forward, fresh initiatives and development projects taken up under the Neighbourhood First Policy, the Ministry has stated that the pace of new initiatives being taken with Myanmar has slowed down since 2020, firstly due to the pandemic and then due to the political crisis that has ensued after the military takeover in February 2021. However, India has maintained its bilateral engagements with Myanmar with new initiatives being finalized as and when feasible.

2.192 India has continued with its people oriented and humanitarian projects in the country including work on India-Myanmar-Thailand Trilateral Highway, Kaladan Multimodal Transit Transport Project and other capacity building initiatives. In 2022, India signed a Project Agreement for Establishment of Modern Integrated Check Post (ICP) at Tamu (Myanmar).

2.193 On the status of projects/development projects undertaken through Lines of Credit/soft loans along with the amount involved in Myanmar, the Ministry has informed that GOI Lines of Credit (LoCs) have been used for projects in diverse sectors such as telecommunication, railways, renovation of petrochemical refineries, setting up of truck manufacturing plant, power transmission lines and irrigation & agriculture projects. Out of 24 projects under these LoCs (total worth \$ 745.57 million), 21 projects have already been completed. Three projects are currently under different stages of implementation under LoCs.

2.194 The details and status of connectivity projects (rail network and roads) undertaken in Myanmar is as under:-

i) Kaladan Multi-Modal Transit Transport Project: The Kaladan Multi-Modal Transit Myanmar. The project includes a waterway component of 158 km on Kaladan River from Sittwe to Paletwa and a road component of about 109 km from Paletwa to Zorinpui on the India-Myanmar border in Mizoram State. We are working towards the possibility of making the Sittwe Port operational in the near future. However, the security situation in the area has been a challenge for progress of KMTTP.

(ii) IMT Trilateral Highway Project: India is currently implementing two projects in the India-Myanmar-Thailand (IMT) Trilateral highway, aimed at boosting connectivity to Myanmar and beyond – (i) 120-km long Kalewa-Yargi sector and (ii) upgradation of 69 bridges on the Tamu-Kyigone-Kalewa sector. The pace of implementation of this project has also suffered due to the security situation in Sagaing Region in Myanmar. While the work on the Kalewa-Yargi sector of the Trilateral Highway has recommenced, the security situation in the area remains a challenge.

2.195 The Ministry has provided the following details regarding cooperation between India and Myanmar in various fields and the achievements so far:-

2.196 Heritage Restoration Projects: Technical and financial assistance is being extended to Myanmar for conservation and restoration of damaged structures and paintings of the Pagodas in Bagan that were damaged in the earthquake that hit the country in 2016. Archeological Survey of India has identified 24 structures in 12 pagodas for renovation under the first phase and the work started in January 2020 after which it was disrupted due to Covid-19 pandemic.

2.197 Capacity building and Human Resource Development: India has trained more than 300 civilians and defense personnel every year from Myanmar under various programmes like ITEC, ICCR Scholarships etc. in diverse areas at premier institutes of the country. With the disruption in international travel in 2020 due to the pandemic, the Indian Technical and Economic Cooperation (ITEC) courses had moved to an online mode of learning. 314 slots out of 340 slots allotted for ITEC and e-ITEC programmes for FY 2022-23 have already been utilized.

2.198 India had also offered customized courses for capacity building for participants from Myanmar. 30 participants have received training in India in various paramedical courses this year. 19 Myanmar nationals are undergoing a Masters programme in Social Work at the Tata Institute of Social Sciences (TISS) in Mumbai.

2.199 India has also helped Myanmar build its own capabilities through support for initiatives like Myanmar Institute for Information and Technology at Mandalay, Advanced Centre for Agricultural Research and Education at Yezin University, Rice Bio Park in Nay Pyi Taw, Industrial Training Centers, Myanmar Centre for Enhancement of IT Skills (IMCEITS); the Myanmar-India Centre for English Language Training and the Myanmar-India Entrepreneurship Development Centre (MIEDC) in Yangon.

2.200 Humanitarian Assistance and Disaster Relief: India has responded promptly and effectively in rendering assistance following natural calamities in Myanmar like Cyclone Mora (2017), Komen (2015), earthquake in Shan State (2010), Cyclone Nargis (2008) and the outbreak of influenza virus in Yangon in July-August 2017. India has also provided support to Myanmar in its fight against COVID-19 through supply of medicines, medical equipment and vaccines through 2021 and 2022. Towards this end, two medical oxygen plants were supplied to Myanmar in January 2022. India has supplied more than 21 million doses of COVID-19 vaccine to Myanmar, including as gift and commercial supplies. India also provided 10,000 tons of rice and wheat as humanitarian assistance which was received in Myanmar in March-April 2022.

2.201 ITEC Programmes: India has trained manpower from Myanmar under the ITEC Programme since 1996. Slots allotted to Myanmar under ITEC have increased from 30 in 1996 to 267 in the year 2021-2022. With the disruption in international travel in 2020 due to the pandemic, the Indian Technical and Economic Cooperation (ITEC) courses had moved to an online mode of learning. 314 slots out of 340 slots allotted for ITEC and e-ITEC programmes for FY 2022-23 have already been utilized.

2.202 Defence and security/maritime security cooperation: Defence cooperation is a key pillar of the bilateral relationship. We have continued our defence and security cooperation in areas of common interest including border management and maritime security. The defence forces of the two countries have been engaged in bilateral initiatives in all the three domains viz- land, air and sea. Officers from Myanmar Armed Forces have received training in India under ITEC initiative in variety of areas, including English language. GOI has assisted Myanmar in establishing the Military Technical Training School (MTTS) for providing vocational training.

2.203 Indian and Myanmar navies conduct Coordinated Patrols twice a year. India-Myanmar Naval Exercises are also held periodically. Sharing of white shipping data with Myanmar has helped in improving maritime domain awareness. Myanmar Navy has also participated in Humanitarian Aid and Disaster Management Exercises in India from 2018-22.

2.204 Trade: India is the fifth largest trading partner of Myanmar. Bilateral trade between India and Myanmar stood at USD 1.895 billion for FY 2021-22, as compared to USD 1.299 billion in FY 2020-21. India's exports were valued at USD 893 million and imports were USD 1001 million in FY 2021-22.

2.205 India and Myanmar signed an MoU in June 2021 under which India provides an annual import quota of 2.5 lakh metric tonnes of Black Matpe (Urad) and 1 lakh metric tonnes of Pigeon Peas (Tur) to Myanmar to be imported through private traders for five years i.e. from 2021-22 to 2025-26. In FY2021-22 India imported pulses worth USD 760.24 million which is a significant increase from USD 380.35 million in 2020-21.

2.206 Technology: India has helped Myanmar in setting up institutes that have enhanced the country's technological capability in important areas like IT, agriculture etc. Myanmar Institute of Information Technology in Mandalay has been set up with assistance and the institute has been handed over to Myanmar in March 2022. Advanced Centre for Agricultural Research and Education (ACARE) has also been established with assistance from India in supply of equipment, training and teaching courses etc. The institute has been handed over to Myanmar in March 2022.

2.207 Tourism: Tourism from Myanmar to India is mainly built on the pillars of religion and health. While the COVID-19 pandemic had completely stopped the flow of tourists between the countries, resumption of regular flights between Yangon and Delhi, Yangon and Kolkata and Yangon and Gaya; and easing of pandemic related restrictions is helping in recovery of tourism. Flights on Imphal-Mandalay route are also to commence soon.

2.208 On the issue of pending disputes between India and Myanmar and the fresh initiatives and meaningful dialogues proposed to be taken to resolve such disputes, the Ministry has informed that there is no border dispute between India and Myanmar. Boundary demarcation work remains to be completed in some sectors of India-Myanmar boundary which is taken up through institutionalized bilateral mechanisms.

2.209 Regarding improvement and strengthening of border with Myanmar under the Neighbourhood First Policy, the Ministry has informed that there have been various initiatives which have been undertaken to strengthen border infrastructure like establishment of an Integrated Check Point at Moreh and a Land Crossing Station at Zokhawthar. A Project Agreement has been signed with Myanmar in 2022 for establishing a Modern Integrated Checkpost at Tamu. Framework for mode of operationalization of Border Haats is also under discussion.

2.210 When the Committee enquired about Joint efforts to stop cross border terrorism, illegal migration, smuggling of fake currency and trafficking in drugs and weapons and the outcome of the same, the Ministry responded that these are issues which are discussed at established bilateral institutional mechanisms. The issue of illegal migration into India and related policy matters come under the purview of Ministry of Home Affairs. MEA assists the concerned State Government and MHA to verify the nationality of the individuals for their repatriation. MEA has also raised the issue of repatriation of illegal migrants with the Government of Myanmar from time to time.

2.211 On the efforts being made by the Government to tackle the refugee crisis in India due to illegal migration; smuggling and trafficking in drugs and cross-border terrorism, the Ministry has informed that the issue of illegal migration into India and related policy matters come under the purview of Ministry of Home Affairs. MEA assists the concerned State Governments and MHA to verify the nationality of the individuals for their repatriation. MEA has also raised the issue of

repatriation of illegal migrants with the Government of Myanmar from time to time. Issues like trafficking of drugs and other cross-border security concerns are dealt through relevant bilateral institutional mechanisms with Myanmar.

2.212 Regarding the areas identified for further strengthening India's relationship with Myanmar under the Neighbourhood First Policy, the Ministry has stated that given the current security and humanitarian situation in Myanmar, implementation of various initiatives has been slow. As friend of people of Myanmar, India has continued to augment capacity building, development and humanitarian cooperation in the country. Capacity building initiatives in areas such as constitutionalism and federalism, social work etc. are being explored. In power sector, both sides are discussing proposals for a High Voltage High Capacity cross-border power transmission and radial interconnections between border villages.

2.213 The major initiatives taken by India in the field of defence and security/maritime security cooperation and cooperation in energy, health and education sectors with Myanmar under the Neighbourhood First Policy and the achievement so far, is as under:-

2.214 Defence and security/ maritime security cooperation: Defence cooperation is a key pillar of the bilateral relationship. We have continued our defence and security cooperation in areas of common interest including border management and maritime security.

2.215 Cooperation in energy, health and education sectors: India's investments in Myanmar's energy sector are more than \$ 1.2 billion and include investments made in upstream and midstream ventures by Public Sector Units like ONGC, IOCL and GAIL. India supplies power through radial interconnection in bordering areas of Myanmar.

2.216 India and Myanmar had signed a MoU in the area of Health in 2017 that aims at establishing greater cooperation in the field through establishing inter-ministerial and inter-institutional mechanisms between the two countries. India has also provided support for up-gradation of Yangon Children Hospital and Sittwe General Hospital project which was completed in 2018. Separately, under the Border Area Development Programme (BADP) and Rakhine State Development Programme (RSDP), projects such as building health centres are being undertaken in Chin State and in the Naga Self-administered Zone, and Rakhine State in Myanmar respectively.

2.217 On being asked about the details and outcome of capacity building measures and technological cooperation between India and Myanmar during the last three years and in the current year, the Ministry has stated that in the last 5 years (2018-19 to 2022-23), a total of 1310 ITEC Civilian and 1312 Defence ITEC slots have been offered to Myanmar. 13 Specific courses were conducted for Myanmar in the last five years (2018-19 to 2022-23). The major areas which covered under specialized course were English; Agro-technology; public health; Judiciary; Buddha and mid-career training etc. India is also contributing to capacity building by assisting

Myanmar to offer various courses in institutions that have been set up with assistance from India.

2.218 When asked about the status of India's diplomatic relations with the military Government in Myanmar, the Ministry has stated that as a long neighbour with a long, porous border, the ongoing security and humanitarian situation in Myanmar is a cause of grave concern, as it has direct implications for India. India has diplomatic relations with Myanmar and maintains close contact with the authorities in Myanmar especially for ensuring safety and security at the border.

2.219 The Committee note that Myanmar is a key partner for both India's Neighbourhood First Policy and Act East Policy. The pace of new initiatives being taken with Myanmar has slowed down since 2020, firstly due to the COVID-19 Pandemic and then due to the political crisis that has ensued after the military takeover of that country in February 2021. However, India has maintained its bilateral engagements with Myanmar with initiatives being finalized as and when feasible. GoI has also been providing technical and financial support to set up Indo-Myanmar Industrial Training Centres with two centres established in Pakkoku and Myingyan, and two more being set up in Monywa and Thaton. In 2022, India signed a Project Agreement for Establishment of Modern Integrated Check Post at Tamu. Out of 24 projects under LOCs (total worth \$ 745.57 million), 21 projects have already been completed. The Committee further note that security situation in the area has been a challenge for progress of the Kaladan Multi-Modal Transit Project and India-Myanmar-Thailand Trilateral Highway. The Committee desire that implementation of development projects in Myanmar should not suffer on account of change in its political landscape and urge the Government to make consistent efforts towards insulating such projects from political turmoil and make all out efforts for timely completion of the ongoing projects.

(Recommendation Sl. No. 32)

2.220 Though there is no border dispute between India and Myanmar, the Committee understand that the boundary demarcation work remains to be completed in some sectors of the India-Myanmar border. Various initiatives have also been taken to strengthen border infrastructure like establishment of an Integrated Check Point at Moreh and a Land Crossing Station at Zokhawthar. A Project Agreement has been signed with Myanmar in 2022 for establishing a Modern Integrated Check Post at Tamu while framework for mode of operationalization of Border Haats is also under discussion. The Committee desire that the institutionalized bilateral mechanisms between India and Myanmar should be strengthened and boundary demarcation in the remaining sectors of India-Myanmar boundary should be completed at the earliest. Concerted efforts may also be made to establish Integrated Check Point/Modern Integrated Check Post and Land Crossing Station at the finalized locations. The Committee also urge the Ministry to speed up the process for establishing a framework for mode of operationalization of Border Haats. Progress achieved in this regard may be communicated to the Committee.

(Recommendation Sl. No. 33)

2.221 The Committee note that the issues of cross border terrorism, illegal migration, smuggling of fake currency and trafficking in drugs and weapons are discussed at established bilateral institutional mechanisms with Myanmar. On the issue of illegal migration, MEA assists the concerned State Government and Ministry of Home Affairs to verify the nationality of the individuals for their repatriation and has also raised the issue of repatriation of illegal migrants with the Government of Myanmar from time to time. Trafficking of drugs and other cross-border security concerns are dealt through relevant bilateral institutional mechanisms with Myanmar. In view of the recurring instances of cross border terrorism, illegal migration, smuggling of fake currency, trafficking in drugs

and weapons, etc., the Committee desire that the bilateral institutional mechanisms to check the same may be strengthened. MEA should work in close coordination with the Ministry of Home Affairs and the State Governments concerned for speedy identification and repatriation of illegal Myanmarese immigrants. The issue of repatriation of illegal migrants may also be taken up with the Government of Myanmar at the highest level.

(Recommendation Sl. No. 34)

F. Nepal

2.222 The Neighbourhood First Policy has brought a new impetus to our bilateral relations with Nepal. Since 2014, there have been frequent high-level political exchanges with 16 meetings at the level of Head of State and Head of the Government. Several large-scale and critical connectivity and infrastructure projects in Nepal have been completed with India's assistance.

2.223 In the wake of the earthquake in April 2015, India provided rescue, relief, rehabilitation and reconstruction assistance. Operation Maitree became India's largest post-disaster assistance programme outside the country, under which we committed an assistance package of USD 1 billion including USD 250 million in grants. Major components of the assistance package that have seen the light of the day and have been either successfully completed or are progressing towards completion, include the sectors of housing, education, health care and cultural heritage restoration.

2.224 Our vision of operationalizing cross border rail services is reaching fruition through the operationalization of the India-built 34.9 km link connecting Jayanagar (in Bihar) to Kurtha (in Nepal). Another rail link under construction is the Joghani-Biratnagar link which is in advance stages of implementation. A Raxaul Kathmandu railway line is also on the anvil. The first Bharat Gaurav Tourist Train for Ramayana Circuit connecting the historical city of Janakpur in Nepal to other Ramayana circuit destinations in India was flagged off in June 2022.

