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THE foreign policy of India seeks to promote an environment of peace and stability in our region and in the world to enable India's accelerated socio-economic development and safeguard our national security. While pursuing the country's supreme national interests, India's foreign policy continues to be characterised by autonomy of decision making, commitment to Panchsheel or the five principles of peaceful coexistence, and equity in the conduct of international relations.

India's foreign policy is directed towards the realisation of the following objectives: (i) to protect India's core national interests and concerns in a rapidly changing international environment by fostering support and understanding in the international community; (ii) to preserve the autonomy of the decision making process and to play a pioneering role in the establishment of a stable, prosperous and secure global order; (iii) to strengthen the international campaign against terrorism which is a global threat; (iv) to build an international environment which is supportive of India's rapid economic growth including higher investments, trade, access to technology and strengthening India's energy security; (v) to work closely with P-5 countries and to build strategic ties with the major powers such as the USA, the EU, Japan, Russia, China; (vi) to intensify and strengthen ties with neighbours through mutually beneficial cooperation and by acknowledgment of each other's legitimate concerns; (vii) realisation of SAARC as an economically integrated region at peace with itself and engaged with the world; (viii) to ensure that cross-border terrorism is brought to an end and the entire infrastructure of terrorism operating from Pakistan is dismantled; (ix) to further the gains from India's 'Look East' Policy and aspire for substantive progress in several areas of common interest to India and ASEAN (x) to strengthen our ties with the countries of the Gulf region that has become home to over 4 million Indians and is a major source of supplies of oil and gas; (xi) to leverage economic growth through support to the activities of regional organisations like the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), Mekong-Ganga Cooperation and trans-regional groupings like the India, Brazil and South Africa (IBSA) Initiative and Indian Ocean Rim Association for Regional Cooperation (IOR-ARC); (xii) to continue to work closely with regional groupings like the EU and G-20 for furthering India's interests in the international arena; (xiii) to reform and restructure the UN Security Council and espouse multipolarity in a world order that respects the principles of sovereignty and non-intervention; (xiv) to promote a more equitable equation between the developed and the developing world in the political, economic and technological domains; (xv) to work towards the goal of global nuclear disarmament within a time-bound framework; (xvi) to closely interact with the Indian diaspora on a continuing basis in order to strengthen their bonds with India and to recognise their pivotal role in India's international relations.

In pursuit of the above objectives, India has undertaken a comprehensive engagement with the world- with all major powers, with our extended neighbourhood and with our partners in the developing world and the Non-Aligned Movement. India's economic diplomacy has attached due importance to energy security that is vital for an assured high rate of growth for our economy.

The year saw several bilateral and multilateral exchanges that took place at the highest levels between India and the rest of the world.

NEIGHBOURS

With the objective of a peaceful, stable and prosperous neighbourhood, India continues to attach the highest priority to close and good neighbourly political, economic and cultural relations with its neighbours. As Chairman of SAARC, India worked with the other members to impart dynamism to SAARC processes. The Fourteenth SAARC Summit held in New Delhi in April 2007 decided to emphasise concrete regional initiatives, moving from a declaratory phase to implementation. The Summit recognised the need to have better intraregional connectivity, particularly physical, economic and people-to-people connectivity.

Afghanistan, under the leadership of President Karzai, has made progress towards internal stability in a democratic and pluralistic framework. The deterioration in the internal security situation, increasing Taliban influence and attacks on our personnel, establishment and projects in Afghanistan remain a matter of concern. India was at the forefront of the effort to assist the Government and people of Afghanistan in building a stable, democratic, and pluralistic society. The momentum in the bilateral India-Afghanistan relationship created since 2001 was maintained. President Karzai led a high level delegation to 14th SAARC Summit on 3-4 April 2007 in New Delhi, where Afghanistan was admitted as full fledged member of the SAARC. India's direct bilateral commitment to the rebuilding and reconstruction of Afghanistan is US \$ 750 million. Several thousand Indians are engaged in development work in Afghanistan. Funds have been committed to projects spread over a whole range of sectors ranging from education, health, power, telecommunications & broadcasting, infrastructure to institutional capacity building, strengthening of governance and food assistance. Some important projects completed during this period, included supply of equipment and supervision of execution of power transmission project in Faryab province, digging of 26 tube wells in six provinces, five public toilet-cum-sanitation complexes in Kabul, and solar electrification of 100 villages. Bilateral Trade has shown robust growth. Total trade turnover in the first six months in 2007-08 (April-October) was Rs. 742.5 crore compared to Rs. 550 crore during the same period in 2006-07. Total trade turnover in 2006-07 was Rs. 978.3 crore.