2.225 Energy cooperation remains another area of immense potential. This has the potential to emerge as Nepal's largest export earner in the near future. Presently, Nepal exports more than 400 MW of power to India during the wet season.

2.226 Towards development of connectivity, India has upgraded 10 roads of more than 300 km in the Terai area of Nepal providing better connectivity with India. An MoU was signed in Feb 2022 between India and Nepal for the construction of a motorable bridge over Mahakali River at Dharchula in Uttarakhand.

2.227 India has also established Integrated Check Posts (ICPs) at Birgunj and Biratnagar which are operational. India is now working on ICPs at Bhairahawa and Nepalgunj.

2.228 India has an extensive cooperation with Nepal in the area of flood and inundation management. Bilateral mechanisms have been established to discuss these issues regularly with Nepal, namely the Joint Committee on Inundation and Flood Management (JCIFM) and the Joint Committee on Kosi and Gandak Projects (JCKGP). India and Nepal also cooperate closely in the area of flood forecasting for which a network of meteorological and hydro-meteorological sites has been set-up in Nepal and in India.

2.229 During the course of evidence on 19 December 2022, the Foreign Secretary apprised the Committee regarding the assistance provided for irrigation and flood management as under:-

“.....Irrigation and inundation training projects when rivers get flooded. When the Kosi gets flooded in Bihar, you cannot distinguish between the borders at that time. So, you need to carry out river training projects across both sides of the border. This is a classic case where the irrigation projects and the river training projects are done by the Government of Bihar, funded by MEA, but the flood control benefit is for the people of Bihar and also for the people of Nepal. We built a huge Kamala-Bagmati embankment which runs from the Nepali side all the way to our side. The idea is to insulate populations on both sides from the flood situation. This is again funded by the Ministry of External Affairs”.

2.230 Regarding the way forward, fresh initiatives and development projects taken up under the Neighbourhood First Policy, the Ministry has stated that India has expanded our bilateral cooperation to new initiatives like agriculture, inland waterways and power sector cooperation. In April 2018, India and Nepal launched the “India Nepal New Partnership” in Agriculture which focuses on collaborative projects in agriculture education and R&D. In 2019, PMs of two countries announced the Inland waterways connectivity between India and Nepal which will enable four multi-modal transportation routes via inland waterway terminals in Jharkhand, Bihar and Uttar Pradesh. Two of the terminals at Varanasi and Sahibgunj have been completed in 2018-19 and work is underway for remaining terminals.

2.231 In April 2022, both the countries unveiled a Joint Vision Statement on Power Sector Cooperation. At present GoI has been granted power export approvals to Nepal for exporting more than 450 MW of Power to India. In this regard, Indian companies are currently developing large Hydro Electric Projects in Nepal including Arun III (900 MW), Lower Arun (679 MW), Arun-4 (490 MW), West Seti and SR-6 (1200MW) and Upper Karnali(900 MW).

2.232 On the quantum of investment made, aids, loans and line of credit offered to Nepal currently and whether the Government has any plan to enhance the same, the Committee have been informed that India has allocated INR 750 crores under Aid to Nepal budget head for various development assistance and infrastructure projects in Nepal in the current financial year 2022-23. In addition, infrastructure and power projects have been implemented under US\$ 1.65 Billion Lines of Credit extended by GoI to Nepal.

2.233 Since 2014, three cross-border transmission lines, Integrated Check Posts at Birgunj and Biratnagar, 200-bed emergency & trauma centre in Kathmandu, Pashupati Dharmashala, several road stretches and a number of high impact community development projects have been completed in Nepal. With focused efforts from both sides, the Motihari-Amlekhgunj petroleum products pipeline (implemented and funded by IOCL) was completed much ahead of schedule and remotely inaugurated by the two Prime Ministers in September 2019.

2.234 On being asked about the details and status of projects/development projects undertaken through Lines of Credit/soft loans along with the amount involved in Nepal, the Ministry has informed that India supported Lines of Credit (LOC) extended by the Export Import Bank of India to Government of Nepal. GOI has agreed to provide four lines of credit to the Government of Nepal for US\$ 100 million, US\$ 250 million, US\$ 550 million and US\$ 750 million. These lines of credit were signed in June 2006, September 2007 and September 2016, for execution of infrastructure development projects and post-earthquake re-construction projects as prioritized by Government of Nepal.

2.235 India's Lines of Credits have financed 44 road projects, another 7 projects in hydropower and transmission lines and several others in housing and reconstruction, which are spread all across Nepal. A large number of these projects are either completed or are nearing completion, including some iconic and major projects such as Solu Corridor Transmission Line, Koshi Corridor Transmission Line, Muzaffarpur - Dhalkebar Transmission line, Rahughat Hydroelectric project, Devighat hydroelectric project etc.

2.236 The details and status of connectivity projects (rail network and roads) undertaken in Nepal is as under:-

2.237 Border trade Infrastructure: GoI is upgrading India-Nepal border trade infrastructure at an unprecedented pace to reduce bottlenecks, accelerate clearances and promote the creation of regional economic hubs. In recent years, India has been assisting Nepal in establishment of Integrated Check Posts at Birgunj, Biratnagar, Bhairahawa, and Nepalgunj. Second ICP at Biratnagar(Nepal) was inaugurated on 21 Jan 2020. Construction of ICP at Nepalgunj is ongoing and implementation of ICP at Bairahawa will commence soon.

2.238 Petroleum: GoI is working with Government of Nepal for extension of Motihari-Amlekhganj petroleum pipeline to Chitwan in Nepal and implementation of a new cross border pipeline from Siliguri (India) to Jhapa (Nepal).

2.239 Terai Roads Projects: Since 2016, India has provided grant assistance of INR 500 crores to Government of Nepal for construction of 10 roads (divided into 14 road/packages) in Terai area of Nepal of approximately 300 kms connecting Indian borders from west to east of Nepal to

facilitate trade, connectivity and smooth movement of people from Nepal to India and vice-versa. Construction work of the project has been completed.

2.240 Dharchula Motorable bridge: An MoU was signed in Feb 2022 between GoI and Government of Nepal for the construction of a motorable bridge over Mahakali River at Dharchula in Uttarakhand, which forms the international boundary with Nepal in this region. We have recently done the groundbreaking of the Dharchula bridge.

2.241 Railways: India is funding cross-border railway link between India and Nepal at Jaynagar in India to Bardibas in Nepal, and Jogbani in India to Biratnagar in Nepal. Jaynagar-Kurtha stretch of the Jaynagar-Bardibas Project has been operationalised by the two PMs in April 2022. Work on the railway connectivity at Kurtha to Bijalpura stretch and extension upto Bardibas and on the 17.65 km Jogbani – Biratnagar rail link is on going. Besides this, GoI has also funded to carry out feasibility study of proposed Raxaul-Kathmandu broad gauge rail link between both countries.

2.242 RuPay Launch: The Ministry has also informed that during PM Deuba's visit to India in April 2022, both PMs have launched RuPay Card in Nepal.

2.243 The Foreign Secretary also elaborated on the RuPay as a means of digital and financial connectivity during the course of evidence on 19 December 2022, as under:-

“RuPay is the new element of our digital and financial connectivity. In case of Nepal, of course, it is much easier because the Indian rupee and the Nepalese rupee are linked at a fixed rate of currency. In case of Bangladesh and Sri Lanka, of course, there is no such peg. So, it is subject to market fluctuations. But interoperability of our financial platforms and products is something which is very intrinsic and fundamental to the financial and digital connectivity between our two countries. We are now exploring at this stage.....How can the digital e-market and e-commerce platforms in these countries market Indian products? How can Indian e-commerce platforms market their products? Products are the same. It is just that a window to the customer is available more easily so to speak. So, today, for example, there is a link between an Indian e-commerce platform, Myntra and a Nepalese ecommerce platform, Sasto Deal -- which means cheap deal wherein Myntra products can be sold in Nepal through that platform. Of course, there is a back-to-back commercial arrangement of fee, etc. But that is a commercial thing. The Government is not involved in this. But the Government is an enabler. Our regulator is a facilitator. Take the example of UPI. If RBI was not to frame liberal guidelines, you will never have UPI interoperability because regulator has to bridge the demand on the ground and the supply on the ground, and its connectivity. If the regulator does not help, they will remain insulated on both sides. So, again, this is a part of digital finance where institutions play a crucial role. It is important that the Bangladesh

regulator, Indian regulator, Nepalese regulator, and Sri Lankan regulator agree that this will be a part. Then, rest of it is commercial”.

2.244 The Ministry has provided the following details regarding cooperation between India and Nepal in various fields and the achievements so far:-

2.245 Heritage Restoration Projects: Following the earthquake of April 2015, India committed US\$ 1 billion comprising of US\$ 250 million as grant and US\$ 750 million as Line of Credit, for post-earthquake reconstruction projects in Nepal. Grant of US\$ 50 million is allocated for reconstruction 28 cultural heritage projects in 7 districts of Nepal. As of now, work is in progress in 24 sites, 2 projects are in tendering process and 2 projects are in DPR preparation stage.

2.246 Capacity Building and Human Resources Development: GoI provides around 3000 scholarships annually to Nepali nationals studying in India and in Nepal at all levels of education in a wide range of disciplines. Under ITEC programme, professional training is offered annually to about 250 officials from Nepal at various technical institutes in India. From 2007-08, more than 1700 ITEC alumni of Nepal have received trainings under ITEC programme of GoI.

2.247 Humanitarian Assistance and Disaster Relief: India swiftly dispatched National Disaster Response Force (NDRF) teams and special aircrafts with rescue and relief materials to Nepal, when a devastating 7.8 magnitude earthquake struck Nepal on April 2015. India's assistance, which reached Nepal within six hours of the earthquake, included 16 NDRF teams, 39 IAF aircraft sorties with 571 tons of relief material including rescue equipment, medical supplies, food, water, tents, blankets and tarpaulin. Medical teams from India were deployed in various parts of Nepal. India helped in restoring 3 power sub-stations in Kathmandu valley. The total Indian relief assistance to Nepal amounted to over US\$ 67 million.

2.248 Further, India announced a post-earthquake reconstruction package of US\$ 1 billion (which comprises US\$ 250 million grant and US\$ 750 million concessional Line of Credit) during the International Conference on Nepal's Reconstruction held in Kathmandu on 25 June 2015.

2.249 As part of COVID-19 assistance to Nepal, India has provided about 25 tonnes of essential medicines, medical supplies, ICU beds and equipment including Paracetamol, Hydroxychloroquine, PCR test kits and ventilators. India has ensured uninterrupted flow of trade and supply of essentials to Nepal and assisted in repatriation of Nepalese nationals stranded abroad due to COVID-19 situation. On January 2021, India gifted one million doses of 'Made in India' COVID19 vaccine to Nepal, paving way for Nepal's nation-wide vaccination drive. A state of the art, indigenously developed, 960 LPM liquid Oxygen Plant was expeditiously handed over to BP Koirala Institute of Health Sciences in Dharan by the India on August 2021, during the second wave of the pandemic.

2.250 ITEC Programmes: Under ITEC programme, professional training is offered annually to about 250 officials from Nepal at various technical institutes in India. From 2007-08, more than 1700 ITEC alumni of Nepal have received trainings under ITEC programme of GoI.

2.251 Defence and Maritime Security Cooperation: India and Nepal have wide-ranging cooperation in the defence sector. India has been assisting the Nepal Army in its modernisation by supplying equipment and providing training. Assistance during disasters, joint military exercises, adventure activities and bilateral visits are other aspects of India's defence cooperation with Nepal. A number of defence personnel from Nepal Army attend training courses in various Indian Army training institutions. The 'Indo-Nepal Battalion-level Joint Military Exercise SURYA KIRAN' is conducted alternately in India and in Nepal. The last edition of Surya Kiran exercise was held in December 2022 at Saljhandi, Nepal. Since 1950, India and Nepal have been awarding each other's Army Chief with the honorary rank of General in recognition of the mutual harmonious relationship between the two armies. The Gorkha regiments of the Indian Army are raised partly by recruitment from hill districts of Nepal. Currently, about 32,000 Gorkha Soldiers from Nepal are serving in the Indian Army

2.252 Trade, Technology and Tourism: India is Nepal's largest trade partner and the largest source of foreign investments, besides providing transit for almost entire third country trade of Nepal. India accounts for about two-third of Nepal's merchandise trade, about one-third of trade in services, one-third of foreign direct investments, almost 100% of petroleum supplies, and a significant share of inward remittances on account of pensioners, professionals and workers working in India.

2.253 India is the largest source country for tourism into Nepal. Indians visit Nepal for its lofty mountains, hospitality and cultural diversity. A large numbers of Indians are also attracted to Nepal for religious tourism. The same is true for the Nepalese who visit tourist places, shrines and temples located in the farthest corners of India. A Memorandum of Understanding (MoU) on Cooperation in the field of Tourism was signed between the two Governments on 25 November, 2014 in Kathmandu. The MoU aimed to deepen and broaden cooperation in the field of tourism and also promote cooperation and direct communication between the stake holders of tourism and hospitality industry for enhancing tourism cooperation and strengthening economic development and employment generation.

2.254 On the issue of pending disputes between India and Nepal and the fresh initiatives and meaningful dialogues proposed to be taken to resolve such disputes, the Ministry has informed that the India-Nepal boundary is mostly delineated and demarcated with boundary pillars. The boundary pillars are jointly maintained and repaired by the two Governments. There are differences of perception on alignment of the boundary in some areas which will be addressed through the established bilateral mechanisms.

2.255 When the Committee enquired about Joint efforts to stop cross border terrorism, illegal migration, smuggling of fake currency and trafficking in drugs and weapons and the outcome of

the same, the Ministry responded that India shares open border of over 1850 km with Nepal across five Indian states (Uttarakhand, Uttar Pradesh, Bihar, West Bengal and Sikkim), which has contributed to our strong people-to-people contacts of kinship and culture. Steps for better border management are continuously being taken through improved border infrastructure and enhance security cooperation.

2.256 Regular meeting at local level in the border districts and that between the border guarding forces of both sides-i.e SSB&APF have taken place. In fact this meeting took place in a physical format in Kathmandu recently.

2.257 There is good sharing of information between the two sides on contraband smuggling, drugs, fake Indian currency and on activities of various groups and organisation.

2.258 Education: Over the years, India's contribution to the development of human resources in Nepal has been one of the major aspects of bilateral cooperation. GoI provides around 3000 scholarships/seats annually to Nepalese nationals for various courses at the Ph.D/Masters, Bachelors and plus-two levels in India and in Nepal. These scholarships cover a wide spectrum of subjects including engineering, medicine, agriculture, pharmacology, veterinary sciences, computer application, business administration, music, fine arts, etc.

2.259 The Committee observe that presently, Nepal is going through an economic slowdown and enquired whether the Government has sought any assistance from India or India has increased its quantum of investment, aids, loans or any other assistance. The Ministry has responded that under the Neighbourhood First Policy, GoI has focused in people-centric infrastructure development and increased connectivity in Nepal, which has resulted in expeditious implementation and delivery of our bilateral projects. On this front, we have been able to successfully complete a number of bilateral projects ranging from major flagship connectivity to humanitarian assistance projects. Some of these are South Asia's first cross border petroleum product pipeline (Motihari to Amlekhgunj, Nepal); establishment of Integrated Check posts at Raxaul-Birgunj and Jogbani-Biratnagar, three cross-border power transmission lines (Muzaffarpur-Dhalkebar; Kataiya-Kusaha; Raxaul-Parwanipur); completion of 50,000 houses under GoI's Housing Reconstruction Project and the operationalisation of the first cross border broad gauge passenger train service between Jayanagar and Kurtha in April 2022 by the PMs of both the countries.

2.260 The Committee note that India's bilateral relations with Nepal has expanded to new initiatives in agriculture, inland waterways and power sector cooperation. The 'India Nepal New Partnership' in Agriculture which focuses on collaborative projects in agriculture education and R&D was launched in April 2018. The Inland waterways

connectivity between India and Nepal with four multi-modal transportation routes *via* Jharkhand, Bihar and Uttar Pradesh was announced in 2019. Two of the terminals at Varanasi and Sahibgunj have already been completed and work is underway for the remaining terminals. India and Nepal have also unveiled a Joint Vision Statement on Power Sector Cooperation in April 2022. Indian companies are currently developing large Hydro Electric Projects in Nepal including Arun III (900 MW), Lower Arun (679 MW), Arun-4 (490 MW), West Seti and SR-6 (1200MW) and Upper Karnali (900 MW). Under Lines of Credit, 44 road projects; 7 projects in hydropower and transmission lines and several others in housing and reconstruction spread all across Nepal have been financed and a large number of these projects are either completed or are nearing completion. The Committee desire that the Government should give focused attention to collaborative projects in agriculture education and R&D as it would give a boost to the rural economy of both the countries. The remaining inland waterway terminals for the multi-modal transportation routes may be completed at the earliest. The Committee are aware that India would greatly benefit from the commissioning of large hydro electric projects currently being developed by Indian companies in Nepal by way of power export and urge the Government to monitor the progress of work effectively so that these hydro electric projects are completed and operationalized without time and cost overruns. The Committee also desire that all the ongoing and pending projects under Lines of Credit, including housing and reconstruction projects, should be completed at the earliest.

(Recommendation Sl. No. 35)

2.261 The Committee understand that ‘Operation Maitree’, the rescue, relief, rehabilitation and reconstruction assistance provided by India to Nepal in the wake of the earthquake in April 2015, was India’s largest post-disaster assistance programme outside

the country. Under ‘Operation Maitree’ India committed an assistance package of USD 1 billion including USD 250 million in grants and US\$ 750 million as Line of Credit, for post-earthquake reconstruction projects. Grant of US\$ 50 million is allocated for reconstruction of 28 cultural heritage projects in 7 districts of Nepal. As of now, work is in progress in 24 sites; 2 projects are in tendering process and 2 projects are at DPR preparation stage. Though major components of the assistance package that have either been successfully completed or are progressing towards completion include the sectors of housing, education, health care and cultural heritage restoration, the Committee urge the Ministry to monitor the progress of works that are progressing with a view to getting them completed expeditiously. Efforts may also be made for timely finalization of the projects at tendering stage and preparation of DPR and the Committee may be apprised accordingly.

(Recommendation Sl. No. 36)

2.262 The Committee note that India and Nepal have established bilateral mechanisms for regular discussion on the issues of flood and inundation management, namely the Joint Committee on Inundation and Flood Management and the Joint Committee on Kosi and Gandak Projects. Both countries also cooperate closely in the area of flood forecasting for which a network of meteorological and hydro-meteorological sites have been set up in India and Nepal. The Committee are aware about the difficulties faced by both the countries due to flooding of the Kosi and Gandak rivers. They, therefore, desire that the bilateral mechanisms should be strengthened so that regular and meaningful interactions are maintained between India and Nepal for cooperation on flood and inundation management as well as in carrying out river training projects across both sides of the border. The network of meteorological and hydro-meteorological sites in India and Nepal should also be

upgraded with the latest technological advancement for accurate flood forecast and data inputs be shared for mutual benefits.

(Recommendation Sl. No. 37)

2.263 The Committee note that the Government is in the process of upgrading India-Nepal border trade infrastructure with an objective to reduce bottlenecks, accelerate clearances and promote the creation of regional economic hubs. In recent years, India has been assisting Nepal in the development of border infrastructure through upgradation of 10 roads in the Terai area; development of cross-border rail links at Jogbani-Biratnagar, Jaynagar-Bardibas and establishment of ICPs at Birgunj, Biratnagar, Bhairahawa and Nepalgunj. The Committee further note that construction of ICP at Nepalgunj is ongoing while operationalization of ICP at Bairahawa would commence soon. Keeping in view the vast potential for border trade between India and Nepal, the Committee urge the Government to complete the construction work of the ICP at Nepalgunj and operationalize it at the earliest. The Committee also expect that the ICP at Bairahawa would commence functioning very soon. In order to achieve the goal of economic prosperity and stability in the region under the Neighbourhood First Policy, the Committee further urge the Government to facilitate the creation of regional economic hubs.

(Recommendation Sl. No. 38)

2.264 The Committee note that India is funding cross-border railway link between India and Nepal at Jaynagar in India to Bardibas in Nepal and Jogbani in India to Biratnagar in Nepal. Jaynagar-Kurtha stretch of the Jaynagar-Bardibas Project has been operationalised in April 2022. Work on the railway connectivity at Kurtha to Bijalpura stretch and extension upto Bardibas and on the 17.65 km Jogbani – Biratnagar rail link is ongoing. The

Government has also provided funding for carrying out feasibility study of the proposed Raxaul-Kathmandu broad gauge rail link between both the countries. In view of the importance of cross-border railway link between India and Nepal for strengthening of border infrastructure and greater people to people connect, the Committee urge the Government for early operationalization of the ongoing rail link projects and completion of the feasibility study of the proposed Raxaul-Kathmandu broad gauge rail link.

(Recommendation Sl. No. 39)

2.265 The Committee observe that a large number of Indians are attracted to Nepal for religious tourism while Nepalese nationals also visit tourist places, shrines and temples located in the farthest corners of India. A Memorandum of Understanding (MoU) on Cooperation in the field of Tourism was signed between the two Governments on 25 November, 2014 in Kathmandu. The Committee desire that the Government should make sincere efforts to achieve the aims and objectives of the MoU such as, enhanced cooperation between India and Nepal in the field of tourism; facilitating direct communication between the stakeholders of tourism and hospitality industry and bringing about better and improved tourism cooperation while enhancing economic development and employment generation in the country. The Committee also desire that periodic assessment of the impact of the said MoU may be made under intimation to the Committee.

(Recommendation Sl. No. 40)

2.266 The Committee note that with the launch of RuPay card in India and Nepal, RuPay has become the new element of our digital and financial connectivity. Interoperability of our financial platforms and products is something which is very intrinsic and fundamental to the financial and digital connectivity between our two countries. The Committee, hence, desire that the Government should explore the digital e-market and e-commerce platforms

in neighbouring countries to market Indian products and *vice versa* so as to achieve upgraded digital and financial connectivity in the region.

(Recommendation Sl. No. 41)

G. Pakistan

2.267 The details of India's engagements with Pakistan, as furnished in a written reply by the Ministry, are as under:-

“Humanitarian assistance: India continues to pursue humanitarian issues including release of prisoners and fishermen with Pakistan. India has been successful in securing the release and repatriation of more than 2,700 Indian prisoners including fishermen, from Pakistan's custody since 2014. This includes 40 Indian fishermen and 05 Indian civilian prisoners who were released and repatriated to India in 2022. India has sought early consular access and release and repatriation of the remaining Indians in Pakistan's custody.

The two sides also facilitate religious pilgrimages under the 1974 Bilateral Protocol between India and Pakistan on Visits to Religious Shrines. The Government facilitated five pilgrimages to Pakistan in the last one year, in which around 5000 Indian pilgrims visited various temples and Gurudwaras in Pakistan. During the same period, 406 Pakistani pilgrims visited various religious shrines in India as part of three pilgrimages

Kartarpur Corridor: Since its inauguration on 9 November 2019, the Kartarpur corridor has been used by more than 1,29,318 pilgrims to visit Gurdwara Darbar Sahib Kartarpur in Narowal, Pakistan. The functioning of the Kartarpur corridor was temporarily suspended from 16 March 2020 to 17 November 2021 as a precautionary measure to contain and control the spread of COVID-19 pandemic. The Kartarpur corridor remains functional on all seven days of the week.

Maritime security cooperation: The Indian Coast Guard and Pakistan Maritime Security Agency signed an MoU in 2005 which envisages cooperation in illicit drug trafficking and piracy. Maritime Rescue Coordination Centre (MRCC) Mumbai and MRCC Karachi are the established points of contacts on matters concerning anti smuggling, anti narcotics and anti piracy activities at sea”.

2.268 When asked to furnish the details regarding cooperation between India and Pakistan in various fields and the achievements so far, the Ministry has stated that a Composite Dialogue Process was initiated between India and Pakistan to discuss various issues including terrorism and drug trafficking; peace and security including Confidence Building Measures; Sir Creek etc. Several rounds of talks on the issues being discussed under the aegis of the Composite Dialogue Process were held between India and Pakistan between 1998 and 2012.

2.269 In 2014, Prime Minister extended an invitation to the then Pakistani Prime Minister Mr. Nawaz Sharif for his swearing-in ceremony in May 2014. India's External Affairs Minister visited Islamabad in December 2015, and proposed the resumption of a Comprehensive Bilateral Dialogue. Unfortunately all of these initiatives have been responded with acts of cross-border terrorism and violence against India including the cross-border terror attack on Pathankot Airbase on 2 January 2016; attack on Army Camp in Uri in August 2016; and terror attack on the convoy of Indian security forces in Pulwama by Pakistan based Jaish-e-Mohammad (JeM) on 14 February 2019.

2.270 On the issue of pending disputes between India and Pakistan and the fresh initiatives and meaningful dialogues proposed to be taken to resolve such disputes, the Ministry has informed that an Inter-Ministerial Coordination Group (IMCG) at Secretary-level has been set up as a high level mechanism towards mainstreaming of India's 'Neighbourhood First' policy, in line with the vision of Prime Minister.

2.271 Inter-ministerial consultations amongst all relevant stakeholders including on all issues related to strengthening border infrastructure are part of the remit of the IMCG.

2.272 Regarding improvement and strengthening of border with Pakistan under the Neighbourhood First Policy, the Ministry has informed that in a significant development, the Director Generals of Military Operation (DGsMO) of India and Pakistan issued a joint statement on 25 February 2021 to strictly observe all agreements between the two countries on ceasefire and cross border infiltration along the LoC and other sectors, with effect from the midnight of 24/25 February 2021. Both sides reiterated that existing mechanisms of hotline contact and border flag meetings will be utilised to resolve any unforeseen situation or misunderstanding.

2.273 The Committee enquired whether Joint efforts have been to stop cross border terrorism, illegal migration, smuggling of fake currency and trafficking in drugs and weapons and if, so, the details and outcome of the same. The Ministry has responded that India has always desired normal neighbourly relations with Pakistan, and are committed to addressing all issues bilaterally and peacefully. The onus is on Pakistan to create such a conducive environment including by taking credible, verifiable and irreversible action to not allow any territory under its control to be used for cross-border terrorism against India in any manner.

2.274 On being asked about the details and outcome of capacity building measures and technological cooperation between India and Pakistan during the last three years and in the current year, the Ministry has stated that established mechanisms including hotlines, flag meetings, DGMO talks and diplomatic channels exist to take up all cases of cease fire violations, cross-border infiltrations, smuggling of arms and narcotics and airspace violations are taken up with Pakistan.

2.275 India has consistently stressed the need for Pakistan to take credible, irreversible and verifiable action to end cross-border terrorism against India and fulfil the assurances given to India at the highest level in January 2004 to not allow use of territories under its control for terrorism against India in any manner. India has repeatedly called upon Pakistan to bring the

perpetrators of Mumbai terror attack to justice. However, there has been no progress, even after all the evidence has been shared with the Pakistani side.

2.276 Government continues to consistently raise the issue of Pakistan's continued support to cross-border terrorism and terrorist infiltration in bilateral, regional and multilateral fora. Government has also briefed our partners and the international community at large on the continued concerns of cross-border terrorism emanating from Pakistan.

2.277 Many terrorist entities and individuals, who find shelter in Pakistan and also engaged in terrorism against India, have been proscribed by the United Nations (UN), the European Union and other countries.

2.278 The Committee note that India has been pursuing the humanitarian issue of release of prisoners and fishermen in Pakistan's custody. Since 2014, India has been successful in securing the release and repatriation of more than 2,700 Indian prisoners including 40 Indian fishermen and 05 Indian civilian prisoners. The Committee are aware that many more Indian nationals including fishermen have been languishing in Pakistani prisons for a long time and desire that the Ministry should step up its diplomatic efforts to secure their early release and repatriation to India.

(Recommendation Sl. No. 42)

2.279 The Committee note that several rounds of talks were held under the aegis of the Composite Dialogue Process between 1998 and 2012 to discuss various issues including terrorism and drug trafficking; peace and security including Confidence Building Measures; Sir Creek, etc. between India and Pakistan. The Committee further note that many a times, initiatives of India for resumption of the Dialogue have been responded with acts of cross-border terrorism and violence by Pakistan. The Committee recommend that India should continue to remain active and fully prepared to expose Pakistan's act of cross-border terrorism and violence against India at the United Nations and various multilateral and regional fora and counter their raising the issue of Kashmir appropriately.

H. Sri Lanka

2.280 India remains one of Sri Lanka's major development assistance partners with India funded projects spreading across the island nation. Apart from the 60,000 houses being built under the Indian Housing Project (which is India's biggest grant assistance project in Sri Lanka), India has also been implementing numerous people-oriented High Impact Project in sectors like agriculture, health, child and women empowerment, education and livelihood generation. Sri Lanka-wide 1990 Emergency Ambulance Service has been saving precious lives in the country and was of immense value during the COVID pandemic. Jaffna Cultural Center, an iconic, state-of-the-art facility is another shining example of partnership in the development cooperation sphere between the two countries.

2.281 India has helped restore arterial railway lines, which sustained heavy damage in the Tsunami in 2004.

2.282 India has reconnected northern Sri Lanka with the rest of the country by restoring railway lines, establishing signaling systems and supplying rolling stocks.

2.283 A total of 13 Lines of Credit worth USD 2.68 billion have been extended to Sri Lanka to take up various infrastructure projects as well as solar projects and defence procurement projects.

2.284 There exists an active level of defence cooperation with Sri Lanka, which includes supply of military hardware, joint exercises, defence personnel exchanges and goodwill visits by naval and post flagships.

2.285 Prime Minister Modi's first visit to Sri Lanka in 2015 was historical as the first stand-alone bilateral visit of a Prime Minister of India since 1987.

2.286 In the recent economic crisis that has gripped Sri Lanka, India has been the most forthcoming and largest assistance provider. India's bilateral assistance to Sri Lanka to deal with the economic crisis can be divided into two broad categories: 1) assistance to meet the immediate requirements and 2) assisting Sri Lanka in its effort to revive the sectors affected due to the global pandemic and foreign reserves crisis.

2.287 To meet the immediate requirements, in 2022 India has provided food, health and energy security package as well as foreign reserves support amounting to about USD 4 billion including a Line of Credit of USD 55 million for the procurement of 65000 MT of Urea fertilizer, a credit facility of USD 1 billion to the Government of Sri Lanka for procurement of food, medicines and essential items, a Line of Credit of USD 500 million for financing purchase of petroleum products.

2.288 On energy, several cooperative arrangements have been executed to strengthen the sector including an Agreement to jointly develop the Trincomalee oil tanks farm, a joint venture between NTPC Limited from India and the Ceylon Electricity Board (CEB) for developing a 50 MW Solar Power Plant at Sampur.

2.289 Regarding the way forward, fresh initiatives and development projects taken up under the Neighbourhood First Policy, the Ministry has stated that the overall endeavour is to reinforce the demand-driven and people-centric nature of development partnership in Sri Lanka by delivering on projects which have a palpable impact on daily lives of the people of Sri Lanka while also implementing country-wide projects that could benefit Sri Lanka as a whole.

2.290 In 2022, India committed to undertake projects such as Sri Lanka Unique Digital Identity Project, Hybrid renewable energy systems in the three islands off Jaffna, Projects to promote Buddhist ties between the two countries and establishment of 200 smart classrooms in Galle District. The future prospects include reorienting development partnership in accordance with the evolving economic situation in Sri Lanka and associated elements. This will include education, skill development and capacity building as well.

2.291 When asked about the quantum of investment made, aids, loans and line of credit offered to Sri Lanka currently and whether the Government has any plan to enhance the same, the Ministry has stated that cumulatively, the quantum of grants, credit lines and buyer's credit pledged by GOI amounts to around USD 5 billion. This is in addition to various other forms of support such as forex support, currency swaps etc extended by India. It needs to be highlighted that unprecedented, multi-pronged assistance of close to USD 4 billion to Sri Lanka in 2022 is a true reflection of 'Neighbourhood First' Policy.

2.292 As per available figures, investments from India currently stand at around USD 2.2 billion. Moving forward, investments shall be central to the multi-dimensional economic partnership with Sri Lanka with increased focus on key sectors such as renewable energy and infrastructure development among others.

2.293 Regarding the details and status of projects/development projects undertaken through Lines of Credit/soft loans along with the amount involved in Sri Lanka, the Ministry has informed that India-Sri Lanka development cooperation projects under the Lines of Credit/Buyer's Credit are being undertaken in several crucial sectors including railways & infrastructure development (about USD 1.684 billion), defence (USD 267 million), renewable energy (USD 100 million), water supply (USD 317 million), port development (USD 45.27 million), supply of essential items (about USD 1.7 billion) etc.

2.294 Of the above, six Lines of Credit and two Buyer's Credit facilities (USD 1.468 billion) have been completely utilized; Projects are ongoing under six Lines of Credit (about USD 2 billion) and two Buyer's Credit (USD 255 million) and two Lines of Credit of USD 450 million remain under discussion.

2.295 Recently, 125 State-of-the-art made in India Mahindra SUVs were handed over by GOI to Sri Lanka Police under the USD 100 million defence LOC. 375 more SUVs will be supplied by March 2023. This supply will not only augment the capacities of Sri Lanka Police but also strengthen our economic ties and presence of a prominent Indian company in Sri Lanka. In addition, implementation of the USD 100 million LOC for Solar projects is progressing well and the Consultant appointed for DPR preparation has started ground work. Projects under this LOC will further bolster cooperation in the renewable energy sector between India and Sri Lanka.

2.296 On being asked about the details and status of connectivity projects, the Ministry has stated that given India and Sri Lanka's close geographical proximity, enhancing connectivity links is natural and mutually beneficial. The two countries have been pursuing several connectivity initiatives in the past years. While air links existed between Colombo (Sri Lanka) with several Indian cities, there was a lack of connectivity from India with the Northern and other parts of Sri Lanka. In order to enhance economic cooperation and tourism, air links between Jaffna and Chennai were established in October 2019 but had to be suspended due to the Covid-19 pandemic in March 2020. This connection has been resumed in December 2022 and 4 flights per week have been started by Alliance Air. India is extending viability gap funding to Alliance Air to make the flight operations viable and sustainable.

2.297 In addition to air links, commencement of ferry services between Kankesanthurai Port in Jaffna and Karaikal in Puducherry is also in advanced stages. The Government of Sri Lanka has given approval to potential operators to start ferry services on this route and is in the process of completing other procedures such as establishment of immigration facilities, creation of necessary infrastructure etc.

2.298 The Ministry has provided the following details regarding cooperation between India and Sri Lanka in various fields and the achievements so far:-

2.299 Heritage Restoration Projects: Heritage restoration is a key pillar in the cultural sphere of development partnership. Restoration of the legendary Thiruketheeswaram temple, one of the five sacred Ishwarams dedicated to Lord Shiva in Mannar region of Sri Lanka, was taken up by GOI, following the temporary closure of the temple for 12 years due to the conflict in Sri Lanka. The SLR 326 million project paved way for the devotees to gather at the sacred temple yet again.

2.300 Commemorating 2600th year of Enlightenment of Lord Buddha, a 16-foot statue of Lord Buddha in Sarnath style was installed at the entrance of the International Buddhist Museum complex in Sri Dalada Maligawa in the historic capital city of Sri Lanka, Kandy.

2.301 An Indian Gallery developed by the National Council of Science Museums, encapsulating the origins of Buddhism in India and its peaceful spread to other parts of Asia and the world, was set up at the Buddha Tooth Relic Temple Kandy, Sri Lanka in 2013.

2.302 Under High Impact community development Project, GOI restored Sri Lankan Heritage dancing school 'Kandiyan Dancing Academy' at the Pallekelle in Kandy.

2.303 Capacity Building and Human Resources Development and ITEC Programmes: India's capacity building efforts in Sri Lanka are mainly undertaken through the Indian Technical and Economic Cooperation (ITEC), a flagship programme of the India. Sri Lanka remains one of the most important ITEC partner countries, which receives 402 fully-funded slots every year for officials in various Ministries of Government of Sri Lanka and also for other eligible citizens of Sri Lanka, for short-term training courses in various prestigious institutions in India to enhance their skill-sets. The training courses are spread over a multitude of sectors such as management & leadership, international trade, tourism, textiles, agriculture, banking, accounting, artificial intelligence, defense and policing, yoga, renewable energy, petroleum & hydrocarbon, media, SMEs, Women empowerment, ICT, English language etc.

2.304 Due to pandemic restrictions on international travel, our capacity building training courses were provided virtually to Sri Lankan officials through e-ITEC since early April 2020 to March 2022, during which around 778 participants from Sri Lanka attended e-ITEC courses.

2.305 Since March 2022, though ITEC courses were provided physically, the utilisation so far by the Mission in Colombo as well as our posts in Kandy, Hambantota and Jaffna is 111 (about 28%). This is below expected levels mainly due to the ongoing economic crisis in Sri Lanka. However, there is rising demand for these slots with the normalisation of situation in Sri Lanka. Apart from the participation of Sri Lankan officials to regular courses, customised e-ITEC courses for Sri Lankan Police Department and Sri Lankan Ministry of Education were arranged during the pandemic to further reinforce the capacity building partnership between India and Sri Lanka. In the times of pandemic, several courses related to controlling the COVID-19 pandemic such as 'COVID-19 - Good Governance Practices in a Pandemic' and e-ITEC course on 'Policing during pandemic times' were offered to Sri Lanka.

2.306 Other Capacity Building Partnership: Apart from capacity building partnership through ITEC, India provides technical and capacity building assistance based on the priorities and needs of Sri Lanka. Some of the initiatives include: online bilateral interaction on various aspects of organic agriculture and plant nutrient management for Sri Lanka in July 2021, a webinar on "Production of Nutrients Enriched Biochar for Organic Agriculture" on the request of Sri Lanka council for Agricultural Research and Policy (SLCARP).

2.307 Human Resource Development: In addition to ITEC, India offers about 750 scholarship slots annually for Sri Lankan students to enable them to pursue Undergraduate, Masters and Research in diverse subjects in India. The main categories under which the scholarships are offered are: Nehru Memorial Scholarship Scheme, Rajiv Gandhi Scholarship Scheme, Maulana Azad Scholarship Scheme, Commonwealth Scholarship Scheme and AYUSH Scholarships. Further, Indian institutes under 'Study in India' Program provide technical expertise across a diverse range of courses, and include programs in niche disciplines such as Ayurveda, Yoga, and Buddhist Studies. From the academic session 2017-18, Sri Lankan students can also appear for National Eligibility cum Entrance Test (NEET) in centers in India for MBBS/BDS admissions. IIT JEE (Advanced) entrance examinations have commenced in Sri Lanka from 2017.

2.308 Humanitarian Assistance and Disaster Relief: Operation Sagar-Aaraksha-I: Panama flagged oil tanker New Diamond incapacitated and drifted off East Coast of SL in August-September 2020. India immediately deployed INS Sahyadri for rescuing stranded crew and coordinated fire fighting/salvage efforts. ICG Shaurya, Sujay and Sangram were also deployed for assistance along with Pollution Control Vessel Samudra Pehredaar. Integral helicopters of Naval Ships and Dornier aircraft were also deployed for fire fighting and assisted SL in averting a maritime & environment disaster.

2.309 Operation Sagar-Aaraksha-II: Singapore registered 186m long container ship MV X-Press Pearl carrying hazardous chemicals and oil incapacitated in May 2021. ICG Ships Vajra and Vaibhav were deployed along with Dornier aircraft for fire fighting and securing the drifting ship. Pollution Control Vessel Samudra Prahari was deployed to carry out the assessment and assisted SL in minimising the effects of a maritime & environment disaster. INS Sarvekshak undertook survey of the debris from 25 May to 04 June 21 and ICG Samudra Pehredaar carried out extent of oil spillage off Colombo from 10-11 June 2021.

2.310 Mission SAGAR: During third wave of COVID pandemic in Sri Lanka, on Government of Sri Lanka's request, India deployed, INS Shakti to supply 100T Liquid Medical Oxygen (LMO) at Colombo on 22 August 21.

2.311 Delivery of Medical stores & humanitarian assistance: 25.925 MT of general/lifesaving medicines worth of INR 5.6 Cr were provided to SL onboard Indian Naval Ship Gharial in May 22.

2.312 Artificial Limb Camp for Sri Lanka armed force personnel: 47 days Artificial Limb Camp for the disabled defence personnel of Sri Lanka Armed Forces was conducted on gratis basis from 28 Jan 2022 onwards, during which around 700 Artificial Limbs were fitted (450 for Armed Forces personnel and 250 for civilians in Northern Province).

2.313 Air Lifting of Nano Fertilizers by IAF: On Government of Sri Lanka's request, two C 17 Aircraft were deployed 04-05 November 21 to airlift 80 T Nano fertiliser from Ahmedabad to Colombo to meet urgent requirements of Sri Lankan farmers.

2.314 Defence and Maritime Security Cooperation: India and Sri Lanka share a robust defence and security partnership. Our cooperation includes in the area of capacity building – in defence platforms ranging from establishment of Maritime Rescue Coordination Center, Floating Dock for Sri Lankan Navy, Dornier Aircraft and ALH training. Sri Lanka is an important partner in information sharing and joint patrolling to counter drug/ human/ arms smuggling and maintain peace and order at the near shores of Indian Ocean.

The 6th Deputy NSA Level meeting hosted at Kochi, India on 7th July 2022 was joined by our maritime partners Sri Lanka, Maldives and Mauritius along with Bangladesh and Seychelles as observer. Sri Lanka also actively participated in Oceanographer and Hydrographer Conference held in India from 15-18 November 2022.

2.315 Trade, Technology and Tourism: India and Sri Lanka enjoy a vibrant and growing trade partnership, which has witnessed considerable expansion over the years. India has traditionally been among Sri Lanka's largest trade partners and Sri Lanka remains among the largest trade partners of India in the SAARC. The entry into force of the India-Sri Lanka Free Trade Agreement (ISFTA) in 2000 contributed significantly towards the expansion of trade between the two countries which has increased from US\$ 561 million in the year 1999 to US\$ 5.45 billion currently. To further broaden the scope of FTA and to strengthen the economic, trade, investment and technology cooperation between India and Sri Lanka, an Economic and Technology Cooperation Agreement (ETCA) was proposed and negotiations were conducted. The ETCA covers both goods and services. Eleven rounds of negotiations have been completed so far with the 11th round being held in September 2018. Sri Lankan side has now conveyed its willingness to resume ETCA negotiations which is under consideration in GoI.

2.316 In the year 2021, India was Sri Lanka's largest trading partner with the bilateral merchandise trade amounting to about US\$ 5.45 billion. India's exports to Sri Lanka in this year amounted to more than US\$ 4.62 billion while Sri Lanka's exports to India reached US\$ 829 million. This represents an increase of more than 48 % in the overall merchandise trade between India and Sri Lanka which stood at US\$ 3.68 billion in 2020. Fuel, pharmaceutical products, fabric and yarn, iron & steel, sugar, chemicals, cereals, tea & coffee, machinery, plastics etc. comprise some of the major exports from India. At the same time, Sri Lanka's major exports to India include: mineral fuels, animal feed, tea; coffee; and spices, furniture, electrical machinery, apparel and fabrics etc.

2.317 The ongoing economic uncertainty in Sri Lanka along with the acute scarcity of forex have created challenges in financing of imports from India such as through Letters of Credit. The imposition of licensing requirements and restrictions on certain imports by the Government of Sri Lanka to reduce forex outflow on imports and help stabilize the economic situation have impacted a few of India's major exports to Sri Lanka such as vehicles. In addition, some pre-existing challenges in terms of non-tariff measures and regulations have an influence on imports into Sri Lanka.

2.318 These issues faced by Indian exporters and companies are being addressed with active support by the Mission. Many of these issues have been resolved successfully while efforts are underway to address others. The success of these efforts is reflected by the significant increase in bilateral trade, in particular Indian exports to Sri Lanka, during the post-pandemic period and the ongoing economic crisis in Sri Lanka.

2.319 Lines of Credit from India contributed towards sustaining trade during the crisis period. Other innovative measure adopted since then such as permitting trade in INR (initiated in December 2022) will help sustain the bilateral trade in the long run. Indian business and industry has begun adopting innovative means such as assembly of vehicles locally in Sri Lanka to overcome the vehicle import restrictions.

2.320 Technology: India Sri Lanka cooperation in the field of Science & Technology covers a wide variety of areas. There has been a regular exchange of scientists & experts apart from know-how sharing. Since 2011, our bilateral cooperation in Science & Technology has been steered through the India-Sri Lanka Joint Committee on Science & Technology (JCST) and it has held five meetings so far. The last meeting of the Committee was held in January 2022 virtually, during which both sides reviewed the ongoing collaborative activities in the 9 areas spanning food technology; plant base medicines; meteorology; space research & applications, robotics & automation; industrial electronics, renewable energy; waste management; information and communication technology. It was also mutually agreed by both sides to extend the Programme of Cooperation (POC) for another 3 years between both countries and identified new areas such as like waste-water technologies, industry and biotech, sustainable agriculture, aerospace engineering, robotics, big data analytics, and artificial intelligence to be included in the POC.

2.321 Further, under the India Science and Research Fellowship (ISRF) programme, which was launched in 2015, India offers fellowship for maximum of 10 mid-career scientists/researchers of Sri Lanka to undertake research in Indian R&D institutions.

2.322 Tourism: India and Sri Lanka share a robust partnership in the field of tourism due to their enduring people-to-people ties and cultural similarities. India has traditionally been the largest source market for tourist arrivals in Sri Lanka and this trend has continued in the post-Covid years. By first week of December 2022, with 108,510 arrivals (which was the highest from any country), Indians constituted about 17% of total tourist arrivals to Sri Lanka in 2022. On the other hand, Sri Lanka was among the top 15 source markets for tourism to India in the year 2021.

2.323 In order to enhance tourism ties, several initiatives have been taken by the Governments of India and Sri Lanka in recent years. An Air travel bubble was created between India and Sri Lanka in April 2021 to facilitate travel of tourists, business men, officials etc. Under this air bubble, flights between Colombo and multiple locations in India were operated by Air India, Sri Lankan Airways, Indigo and Vistara etc. Steps have also been taken to establish greater connectivity with other regions in Sri Lanka. In this regard, air links between Jaffna and Chennai which were suspended due to the Covid-19 pandemic were resumed in December 2022. Discussions on commencement of passenger ferry services between Kankesanthurai Port and Karaikal Port (Puducherry) etc have also reached an advanced stage.

2.324 In order to strengthen religious ties and to promote tourism to Buddhist sites in India, on the invitation extended by our Prime Minister during the Virtual Bilateral Summit with Sri Lanka in September 2020, the inaugural international flight from Sri Lanka to the sacred city of Kushinagar took place on the auspicious 'Abhidhamma Day' on October 20, 2021. The sacred Kapilvastu Buddha relics from the Rajaguru Sri Subhuthi Maha Vihara of Waskaduwa were also taken on the flight for an exposition in India.

2.325 On the issue of pending disputes between India and Sri Lanka and the fresh initiatives and meaningful dialogues proposed to be taken to resolve such disputes, the Ministry has informed

that there is no boundary dispute with Sri Lanka. On the fishermen issue, at the recent 5th India-Sri Lanka Joint Working Group Meeting on Fisheries co-chaired by Fisheries Secretaries, both sides agreed on the need to work a long term solution to the fishermen issue. India continues to remain engaged with the Government of Sri Lanka to ensure that fishermen can continue to pursue their livelihood in a safe, secure and sustainable manner. Recently, Indian fishermen resumed their participation in the annual St Anthony's Festival in Katchachateevu Island in 2022, after Covid gap restricted movements.

2.326 Regarding improvement and strengthening of border with Sri Lanka under the Neighbourhood First Policy, the Ministry has informed that enhancing Sri Lankan maritime domain awareness is in the interest of India and the region as a whole. Colombo Security Conclave wherein maritime countries of the region (India, Sri Lanka, Maldives, Mauritius as members and Bangladesh and Seychelles as observers) discuss collective security concerns, is convened regularly. India and Sri Lanka share a robust defence and security partnership. Our cooperation includes capacity building to prevent crimes across maritime boundary. This is achieved through providing defence platforms ranging from establishment of Maritime Rescue Coordination Center, Floating dock for Sri Lankan Navy, Dornier Aircraft, etc. The security cooperation between India and Sri Lanka also involves sharing of information on issues of counter terrorism, narcotic smuggling, gold smuggling, human trafficking and illegal migration.

2.327 When the Committee enquired about Joint efforts to stop cross border terrorism, illegal migration, smuggling of fake currency and trafficking in drugs and weapons and the outcome of the same, the Ministry responded that the ongoing security cooperation between various agencies in India and Sri Lanka has been mutually beneficial to both countries. The security cooperation between India and Sri Lanka involves sharing of information on issues of counter terrorism, narcotic smuggling, gold smuggling, human trafficking and illegal migration. Further regular meetings with Police and security agencies of Sri Lanka are being held to facilitate inter agency cooperation and coordination. Besides on the request of Ministry of Home Affairs, the Mission has been regularly approaching SL Government under the provisions of Mutual Legal Assistance Treaty, for their assistance in investigation of various cases.

2.328 On the efforts being made by the Government to tackle the refugee crisis in India due to illegal migration; smuggling and trafficking in drugs and cross-border terrorism, the Ministry has informed that the ongoing security cooperation between various agencies in India and Sri Lanka has been mutually beneficial to both countries. The security cooperation between India and Sri Lanka involves sharing of information on issues of counter terrorism, narcotic smuggling, gold smuggling, human trafficking and illegal migration. Further regular meetings with Police and security agencies of Sri Lanka are being held to facilitate inter agency cooperation and coordination. Besides on the request of Ministry of Home Affairs, the Mission has been regularly approaching Sri Lankan Government under the provisions of Mutual Legal Assistance Treaty, for their assistance in investigation of various cases

2.329 The major initiatives taken by India in the field of defence and security/maritime security cooperation and cooperation in energy, health and education sectors with Sri Lanka under the Neighbourhood First Policy and the achievement so far, is as under:-

2.330 Energy: In early 2022, Lanka IOC also concluded an arrangement to jointly develop the Upper Tank Farm at Trincomalee with CPC for hydrocarbon related businesses including storage. Lanka IOC played a key role in enhancing the energy security of Sri Lanka specially during the economic crisis and continues to fulfill an important role in the country. National Thermal Power Corporation NTPC is working with Ceylon Electricity Board CEB on establishing a 50 MW solar power plant at Sampur near Trincomalee as well as a 300 MW LNG-based power plant at Kerawalapitiya near Colombo. An Indian entity named Petronet LNG Limited (PLL) is also interested in getting involved in the establishment of infrastructure in Sri Lanka for receiving LNG (LNG FSRU and pipelines). Further, hybrid renewable energy projects will be set up on three islands off the coast of Jaffna with Indian assistance.

2.331 Health: India remains by far the biggest supplier of medicines and medical devices to Sri Lanka. Pharmaceutical exports from India consistently feature among the top 10 items of export to Sri Lanka. Further, both sides are exploring greater collaboration in terms of manufacturing of medicines in Sri Lanka as well as for expedited procurement from India. During the Covid pandemic, supply of vaccines from India helped initiate Sri Lanka's vaccination programme earlier than anticipated. Since then both sides have worked together on countering the challenges posed by the pandemic including through cooperation on Covid surveillance. India also supplied liquid medical oxygen to Sri Lanka when demand had increased due to Covid apart from public and private donations of medicines during the economic crisis.

2.332 Education: India has taken various initiatives in the field of education and human resource development in Sri Lanka. Besides the scholarships, Indian institutes under 'Study in India' Program provide technical expertise across a diverse range of courses, and include programs in niche disciplines such as Ayurveda, Yoga, and Buddhist Studies. Further, from the academic session 2017-18, Sri Lankan students can also appear for National Eligibility cum Entrance Test (NEET) in centers in India for MBBS/BDS admissions. IIT JEE (Advanced) entrance examinations have commenced in Sri Lanka from 2017. In addition, India and Sri Lanka are working towards collaboration in Higher Education sector, including by establishment of offshore Campuses of Indian Higher Education Institutes in Sri Lanka and extension of their courses in Sri Lanka.

Defence and Maritime Security Cooperation:

2.333 Capacity Building:

MRCC: The MoU and Agreements pertaining to MRCC between GoI&GoSL and M/s BEL & MoD, Sri Lanka respectively have been signed on 28 March 2022 at Sri Lanka.

Thereafter, contract between MEA and BEL was signed 04 April 2022. The project is progressing as per the Project Management Plan.

Floating Dock: GoI had proposed to supply 4000 T floating dock on grant basis. The G-G agreements pertaining to FD was signed on 15 March 2022 in Colombo. The contract between M/s Goa Shipyard Limited (GSL) and Sri Lanka Navy (SLN) was signed on 22 March 2022 in Colombo. The Contract between MEA and GSL was signed on 04 April 2022. The project is progressing well and expected to be completed in 2023.

Dornier aircraft:-*IN* Dornier (INDO 232) was inducted as SLAF SMR- 846 on 15 August 2022 at SLAF Base, Katunayake. The *IN* Do Technical Team (05) arrived at SL on 25 August 2022.

ALH Training:-The *IN* Advance Light Helicopter (ALH) was deployed to Sri Lanka from 23-31 March 2022, which provided SLAF pilots an excellent training opportunity for co-pilot experience and deck landing onboard SLNS Sayurala.

Visits by Naval Ships: Total 16 Indian Naval Ships/ Sailing Boats undertook OTRs in Sri Lanka (Colombo, Trincomalee and Hambantota ports) in year 2021 and 2022 each.

2.334 The details and outcome of capacity building measures and technological cooperation between India and Sri Lanka during the last three years and in the current year is as under:-

2.335 Capacity Building Measures: Since 2019, a total of 1,138 Sri Lankan nationals have received capacity building trainings under our ITEC programmes. Details of participants in each financial year for the last 3 years are as follows.

2019-20	:	279
2020-21	:	326
2021-22	:	422
2022- till now :		111

2.336 Besides the enthusiastic participation for Sri Lankan officials for the regular ITEC courses, customised courses for Sri Lankan Police Department, Sri Lanka's Commission to Investigate Allegations of Bribery or Corruption and Sri Lankan Ministry of Education were arranged in the last 3 years to further reinforce the capacity building partnership between India and Sri Lanka.

2.337 Technological Cooperation: India Sri Lanka cooperation in the field of Science & Technology covers a wide variety of areas. There has been a regular exchange of scientists & experts apart from know-how sharing. Since 2011, our bilateral cooperation in Science & Technology has been steered through the India-Sri Lanka Joint Committee on Science &

Technology (JCST) and it has held five meetings so far. In the last three years, two meetings of JCST has been held in August 2019 and January 2022 respectively. During the last meeting of the JCST which was held virtually in January 2022, both sides reviewed the ongoing collaborative activities in the 9 areas spanning food technology; plant base medicines; meteorology; space research & applications, robotics & automation; industrial electronics, renewable energy; waste management; information and communication technology. It was also mutually agreed by both sides to extend the Programme of Cooperation (POC) for another 3 years between both countries and identified new areas such as like waste-water technologies, industry and biotech, sustainable agriculture, aerospace engineering, robotics, big data analytics, and artificial intelligence to be included in the POC.

2.338 Further, under the India Science and Research Fellowship (ISRF) programme, which was launched in 2015, India offers fellowship for maximum of 10 mid-career scientists/researchers of Sri Lanka to undertake research in Indian R&D institutions.

2.339 In addition, some important aspects of our bilateral Science & Technology collaboration are as follows:

- South Asia satellite: Sri Lanka was the first country that agreed to be part of South Asia satellite, which was launched on 05 May 2017.
- Civil Nuclear Cooperation: A bilateral agreement on Civil Nuclear Cooperation was concluded in February 2015, which entered into force in June 2015. The Joint Committee has been constituted on both sides and the first round of JWG was held in Mumbai in November 2016.
- Information & Technology: A MoU on cooperation in Electronics & IT covering e-Governance, m- Governance, e-Public Services Delivery including e-learning, telemedicine, cyber security, etc. was signed in January 2018. Further, Sri Lanka became the first SAARC country to join the National Knowledge Network (NKN) which enabled Sri Lankan Universities to have digital access to around 1600 universities in India.
- Agriculture: A MoU on Cooperation in the field of Agriculture was signed in January 2012.
- Telecommunications: A MoU was signed in January 2012 that provides for establishing a mechanism of technical and institutional cooperation in the field of telecommunications, with the purpose of development of telecommunications in both the countries.

2.340 The Committee observe that presently, Sri Lanka is in the grip of an economic crisis and enquired whether the Government has sought any assistance from India or India has increased its quantum of investment, aids, loans or any other assistance. The Ministry has stated that in response to requests from Government of Sri Lanka for support in addressing various challenges emerging from the economic crisis in the country, India offered Lines of Credit (LOCs) and a credit facility with a total value of US\$ 1555 million in 2022. These include: US\$ 500 million LOC for purchase of petroleum products in February 2022, a US\$ 1 billion Credit Facility for supply of food, fuel and other essential items in March 2022 and a US\$ 55 million LOC for the procurement of Urea Fertilizer in June 2022. Apart from these, the RBI has provided US\$ 400 million as Currency swap for Central Bank of Sri Lanka (CBSL) in January 2022 to support Sri

Lanka. In addition to the financial assistance, RBI has deferred about US\$ 2 billion payment liabilities by CBSL under the Asian Clearing Union mechanism till June 2022.

2.341 Investment led growth is perhaps the most sustainable pathway for Sri Lanka to achieve expedited economic recovery and ensure sustained long-term growth. Indian public and private sector entities are examining various ways and projects to further expand their presence and investments in Sri Lanka in areas such as energy, power, real estate, ports & connectivity, renewable energy, minerals, and manufacturing. According to information provided by the Central Bank of Sri Lanka in connection with Foreign Direct Investments (FDI) inflows into Sri Lanka, FDI from India amounted to US\$ 2,227 million by the year 2021 making India the 3rd largest investor in Sri Lanka. Existing investments from India into Sri Lanka involve areas such as energy, hospitality, entertainment, real estate, telecommunications, banking, manufacturing etc. In the year 2021, India was also the largest source of FDI for Sri Lanka with an inflow of US\$ 142 million.

2.342 India has also engaged constructively with Sri Lanka on debt restructuring that will help Sri Lanka achieve debt sustainability and also enable the approval of the support programme for Sri Lanka under consideration in the IMF. It may be recollected that India had also advocated the need for supporting Sri Lanka at the IMF. Some of the marquee Indian investment project have either been initiated in the recent past (West Container Terminal at Colombo Port, ITC Tower and Hotel) are nearing completion.

2.343 In addition to the above, India has extended the following support to Sri Lanka:

- More than 26 tons of drugs and other medical supplies worth around INR 6 crores have been provided to Peradeniya University Hospital, Jaffna Teaching Hospital, Hambantota General Hospital and Ambulance Service ‘1990’ in April-May 2022 to meet the acute shortage of medicines.
- 1 Lakh Rapid Antigen Kits worth INR 99,91,427 were donated in February 2022.
- Donation by the Government of Tamil Nadu worth more than INR 176 crores including 40,000 MT rice, 500 MT milk powder and more than 100 MT of medicines in 2022.
- A consignment of Kerosene (15,000 litres) was delivered for the use of fishermen in Sri Lanka.
- Distribution of dry rations to the needy sections all around Sri Lanka.

2.344 The Committee note that Sri Lanka is one of our major development assistance partners. Under the Indian Housing Project, 60,000 houses are being built and numerous people-oriented High Impact Projects in sectors like agriculture, health, child and women empowerment, education and livelihood generation are under implementation. Several projects under Lines of Credit are under discussion. Implementation of the USD 100

million Solar project is expected to bolster cooperation in the renewable energy sector between India and Sri Lanka. The Committee further note that eleven rounds of negotiations on an Economic and Technology Cooperation Agreement (ETCA) covering goods and services have been completed as far back as in September 2018 and the Sri Lankan side has now conveyed its willingness to resume the said negotiations. The Committee understand that the said ETCA would broaden the scope of Free Trade Agreement between India and Sri Lanka strengthening economic, trade, investment and technology cooperation and therefore, desire that the negotiations should be resumed for its early and successful conclusion. It should also be the endeavour of the Government to complete all the ongoing projects in various sectors expeditiously while taking up new initiatives for cooperation in capacity building and skill development.

(Recommendation Sl. No. 44)

2.345 The Committee note that the ongoing economic uncertainty in Sri Lanka along with the acute scarcity of forex have created challenges in financing of imports from India such as through Letters of Credit. Imposition of licensing requirements and restrictions on certain imports by Sri Lanka to reduce forex outflow to stabilize their current economic situation have impacted a few of India's major exports to Sri Lanka such as vehicles. In addition, some pre-existing challenges in terms of non-tariff measures and regulations also have had some repercussions. The Committee also note that many of these issues have been resolved successfully while efforts are underway to address others. The Committee feel that despite the ongoing economic crisis in Sri Lanka, there is scope for smooth and enhanced bilateral trade between the two countries and they, therefore, urge the Ministry and Indian Mission to play a more proactive role in resolving all the pending issues so that significant increase in Indian exports to Sri Lanka is achieved.

(Recommendation Sl. No. 45)

2.346 The Committee are aware of the long pending fishermen issue between India and Sri Lanka. The Ministry has informed that in the 5th Joint Working Group Meeting on Fisheries held in March 2022, both countries have agreed on the need to work out a long term solution to the fishermen issue. In view of Indian fishermen getting arrested and their boats being seized by Sri Lankan Navy every now and then, the Committee urge the Ministry to consistently engage with the Sri Lankan Government through meaningful dialogues so that a permanent solution to the issue of fishermen and their livelihoods is worked out in a humanitarian manner. The Committee desire that the Ministry should also take initiatives for maritime domain awareness in its extended neighbourhood.

(Recommendation Sl. No. 46)

2.347 The Committee note that India and Sri Lanka share a robust defence and security partnership. Our cooperation includes capacity building to prevent crimes across maritime boundary ranging from establishment of Maritime Rescue Coordination Center, Floating Dock for Sri Lankan Navy, Dornier Aircraft, etc. Security cooperation between India and Sri Lanka also involves sharing of information on issues of counter terrorism, narcotic smuggling, gold smuggling, human trafficking and illegal migration. Besides, the Colombo Security Conclave wherein maritime countries of the region (India, Sri Lanka, Maldives and Mauritius as members and Bangladesh and Seychelles as observers) discuss collective security concerns, is convened regularly. The Committee desire that security partnership with Sri Lanka should further be strengthened for enhanced inter-agency cooperation and coordination. The Committee also desire that the Ministry should take fresh initiatives for enhancing the maritime domain awareness of Sri Lanka in the interest of the country and the region as a whole.

(Recommendation Sl. No. 47)

2.348 The Committee find that in 2022, India had offered US\$ 1555 million credit facility to Sri Lanka in response to their requests for support to tide over the economic crisis they were facing. This included US\$ 500 million LOC for purchase of petroleum products, US\$ 1 billion Credit Facility for supply of food, fuel and other essential items and US\$ 55 million LOC for the procurement of urea fertilizer. Apart from these, the RBI provided US\$ 400 million as currency swap for Central Bank of Sri Lanka (CBSL) in January 2022. In addition to the above financial assistance, RBI also deferred about US\$ 2 billion payment liabilities by CBSL under the Asian Clearing Union mechanism. Since Sri Lanka is still reeling under financial crisis, the Committee desire that the Government should continue to be Sri Lanka's biggest friend in times of crisis and support Sri Lanka by offering favourable terms for Lines of Credit, currency swap and other financial measures, if required by Sri Lanka.

(Recommendation Sl. No. 48)

2.349 The Committee note that India is also the largest source of FDI for Sri Lanka with an inflow of US\$ 142 million in 2021. Indian public and private sector entities are examining ways and projects to further expand their presence and investments in Sri Lanka in areas such as energy, power, real estate, ports & connectivity, renewable energy, minerals and manufacturing. As investment led growth is perhaps the most sustainable pathway for Sri Lanka to achieve expedited economic recovery, the Committee urge the Government to facilitate Indian public and private sector companies to invest in projects and set up businesses in Sri Lanka .

(Recommendation Sl. No. 49)

2.350 The Committee has noticed that India has also engaged constructively with Sri Lanka on debt restructuring and in enabling the approval of the support programme for Sri Lanka in the IMF. The Committee appreciate the approach of India and desire that the Government should also strongly advocate the need for supporting Sri Lanka at the IMF, to other countries.

(Recommendation Sl. No. 50)

CHAPTER III

REGIONAL FRAMEWORKS UNDER INDIA'S NEIGHBOURHOOD FIRST POLICY

3.1 Under the Neighbourhood First Policy, India engage with its neighbours under regional frameworks like South Asian Association for Regional Cooperation (SAARC), Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and Bangladesh-Bhutan-India-Nepal (BBIN).

3.2 When asked to furnish the details regarding India's engagement under regional platforms such as BIMSTEC, SAARC and BBIN and whether the Government has any plan to enhance its role for more outcome oriented approach, the Ministry has stated that India remains committed to working with member States in SAARC to achieve the objectives laid down in the SAARC Charter including cooperation in areas of common interest.

3.3 In BIMSTEC, India is the Lead Country for security pillar under which there are three sub-sectors - Counter-Terrorism and Transnational Crime (CTTC), Disaster Management and Energy Security.

3.4 BBIN Motor Vehicle Agreement (MVA) was signed in June, 2015 during the meeting of the Transport Ministers of the participating countries in Thimpu, Bhutan. Bhutan, pending ratification by its Parliament, in April 2017 gave its consent for implementation of the BBIN MVA by the three countries Bangladesh, India and Nepal. A draft MoU to implement the BBIN MVA amongst these three countries was agreed in a meeting held in March 2022. Draft Cargo Protocol and Passenger Protocol are also under discussion to operationalise the BBIN MVA.

3.5 During the course of evidence on 16 December 2021, the representative of the Ministry highlighted the likely benefits of the BBIN MVA as under:-

“These Protocols contain the modalities for implementation of the agreement and involves technical level discussion. The BBIN MVA will allow BBIN countries to move forward with implementation of land transportation facilitation arrangements, enable the exchange of traffic lights and ease cross-border movement of goods, vehicles and people thereby helping to expand people to people contact, trade and economic exchanges between them. No doubt, BBIN MVA will make border trade and transport through North Eastern Region of India to and from Bangladesh, Bhutan and Nepal very much more efficient and it will definitely have tremendous economic benefits”.

3.6 Regarding the manner in which BIMSTEC, SAARC and BBIN can be made more effective for ensuring stability and prosperity in the neighbourhood, the Committee have been informed that member States are convinced that given their geographical contiguity, abundant natural and human resources, historical linkages and rich cultural heritage, there is great potential for promoting deeper cooperation through collective efforts in the BIMSTEC region. At the 5th

Summit, in line with India's commitment towards strengthening BIMSTEC, Prime Minister announced the following initiatives:

- i. A one time grant of USD 1 million to the operational budget of the Secretariat to complete institution building tasks - implemented;
- ii. A capacity building programme by ICRIER (Indian Council for Research on International Economic Relations) in collaboration with ADB on Trade Facilitation – first such programme planned for April-May 2023;
- iii. Expansion of the scope of the existing BIMSTEC Nalanda Scholarship Scheme - implemented;
- iv. Establishment of networking scheme among institutes of Marine Sciences in the BIMSTEC region – implementation under process; and
- v. Commissioned a Study by RIS on creating regional value chains on value added agricultural products in the BIMSTEC region – implementation under process.

3.7 The Ministry has further stated that despite its sincere efforts, SAARC is not able to function optimally due to hurdles created by one SAARC member State, as a result of which, SAARC meetings have not been held in recent years and the progress on this platform has been limited.

3.8 On India's engagements with BIMSTEC and SAARC, the representative of the Ministry, during the course of evidence on 16 December 2021 stated:-

“ I would talk about SAARC and BIMSTEC where India's engagement are an important element of the Government's Neighbourhood First Policy. As founding members of both SAARC and BIMSTEC, we believe these are important vehicles for building peaceful, friendly and prosperous neighbourhood. BIMSTEC's unique strength is in the connectivity it forges between South and South East Asia. In the recent years, it has emerged as one of the more promising sub-regional groupings with growing convergence in economic and strategic interests in the member-States along the Bay of Bengal.....

India also continues to make significant contributions to further development of SAARC cooperation activities. India initiated a SAARC-level COVID-19 Emergency Fund and announced a contribution of 10 million dollars to meet the immediate requirement of countries in the region. We provided assistance worth 4.19 million dollars through the Fund to the SAARC member-States to support their national efforts against the pandemic including supply of medicines, medical equipment and capacity building measures”

3.9 While deposing before the Committee on 12 January 2021, one of the non-official witnesses stated:-

“I think, BIMSTEC which has come up in the last few years very strongly as an important regional organization is something in which we should continue to invest very greatly. For a very long time, BIMSTEC did not receive the kind of attention it deserves because it was seen as a kind of rebound organization that whenever India wanted to play down SAARC, it would give more importance to BIMSTEC, but this approach has changed. I think, the emphasis of the Government on giving importance to BIMSTEC, on dealing with all the BIMSTEC countries, thinking of projects which unite all these countries is a very good step and we should continue with that.

At the same time, in my view, SAARC has a narrative value which we should not ignore and which we have to keep in mind. One very significant sign of that was when our Prime Minister convened a summit meeting of SAARC leaders on account of the corona virus pandemic in April last year. It was a very significant step. Although Pakistan did not reciprocate in the way it should have, nonetheless, as I said, SAARC has a narrative value which we should not ignore and we should continue to have an approach which utilizes SAARC whenever the occasion arises. I think, to ignore it completely would also not be in our interest because, as I said, the China factor is ever present and we do not want to ignore something to the extent that the organization starts looking elsewhere”.

3.10 The Committee note that India’s engagement with its neighbours under regional frameworks like SAARC, BIMSTEC and BBIN is an important element of the Neighbourhood First Policy. The Committee recognize the potential for promoting deeper cooperation and regional integration through better partnerships under these regional frameworks. From the perspective of security also, a collective and coordinated efforts of member States in the region will prove more effective in countering terrorism and keeping a check on the various instruments used by terrorists to expand their activities. This would result in a secure and peaceful neighbourhood where growth and development can be accelerated. The Committee, therefore, urge the Ministry to make persistent efforts for strengthening and re-energizing these regional bodies to make them function more effectively.

(Recommendation Sl. No. 51)

3.11 The Committee are aware that BIMSTEC has emerged as an important regional organization in recent years while not much progress has been made under SAARC due to hurdles created by one member State. As one of the founding members of SAARC and BIMSTEC, the Committee desire that in the interest of the region, India should play a more pro-active role in both the bodies and formulate a fresh strategy for the purpose and to keep them active and utilize both whenever the occasion arises. As enhancing greater cooperation and partnerships amongst the countries in the neighbourhood is essential to achieve regional integration in all spheres, the Committee urge the Ministry to take the initiative for collective and coordinated efforts so that the member countries are able to work more effectively towards ensuring peace, stability and prosperity in the region and do not start looking elsewhere.

(Recommendation Sl. No. 52)

3.12 The Committee find that a draft MoU to implement BBIN Motor Vehicle Agreement among Bangladesh, India and Nepal was agreed in March 2022 and draft Cargo and Passenger Protocols are under discussion to operationalize the BBIN MVA. As BBIN MVA would result in tremendous economic benefits for border trade and transport through the North Eastern Region, the Committee urge the Government to make concerted efforts for early finalization of the Cargo Protocol and Passenger Protocol for operationalizing BBIN MVA.

(Recommendation Sl. No. 53)

3.13 The Committee note that networking among institutes of Marine Sciences in the BIMSTEC region and study on creating value chains for agricultural products in the

BIMSTEC region are under process. With a view to promoting deeper cooperation through collective efforts in the BIMSTEC region, the Committee urge the Government to actively coordinate with BIMSTEC countries for early implementation of the above networking scheme and urge RIS to complete their study on creating value chains for value added agricultural products in the BIMSTEC region.

(Recommendation Sl. No. 54)

A. The South Asian Association for Regional Cooperation

3.14 The South Asian Association for Regional Cooperation (SAARC), founded in 1985 is a regional consensus-based organization consisting of eight member States. Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka are the seven founding members. Afghanistan joined the regional organization in 2007 through the signing of a Joint Declaration.

3.15 On the role of SAARC in strengthening regional cooperation and stability of the region and whether this regional organization has become defunct and ineffective, the Ministry has responded that SAARC had been created with the objectives to promote welfare of the people of South Asia and improve their quality of life. The scope and substance of cooperation under SAARC has expanded over the years in diverse fields including trade and finance, economic integration, security, environment, education, culture, agriculture, border connectivity, telecommunication, S&T, etc providing a firm basis for genuine partnership among the people of the region. A number of sub-regional and regional projects in social, economic and infrastructure fields are at different stages of implementation under the SAARC Development Fund.

3.16 SAARC leaders have pronounced that their ultimate goal is to create South Asian Economic Union (SAEU) in a phased and planned manner through a Free Trade Area, a Customs Union, a Common Market and a Common Economic and Monetary Union.

3.17 Improved intra-regional connectivity is the *sine qua non* for effective regional integration. SAARC's quest for strengthening connectivity is manifested in the declaration of 2010-2020, as the 'SAARC Decade of Intra- regional Connectivity'.

3.18 While SAARC has made good progress in some areas of cooperation, it has lagged behind in others. SAARC has not been able to achieve its full potential as several important connectivity and trade initiatives such SAARC Motor Vehicle Agreement, SAARC Railways Agreement, Agreement on Regional Air Services, Agreement on Trade in Services etc. are held up due to lack of consensus among all member States. Our efforts toward collective collaboration and prosperity have been hampered by acts of terrorism and threats to national security. Nevertheless, it has not impeded us in coming together to jointly address the latest challenge posed by COVID-19 Pandemic.

3.19 When asked whether SAARC is paramount for regional cooperation and if so, the new initiatives to re-energize this regional organization and the bilateral mechanism to review

relations with neighbouring countries, the Ministry has informed that the role of SAARC in fostering regional cooperation is indisputable in its 35 years of existence. India plays a pivotal role in SAARC because of the historical legacy, cultural commonalities, its geographic position, size and economy. Almost all SAARC initiatives are India-driven. At every Summit, it is India that makes a number of unilateral offers in the spirit of robust regionalism.

3.20 At the last Summit in Kathmandu in November 2014, India made a number of announcements to boost regional cooperation including enhancing cross border connectivity by rail, road and air; increasing intra-regional tourism and creating cross-border tourist circuits; setting up a Special Purpose Facility for Infrastructure Development; introduction of the SAARC Business Traveler card; use of solar energy and micro-grids to provide electricity; monitoring and surveillance of polio free countries in the region; funds to establish SAARC Regional Supra Reference Laboratory for TB; providing immediate medical visas to patients and their attendants visiting India for treatment, etc. Some of these announcements have been implemented while there is work in progress on others.

3.21 The Ministry has also stated in its Background Note for the sitting of the Committee on 18 December, 2020 that India's engagement with SAARC is an important aspect of the Neighbourhood First Policy. Regional cooperation under SAARC has been adversely affected due to continued support to cross border terrorism and interference in the internal affairs of member States by one country.

3.22 Regarding Regional Cooperation under SAARC, the representative of the Ministry, during the course of evidence on 16 December 2021 submitted:-

“...SAARC Regional Cooperation has been adversely affected due to the reasons well known to the hon. Members. However, various SAARC sectoral cooperation mechanisms and SAARC bodies such South Asian University, SAARC Development Fund continue to function. India has also continued its commitment to cooperate under SAARC such as South Asia satellite and extension of National Knowledge Network. India also took the initiative to hold a video conference of SAARC leaders last year to lead the regional effort in the fight against the COVID-19 Pandemic. This led to the establishment of the SAARC COVID -19 Emergency Fund under which it has supplied medicine and equipment worth Rs. 30.09 crores. Besides which, as I have said, we have taken several capacity building measures for SAARC countries which has been appreciated by them”.

3.23 The Committee enquired whether the Government has taken up the issue of continued support to cross border terrorism and interference in the internal affairs of member States by one country with other member States for resolving the issue along with the details and outcome of the same. The Ministry has informed that India has, on various occasions, reiterated that the region's efforts for greater collaboration have been repeatedly challenged with threats and acts of terrorism. India also reiterated that it is necessary to eliminate the scourge of terrorism in all its forms, without any discrimination and end the ecosystem of its support, for the region's survival. Several SAARC member States expressed their inability to participate in the 19th SAARC Summit that was scheduled in November 2016 in Pakistan due to concerns arising from

increased cross border terrorist attacks in the region and growing interference in the internal affairs of member States by one country. Members have also expressed concern at key SAARC connectivity initiatives getting delayed due to lack of response by the same country. As a result of its actions leading to these developments, the country stands isolated. More recently, during the Informal meeting of the SAARC Council of Ministers held on 24 September 2020, India reiterated that it is crucial to collectively resolve to defeat the scourge of terrorism including the forces that nurture, support and encourage it to generate the much needed trust and confidence to collectively build a stronger and prosperous SAARC.

3.24 On being asked whether the Government is working on any new strategy/approach to strengthen regional cooperation under SAARC, the Ministry has stated that India attaches highest priority to the development and prosperity of the region under its Neighbourhood First Policy. As a founding member of SAARC, India is committed to strengthening regional cooperation and integration. India announced several initiatives in the recent years geared towards promoting people-to-people contacts and connectivity in the region. India offered extension of its National Knowledge Network to countries in the region; launched the South Asia Satellite in 2017; continues to support the South Asian University; and initiated a video conference of SAARC Leaders on 15 March 2020 to collectively work together to fight the COVID-19 Pandemic. At the conference, India announced the creation of a COVID-19 Emergency Response Fund for the countries of the region and committed US \$ 10 million to meet the immediate costs of combating the pandemic. India has so far supplied essential drugs, medical consumables, Covid-19 protection and testing kits, and other equipment worth US \$ 4.05 million through the Fund.

3.25 The Committee note that the scope and substance of cooperation under SAARC has expanded over the years to diverse fields including trade and finance, economic integration, security, environment, education, culture, agriculture, border connectivity, telecommunication, S&T, etc. providing a firm basis for genuine partnership among the people of the region. A number of sub-regional and regional projects in social, economic and infrastructure fields are at different stages of implementation under the SAARC Development Fund. The Ministry has stated that SAARC leaders have pronounced that their ultimate goal is to create South Asian Economic Union in a phased and planned manner through a Free Trade Area, a Customs Union, a Common Market and a Common Economic and Monetary Union. The Committee desire that tangible outcomes and maximum benefits should be ensured under the SAARC Development Fund and urge the

Government to work in close coordination with the member States towards fulfilling the ultimate goal of creating a South Asian Economic Union.

(Recommendation Sl. No. 55)

3.26 Though SAARC has made good progress in some areas of cooperation, it has not been able to achieve its full potential as several important connectivity and trade initiatives such as SAARC Motor Vehicle Agreement, SAARC Railways Agreement, Agreement on Regional Air Services, Agreement on Trade in Services, etc. are held up since 2014 due to lack of consensus among all member States. Efforts toward collective collaboration and prosperity have been hampered by acts of terrorism and threats to national security by one country. In view of the vast potential offered by the South Asian region, it should be the endeavour of the Government to work towards realization of the full potential of SAARC through increased cooperation and collaboration with all other member countries isolating the defaulter country. The feasibility of establishing a common platform to fight against acts of terrorism may also be explored. The Committee are hopeful that India would be instrumental in bringing the SAARC countries together and in jointly addressing the issue of cross border terrorism as done during the global COVID-19 pandemic.

(Recommendation Sl. No. 56)

3.27 The Committee note that at the last Summit of SAARC held in November 2014 in Kathmandu, India made a number of announcements to boost regional cooperation including enhancing cross border connectivity by rail, road and air; increasing intra-regional tourism and creating cross-border tourist circuits; setting up a Special Purpose Facility for Infrastructure Development; introduction of the SAARC Business Traveler card; use of solar energy and micro-grids to provide electricity; monitoring and

surveillance of polio free countries in the region; funds to establish SAARC Regional Supra Reference Laboratory for TB; providing immediate medical visas to patients and their attendants visiting India for treatment, etc. Some of these announcements have been implemented while work is in progress on others. The Committee are of the view that effective implementation of all the said announcements would promote regional integration and improved regional cooperation under SAARC and urge the Ministry to make all our efforts for effective and early implementation of all the said initiatives.

(Recommendation Sl. No. 57)

3.28 In view of the strategic importance of the regional body SAARC, the Committee are of the opinion that that no member country should be allowed to impede the effective functioning of this forum and collective efforts need to be made by the other member countries to thwart any attempts to destabilize it. On account of the pivotal role of India in SAARC, the Committee urge the Government to take the initiative for coordinated efforts amongst the majority of the member countries ignoring the one so that regional cooperation under SAARC is promoted and not hampered due to lack of response from one country.

(Recommendation Sl. No. 58)

B. The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation

3.29 The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is a unique regional organization linking South Asia with South East Asia while focusing on India's core concerns in the region thus fulfilling India's key foreign policy priorities of 'Neighborhood First' and 'Act East'. The member countries of BIMSTEC include Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand. India is currently leading

the Security sector out of a total of 7 priority sectors under BIMSTEC Cooperation. The Security sector consists of 3 sub-sectors, Counter Terrorism and Trans-national Crime (CTTC); Disaster Management; and Energy. The Fifth BIMSTEC Summit was held on 30 March 2022 in Colombo, Sri Lanka in virtual mode. At the Summit, the Leaders adopted the BIMSTEC Charter, a milestone in the transition of BIMSTEC from a grouping into a regional organization. India ratified the Charter on 12 August 2022 and deposited the instrument of ratification with the BIMSTEC Secretariat. The leaders also issued a Joint Declaration and witnessed the signing of three documents namely, the BIMSTEC Convention on Mutual Legal Assistance in Criminal Matters; MoU on Mutual Cooperation between Diplomatic Academies/Training Institutions of BIMSTEC Member States; and the Memorandum of Association on the Establishment of the BIMSTEC Technology Transfer Facility in Colombo.

3.30 On the role of BIMSTEC in strengthening regional cooperation and stability of the region, the Ministry has stated that BIMSTEC was founded as an informal sub-regional forum in 1997 with a limited mandate to pursue project-based cooperation. It was envisaged to be a sector-driven organization with the purpose to create an enabling environment for rapid economic development. Over the years, BIMSTEC has evolved into a distinctive regional organization by increasing membership, expanding mandate, building formal institutions and laying down norms for long-term cooperation.

3.31 Today, BIMSTEC is playing an important role in regional cooperation through numerous activities and projects. BIMSTEC cooperation has expanded significantly in a range of 14 diverse sectors. India is currently leading 4 such areas, namely, counter terrorism and trans-national crime; transport and communication; tourism; and environmental and disaster management. Other areas of cooperation are: Trade and investment; culture, energy, agriculture, poverty alleviation, technology, fisheries, public health, people to people contact and climate change. There has been extensive cooperation among the Member States in all these areas.

3.32 BIMSTEC countries have institutionalized some important mechanisms for stability, such as BIMSTEC Convention on Cooperation in Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking (2009) while BIMSTEC Convention on Mutual Legal Assistance in Criminal Matters is ready for signing at the next BIMSTEC Summit. The 21st Session of Senior Officials Meeting held in September 2020 has also endorsed the final text of the BIMSTEC Charter for approval of the 17th BIMSTEC Ministerial Meeting. A BIMSTEC Transport Connectivity master plan is currently under the process of finalisation and is expected to be endorsed at the next BIMSTEC Summit.

3.33 When enquired whether BIMSTEC is paramount for regional cooperation and if so, the new initiatives to re-energize this regional organization and the bilateral mechanism to review relations with neighbouring countries, the Ministry has responded that over the years, BIMSTEC has proved to be a key body for regional cooperation. It is a unique link between South Asia and South East Asia. Activities under BIMSTEC have served as a visible input into our 'Neighbourhood First Policy' and 'Act East Policy'. BIMSTEC leaders were invited at our Government's swearing-in ceremony in May 2019.

3.34 India has announced several unilateral initiatives at the 4th BIMSTEC Summit in Kathmandu in August 2018 in diverse sectors of security, disaster management, trade, blue economy, agriculture, health, digital connectivity, etc. Some of the initiatives have been implemented, including BIMSTEC Military Exercise (MILEX) and Army Chiefs' Conclave; BIMSTEC Ministerial Conclave at India Mobile Congress 2018; BIMSTEC Disaster Management Exercise; Scholarships to students from BIMSTEC countries at Nalanda University and some capacity building programmes. There is work in progress on other initiatives.

3.35 On being asked to state whether the Government has any proposal for effective regional cooperation under BIMSTEC, the Ministry has stated that India is committed to further building the momentum of regional cooperation and making the organization stronger, vibrant, more effective, and result-oriented. India is currently leading BIMSTEC cooperation in four priority sectors, namely, Counter Terrorism & Trans-national Crime, Transport & Communication, Tourism, and Environmental & Disaster management. In August 2018, PM had announced a number of initiatives at the Fourth BIMSTEC summit in Kathmandu. These initiatives included HADR exercises, start-up conclaves and hackathons; capacity building; cooperation in science, technology and space; and establishment of Parliamentary forum. BIMSTEC also provides an important regional platform for security cooperation through the mechanism of annual meetings of national security chiefs. Member States are going to finalize the BIMSTEC Charter to further formalize and guide the functioning of this sub regional grouping. Member States have recently also finalized a "Master Plan for Transport Connectivity" that would lay down a long term road map for even closer connectivity in the BIMSTEC sub region. The Master Plan, when implemented, will improve connectivity of India's North East and beyond.

3.36 The Committee note that BIMSTEC has evolved from a sub-regional forum in 1997 into a distinctive regional organization. The BIMSTEC Charter was also adopted in 2022. BIMSTEC is playing an important role in regional cooperation through numerous activities and projects in 14 diverse sectors with extensive cooperation among the member States. The Committee further note that BIMSTEC countries have institutionalized some important mechanisms for stability, such as BIMSTEC Convention on Cooperation in Combating International Terrorism, Transnational Organized Crime and Illicit Drug Trafficking (2009) while BIMSTEC Convention on Mutual Legal Assistance in Criminal Matters is ready for signing at the next BIMSTEC Summit. The Committee are aware that regional growth and prosperity cannot be achieved without stability and urge the Ministry to work towards strengthening BIMSTEC and ensuring the effective functioning of its

institutionalized mechanisms, in close coordination with other BIMSTEC countries. The Committee also desire that India should take more initiatives for elimination of destabilizing forces like terrorism, organized crime, drug trafficking, etc. in the region through collective efforts of all the member countries.

(Recommendation Sl. No. 59)

3.37 Over the years, BIMSTEC has proven to be a key body for regional cooperation serving as a unique link between South Asia and South East Asia. Activities under BIMSTEC have served as a visible input into our ‘Neighbourhood First Policy’ and ‘Act East Policy’. Several unilateral initiatives announced by India including BIMSTEC Military Exercise (MILEX) and Army Chiefs’ Conclave; BIMSTEC Ministerial Conclave at India Mobile Congress 2018; BIMSTEC Disaster Management Exercise; Scholarships to students from BIMSTEC countries at Nalanda University and some capacity building programmes have been implemented while work is in progress on other initiatives. In view of the pivotal role of BIMSTEC in regional cooperation, the Committee desire that work in progress on other initiatives may be implemented speedily. BIMSTEC being a unique regional organization focusing on India’s core concerns in the region and thus fulfilling India’s key foreign policy priorities of ‘Neighborhood First’ and ‘Act East Policy’, the Committee urge the Ministry to take fresh initiatives to nurture and re-energize the organization to make it more outcome oriented. Inputs derived from India’s engagement with BIMSTEC may also be optimally utilized in our foreign policy agenda.

(Recommendation Sl. No. 60)

3.38 The Committee note that India is currently leading BIMSTEC cooperation in four priority sectors, namely, Counter Terrorism & Trans-national Crime, Transport & Communication, Tourism and Environmental & Disaster Management. Besides, initiatives including HADR exercises, start-up conclaves and hackathons; capacity building; cooperation in science, technology and space; and establishment of Parliamentary forum have also been announced in 2018. The Committee welcome these initiatives as active collaboration and hope that mutual assistance on matters of common interest in the economic, social, technical and scientific fields would be promoted. Moreover, establishment of Parliamentary forum will facilitate interaction and discussion on common areas of interests, key areas of concern and also serve as a forum for building consensus. The Committee, therefore, desire that the new initiatives announced for the BIMSTEC region including establishment of Parliamentary forums should be realised at the earliest.

(Recommendation Sl. No. 61)

3.39 The Committee find that BIMSTEC member States have also recently finalized a ‘Master Plan for Transport Connectivity’ that would lay down a long term roadmap for even closer connectivity in the BIMSTEC sub-region. Implementation of the Master Plan would improve connectivity of India’s North East and beyond. In the opinion of the Committee, improved connectivity in the North Eastern Region of India will greatly

contribute to the socio-economic development of the region and by virtue of the region's close proximity to Myanmar which acts as a bridge for ASEAN, would be instrumental in the success of the Act East Policy. The Committee, therefore, desire that the BIMSTEC Master Plan for Transport Connectivity should be implemented at the earliest and urge the Government to make coordinated efforts in this regard.

(Recommendation Sl. No. 62)

NEW DELHI
20 July, 2023
29 Ashadha, 1945 (Saka)

P.P. CHAUDHARY,
Chairperson,
Committee on External Affairs

MINUTES OF THE TWENTY SIXTH SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (2019-20) HELD ON 8 SEPTEMBER, 2020

The Committee sat from 1100 hrs. to 1330 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

Shri P.P. Chaudhary – Chairperson

MEMBERS

LOK SABHA

2. Smt. Meenakashi Lekhi
3. Shri Ritesh Pandey
4. Shri Ram Swaroop Sharma
5. Shri Ravindra Shyamnarayan Shukla alias Ravi Kisan
6. Shri Manoj Tiwari
7. Shri N.K. Premchandran

RAJYA SABHA

8. Shri K. J. Alphons
9. Shri Swapan Dasgupta
10. Shri Ranjan Gogoi

MINISTRY OF EXTERNAL AFFAIRS

1. Shri Harsh Vardhan Shringla - Foreign Secretary
2. Shri Naveen Srivastava - Joint Secretary (EA)
3. Shri Arindam Bagchi - Joint Secretary (North)
4. Ms. Smita Pant - Joint Secretary (BM)
5. Shri Amit Narang - Joint Secretary (IOR)
6. Shri Robert Shetkintong - Joint Secretary (Parl & Coord)
7. Shri J.P. Singh - Joint Secretary (PAI)

SECRETARIAT

1. Shri Paolienlal Haokip - Additional Director (EA & PAC)

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of the Ministry of External Affairs to the Sitting of the Committee convened to have briefing on 'India's Neighbourhood First Policy'. After outlining the subject for deliberation, the Chairperson drew the attention of all the witnesses about the provisions of Direction 55(1) and Direction 58 of Directions by the Speaker, Lok Sabha in order to maintain confidentiality of the proceedings.

3. Thereafter, the Foreign Secretary briefed the Committee about the aims and objectives of the India's Neighbourhood First Policy and the Government's efforts to enhance India's economic and strategic interest through such a focused foreign policy, which institutionally enhances the priority that our immediate neighbourhood requires and deserves.

4. During the course of deliberation, Members of the Committee raised several queries which *inter-alia* included salient features of India's Neighbourhood First Policy, status of infrastructure being constructed for transport and energy in coordination with Bangladesh along with safe border areas and defence and security cooperation between the two nations, complications in Indo-Bangladesh relationship, issue of smuggling, forged currency, human trafficking and border management along Indo-Bangladesh border, tourism inflow from Bangladesh, visa for medical tourism, territorial challenges of Bhutan, significance of defence and security cooperation between India and Maldives, challenges in India's relation with Nepal, incorporation of some territorial portion of India in the territorial mapping of Nepal, impact of investment of China in relationship of South Asian

countries, cooperation with Myanmar to deal with extremist groups and issue of Rohingya refugees, soft power diplomacy with Pakistan and India's relation with Afghan Government and Taliban etc. In the meantime, the Foreign Secretary also responded to the queries of the Members.

5. Before the Sitting concluded, the Chairperson directed the witnesses to furnish written replies to the points raised by the Members of the Committee in due course.

(The witnesses then withdrew)

The Committee then adjourned

A verbatim proceeding of the Sitting has been kept on record.

**MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE
ON EXTERNAL AFFAIRS (2020-21) HELD ON 18 DECEMBER, 2020**

The Committee sat from 1500 hrs. to 1645 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

PRESENT

Shri P.P. Chaudhary – Chairperson

MEMBERS

LOK SABHA

2. Smt. Harsimrat Kaur Badal
3. Shri Dileshwar Kamait
4. Smt. Meenakashi Lekhi
5. Smt. Goddeti Madhavi
6. Smt. Poonam Mahajan
7. Shri Ritesh Pandey
8. Shri N.K. Premchandran
9. Shri Soyam Babu Rao
10. Shri Ram Swaroop Sharma
11. Shri Rebati Tripura

RAJYA SABHA

12. Shri K. J. Alphons
13. Shri Swapan Dasgupta

MINISTRY OF EXTERNAL AFFAIRS

1. Shri Vinay Kumar - Additional Secretary (IO & Summits)
2. Shri Arindam Bagchi - Joint Secretary (North)

2. Shri Anil Kumar Rai - Joint Secretary (Parl & Coord)
3. Ms. Smita Pant - Joint Secretary (BM)
4. Shri Amit Narang - Joint Secretary (IOR)
5. Shri J.P. Singh - Joint Secretary (PAI)

SECRETARIAT

1. Shri Paolienlal Haokip - Additional Director (EA & PAC)

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of the Ministry of External Affairs to the Sitting of the Committee convened to have evidence on 'India's Neighbourhood First Policy'. After underlining the points for deliberation on the subject, the Chairperson drew the attention of all the witnesses to the provisions of Direction 55(1) and Direction 58 of Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

3. Thereafter, the representatives of Ministry of External Affairs briefed the Committee about the various aspects, priorities and progress made in relations with neighbouring countries under the aegis of India's neighbourhood first policy.

4. During the course of deliberations, the Members raised several queries which *inter-alia* included new political map of Pakistan, impact assessment of abrogation of Article 370 on cross border terrorism, status of opening of Kartarpur Sahib Corridor, Government's stand on management of Kartarpur Saheb Gurudwara by a non-Sikh body, status of Kushinagar International Airport, negotiations with Taliban, rail link from Assam to Kolkata via Bangladesh, India's official stand on Rohingya issue, fencing along borders, progress on finalizing the boundary demarcation with Nepal and Bhutan, arrest of Indian fisherman by authorities in Sri Lanka, gaps in meeting maritime security challenges, threats and

competitiveness in the Indian ocean, etc. The witnesses responded to the queries of the Members.

5. Before the Sitting concluded, the Chairperson directed the witnesses to furnish written replies to the points raised by the Members of the Committee to the Secretariat at the earliest.

(The witnesses then withdrew)

The Committee then adjourned

A verbatim record of the proceedings has been kept.

ANNEXURE -III

MINUTES OF THE TWELFTH SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (2020-21) HELD ON 12 JANUARY, 2021

The Committee sat from 1100 hrs. to 1230 hrs. in Committee Room ‘C’, Parliament House Annexe, New Delhi.

PRESENT

Shri P.P. Chaudhary – Chairperson

MEMBERS

LOK SABHA

2. Shri Kunwar Pushpendra Singh Chandel
3. Smt. Meenakashi Lekhi
4. Smt. Goddeti Madhavi
5. Shri P.C. Mohan
6. Dr. K.C. Patel
7. Shri Rebati Tripura

RAJYA SABHA

8. Shri K. J. Alphons
9. Shri Swapan Dasgupta
10. Shri Shamsheer Singh Manhas
11. Shri Brijlal

NON-OFFICIAL WITNESSES/EXPERTS

1. Dr. T.C.A. Raghavan - Director General, Indian Council of World Affairs (ICWA), New Delhi.
2. Dr. Constantino Xavier - Fellow, Centre for Social and Economic Progress (CSEP), New Delhi

SECRETARIAT

1. Dr. Ram Raj Rai - Director
2. Md. Aftab Alam - Additional Director

2. At the outset, the Chairperson welcomed the Members of the Committee and the non-official witnesses/experts to the Sitting of the Committee convened to hear the opinion of the non-official witnesses/experts on the subject 'India's Neighbourhood First Policy' in accordance with Rule 331L of the Rules of Procedure and Conduct of Business in Lok Sabha. He then drew their attention to the provisions of Direction 55(1) and Direction 58 of Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

3. Thereafter, the experts shared their views/suggestions on various facets of the subject which inter-alia included regional connectivity, trade imbalance between India and South Asian Countries, growing influence of China in neighbourhood, negotiations between the Taliban and the Afghan Government, India's role as a major economic, social and cultural power in South Asia, role of BIMSTEC as an important regional organization, capacity gap between Indian and neighbouring countries, pursuance of open doors policy, challenges and possible solutions under the Neighbourhood First Policy, etc.

4. The Members of the Committee then raised several queries on issues such as difference in general public and Pakistani establishment towards India, clarification regarding narrative value of SAARC, focus on non security aspects in relationship with Pakistan, free export of pepper from Sri Lanka, investment by China in neighbouring countries, democracy in neighbouring countries, strategy towards Afghanistan, Challenges for India in establishing relationship with Afghanistan, role of India in ongoing peace talks with Taliban and China's footprint in Maldives, etc. The witnesses responded to the queries of the Members.

5. Before the Sitting concluded, the Chairperson thanked the witnesses for their valuable inputs on the subject.

(The witnesses then withdrew)

The Committee then adjourned

A verbatim record of the proceedings has been kept.

MINUTES OF THE TWENTY SIXTH SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (2020-21) HELD ON 29 JULY, 2021

The Committee sat from 1500 hrs. to 1655 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Shri P.P. Chaudhary – Chairperson

MEMBERS

LOK SABHA

2. Shri Kunwar Pushpendra Singh Chandel
3. Shri Dileshwar Kamait
4. Smt. Preneet Kaur
5. Smt. Goddeti Madhavi
6. Shri P.C. Mohan
7. Shri Ritesh Pandey
8. Shri N.K. Premchandran
9. Smt. Navneet Ravi Rana

RAJYA SABHA

10. Shri K. J. Alphons
11. Smt. Jaya Bachchan
12. Shri Swapan Dasgupta
13. Shri Abdul Wahab
14. Shri Brijlal

MINISTRY OF EXTERNAL AFFAIRS

1. Shri Harsh Vardhan Shringla - Foreign Secretary
2. Shri Anurag Srivastava - Joint Secretary (North)
3. Shri Anil Kumar Rai - Joint Secretary (Parl & Coord)
4. Shri Amit Narang - Joint Secretary (BM)

5. Shri J.P. Singh - Joint Secretary (PAI)

SECRETARIAT

1. Dr. Ram Raj Rai - Director
2. Ms. K. Muanniang Tunglut - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of the Ministry of External Affairs to the Sitting of the Committee convened to take evidence on 'India's Neighbourhood First Policy' with particular reference to recent developments in Afghanistan. In his opening remarks, outlining the issues to be discussed, the Chairperson drew the attention of the witnesses to the provisions of Direction 55(1) and Direction 58 of Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

3. Thereafter, the Foreign Secretary briefed the Committee about the priorities of India's defined foreign and national security policy with primary focus on South-Asian neighbourhood countries namely Afghanistan, Bangladesh, Bhutan, Nepal, Maldives, Pakistan and Sri Lanka since 2014 and impact of relations with these countries on India's States that border them. He then briefed the Committee on recent developments in Afghanistan and its implications for India and India's response to the fast evolving scenario therein.

4. During the course of deliberations, Members of the Committee raised several queries which *inter-alia* included negotiation for peace, stability and lasting solution in the region, influence of Taliban, recognition of Taliban by world community, role and involvement of Pakistan and China on evolving situation of Afghanistan, India's contributions to Afghan stability and development, effect of Afghanistan situation on India's Neighbourhood First Policy, nexus between Pakistan, Taliban and China, infiltration of terrorists in Punjab, change in Russia's

policy towards Afghanistan, strategy and policy behind withdrawal of US forces from Afghanistan, strategic change in India's foreign policy in Afghanistan, stand of Saudi Arabia in Afghanistan affairs, future scenario in various situations, etc.

5. The witnesses responded to the queries raised by the Members of the Committee. The Chairperson then thanked the witnesses for the valuable and insightful inputs on the topic. As regards the queries which had remained unresponded, the Chairperson directed the Ministry to submit replies to the Secretariat at the earliest.

(The witnesses then withdrew)

The Committee then adjourned

A verbatim record of the proceedings has been kept.

**MINUTES OF THE THIRD SITTING OF THE STANDING COMMITTEE
ON EXTERNAL AFFAIRS (2021-22) HELD ON 16 DECEMBER, 2021**

The Committee sat from 1500 hrs. to 1655 hrs. in Committee Room 'D'
Parliament House Annexe, New Delhi.

PRESENT

Shri P.P. Chaudhary – Chairperson

MEMBERS

LOK SABHA

2. Shri Dileshwar Kamait
3. Smt. Preneet Kaur
4. Smt. Goddeti Madhavi
5. Smt. Poonam Mahajan
6. Shri P.C. Mohan
7. Dr. K.C. Patel
8. Shri N.K. Premchandran
9. Smt. Navneet Ravi Rana
10. Shri Manne Srinivas Reddy

RAJYA SABHA

11. Smt. Jaya Bachchan
12. Shri Brijlal
13. Shri Swapan Dasgupta
14. Shri Prakash Javadekar
15. Shri K. Somaprasad

MINISTRY OF EXTERNAL AFFAIRS

1. Smt. Riva Ganguly Das - Secretary (East)
2. Shri Harsh Kumar Jain - Additional Secretary (BIMSTEC & SAARC)
3. Shri Anurag Srivastava - Joint Secretary (North)
4. Shri Anil Kumar Rai - Joint Secretary (Parl & Coord)

5. Shri J.P. Singh - Joint Secretary (PAI)
6. Shri Kartik Pande - Joint Secretary (IOR)

SECRETARIAT

1. Dr. Ram Raj Rai - Joint Secretary
2. Ms. K. Muanniang Tunlut - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members of the Committee and the representatives of the Ministry of External Affairs to the Sitting of the Committee convened to take evidence on the subject 'India's Neighbourhood First Policy'. In his opening remarks while underscoring the aspects of our Neighbourhood First Policy to be discussed in the context of the changing realities in the Region, the Chairperson drew the attention of the witnesses to the provisions of Direction 55(1) and Direction 58 of the Directions by the Speaker, Lok Sabha regarding confidentiality of the proceedings.

3. Thereafter, Secretary (East), M/o External Affairs, briefed the Committee about the elements of India's Neighbourhood First Policy which have been the defining features of India's foreign policy since 2014. The witness also apprised the Committee that this policy brings focus of our diplomatic efforts on our immediate neighbourhood and makes this as a central pillar of our foreign policy.

4. During the course of deliberations, Members of the Committee raised queries on a wide range of issues which *inter-alia* included nature of cooperation with new regime in Afghanistan in order to dismantle terror sanctuaries and safe havens operating across the Durand Line; assessment or perception of terrorist threat and action plan to deal with it; impact of new regime in Myanmar in the region; present position of Afghanistan after takeover by Taliban and withdrawal of American forces; future prospects of establishing good relationship with new

Afghan regime; impact of CAA on relationship with Bangladesh, efficacy of SAARC; feasibility and implications of non-reciprocal nature and principle of Neighbourhood First Policy; status of Indian assets and India run projects in Afghanistan; Infiltration of Rohingyas and status of their apprehension and deportation from India; discussion with new regime in Myanmar on Rohingya issue, etc. The witnesses responded to the queries raised by the Members.

5. Before the Sitting concluded, the Chairperson directed the witness to furnish written replies to the points raised by the Members which remained unanswered and also desired that replies to the points which related to the Ministry of Home Affairs ought to be obtained from them and furnished to the Secretariat at the earliest.

(The witnesses then withdrew)

The Committee then adjourned

A verbatim record of the proceedings has been kept.

ANNEXURE-VI

MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (2022-23) HELD ON 19 DECEMBER, 2022

The Committee sat on Monday, the 19th December, 2022 from 1515 hrs. to 1705 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi.

PRESENT

1. **Shri P.P. Chaudhary, Chairperson**

MEMBERS

LOK SABHA

2. Smt. Harsimrat Kaur Badal
3. Shri Kalyan Banerjee
4. Shri E. T. Mohammed Basheer
5. Shri Dileshwar Kamait
6. Smt. Poonam Pramod Mahajan
7. Shri Ritesh Pandey
8. Dr. K. C. Patel
9. Smt. Navneet Ravi Rana
10. Shri Vishnu Datt Sharma

RAJYA SABHA

11. Shri Abdul Wahab
12. Dr. Ashok Kumar Mittal

MINISTRY OF EXTERNAL AFFAIRS

- | | | | |
|----|------------------------|---|-------------------|
| 1. | Shri Vinay Kwatra | - | Foreign Secretary |
| 2. | Shri Anurag Srivastava | - | JS (North) |
| 3. | Ms. Smita Pant | - | JS (BM) |
| 4. | Dr. Sumit Seth | - | JS (PP & R) |

SECRETARIAT

1. Dr. Ram Raj Rai - Joint Secretary
2. Smt. Reena Gopalakrishnan - Director
3. Ms. K. Muanniang Tunlut - Deputy Secretary

2. XXX XXX XXX

3. XXX XXX XXX

4. XXX XXX XXX

5. XXX XXX XXX

6. XXX XXX XXX

7. XXX XXX XXX

8. XXX XXX XXX

9. Thereafter, Chairperson welcomed the representatives of the Ministry of External Affairs to the Sitting of the Committee convened for taking oral evidence on 'India's Neighbourhood First Policy with Special Reference to Bangladesh, Nepal and Sri Lanka' in connection with examination of the subject 'India's Neighbourhood First Policy'. Outlining the issues to be discussed, Chairperson drew the attention of all the witnesses to Direction 55 (1) of the Directions by the Speaker, Lok Sabha pertaining to maintaining the confidentiality of the Proceedings and Direction 58 of the Directions by the Speaker, Lok Sabha. He then requested the witnesses to introduce themselves before making submissions before the Committee.

10. The Foreign Secretary highlighted the overall approach, principles and key elements of the Neighbourhood First Policy and gave a detailed presentation on various aspects of India's relations with the neighbouring countries, specially Bangladesh, Nepal and Sri Lanka.

11. Thereafter, the Chairperson and the Members raised various issues which *inter alia* included steps taken in coordination with other Ministries for development of border; infrastructure for connectivity; structure of economic cooperation with our neighbours; growing influence of China in neighbouring countries; non-inclusion of China under the Neighbourhood First Policy; border issues with China; irrigation and flood control measures; problems at Indo-Nepal border; emigration from Sri Lanka; issue of Pakistan sponsored terrorism; role of Parliament under the Neighbourhood First Policy and need for interaction between Parliamentarians of India and neighbouring countries, etc.

12. The representatives of the Ministry of External Affairs responded to the queries of the Members. The Chairperson then thanked the representatives of the Ministry for valuable and insightful inputs on the subject and also directed them to furnish written replies on the points raised during the discussion, to the Secretariat of the Committee at the earliest.

(The witnesses then withdrew)

The Committee then adjourned

A verbatim record of the Proceedings has been kept.

ANNEXURE-VII

MINUTES OF THE TWENTIETH SITTING OF THE STANDING COMMITTEE ON EXTERNAL AFFAIRS (2022-23) HELD ON 20 JULY, 2023

The Committee sat on Thursday, the 20th July, 2023 from 1600 hrs. to 1640 hrs. in Committee Room No. '3', Extension Building, Parliament House Annexe, New Delhi.

Present

Shri P.P. Chaudhary – Chairperson

MEMBERS

LOK SABHA

2. Shri. Dileshwar Kamait
3. Smt. Preneet Kaur
4. Smt. Goddeti Madhavi
5. Smt. Poonam Mahajan
6. Shri P. C. Mohan
7. Smt. Queen Oja
8. Shri Ritesh Pandey
9. Dr. K. C. Patel
10. Shri N. K. Premachandran
11. Smt. Navneet Ravi Rana
12. Shri Manne Srinivas Reddy
13. Dr. Harsh Vardhan

RAJYA SABHA

14. Shri Anil Desai
15. Shri Abdul Wahab
16. Dr. Ashok Kumar Mittal

SECRETARIAT

1. Dr. Ram Raj Rai - Joint Secretary
2. Smt. Reena Gopalakrishnan - Director
3. Ms. K Muanniang Tunlut - Deputy Secretary

2. At the outset, the Chairperson welcomed the Members to the Sitting of the Committee.
3. The Committee took up for consideration the following draft Reports:-

(i) Draft Report on the subject 'India's Neighbourhood First Policy'.

(ii) XXX XXX XXX XXX

4. The Chairperson invited the Members to offer their suggestions, if any, for incorporation in the draft Reports. The Members suggested some minor modifications. After deliberations, the Committee adopted the draft Reports with these minor modifications.

5. The Committee then authorized the Chairperson to finalize the Reports incorporating the suggestions made by the Members and present the same to Parliament.

The Committee then adjourned