India continued to engage with the caretaker government in Bangladesh, emphasizing the need for full restoration of democracy through peaceful, credible, free and fair elections. The Bangladesh Chief Adviser Dr. Fakhruddin Ahmed attended the 14th SAARC Summit in New Delhi during 2-4 April 2007. The Minister of External Affairs visited Dhaka on 1st December, 2007 to express India's solidarity with the people of Bangladesh in the aftermath of the damage caused by cyclone 'Sidr' and announced adoption of villages for rehabilitation as well as waiver of 5,00,000 tonnes of rice for export. The Bangladesh Foreign Adviser, Dr. Iftekhar Ahmed Chowdhury visited New Delhi on 7-8 December 2007 to attend the SAARC Council of Ministers Meeting. Regular meetings at the official-level continued to be held. Bilateral trade between both the countries has been growing steadily and stood at Rs. 10,200 crore (2006-2007). India signed an MoU with Bangladesh on duty-free exports of eight million pieces of readymade garments from Bangladesh to India on 16th September 2007. Two trial-runs of a passenger train between Kolkata and Dhaka were held in July 2007 in preparation for regular train service between the two cities. As a mark of

India's abiding commitment to seeing a stable, prosperous and democratic Bangladesh. India provided Bangladesh with immediate relief and with bilateral aid to help it overcome the damage caused by various natural disasters during the year.

India and Bhutan continued to share uniquely warm and cordial relations. These relations were characterized by close consultations, maturity, complete trust and mutual understanding. In keeping with the tradition of regular visits and exchange of views at the highest levels between the two countries, the King of Bhutan visited India in February 2007. External Affairs Minister visited Bhutan in July 2007.

India continued to be the largest trade and assistance partner of Bhutan. The implementation of the India assisted projects agreed under Bhutan's 9th Five Year Plan progressed satisfactorily. The 1020 MW Tala hydroelectric project in Bhutan, built with Government of India assistance, started full commercial operations. Taking forward the highly successful and mutually beneficial cooperation in the field of hydroelectric energy the implementation Agreement for the 1095 MW Punatsangchhu hydroelectric project was signed by the External Affairs Minister and his Bhutanese counterpart. Negotiations for finalizing India's assistance package for Bhutan's 10th Five year plan were held.

India - China relations remain a high priority of India's foreign policy. China is India's largest neighbour with whom we have a long history of uninterrupted interactions. The year saw continuity in the momentum of development of bilateral relations. Prime Minister visited China in January 2006. Other bilateral visits from India included Minister for Commerce and Industries, Deputy Chairman Planning Commission, and Minister for Panchayati Raj, Youth Affairs & Sports and DONER leading a 100 member youth delegation. From China, Mme. Liu Yandong, Minister of the United Front Work Department and Hu Chunhua, President, All China Youth Federation leading a 100 member youth delegation visited India. Economic engagement continued to grow in prominence with bilateral trade reaching Rs. 80909.74 crore during April - October 2007. China has emerged as our second largest trade partner. For China, India became an important export market with China's exports to India registering the fastest growth. Both countries realized the importance of placing bilateral trade on a strong, diversified and mutually beneficial foundation. The activities associated with the India-China Friendship Through Tourism Year 2007, regular high-level interactions on the sidelines of regional and international gatherings and sustained exchanges in various fields along with the addition of newer dialogue mechanisms like the meeting of the expert-level mechanism on transborder rivers, annual defence dialogue, and dialogue mechanism on disarmament and non-proliferation were the highlights of the year. The two countries have also been furthering cooperation in regional and multilateral forums on global issues such as climate change and energy security. India-China relations today are of regional and international significance, which found expression in the form of "A shared Vision for the 21st Century" signed during Prime Minister's visit to China.

Regular contacts with the Government of Iran have been maintained through high-level exchanges and regular institutional mechanisms such as the Joint Commission and annual Foreign Office Consultations / Strategic Dialogue. The impetus provided by high-level discussions contributed to further bilateral cooperation in energy, trade and commerce, investment, culture and transit as well as cooperation in regional and international issues of mutual interest. Bilateral trade increased by around 55% in 2006-07 as compared to the previous year. Mutual commitment to

strengthening bonds of friendship for mutual prosperity, peace and stability in the region has been reiterated at the highest levels by both governments.

Bilateral relations between India and Maldives continued to be close and friendly. The warmth of this relationship was maintained through high-level exchanges. President Maumoon Abdul Gayoom himself came to India on a State Visit from 6-12 February 2008. Earlier, President Gayoom had come to India in April 2007 to participate in the SAARC Summit in New Delh. The newly appointed Foreign Minister Abdulla Shahid visited India in October 2007 and also for the SAARC Council of Ministers Meeting in December 2007. Foreign Secretary visited Maldives from 27-29 January 2008 for bilateral consultations. He called on President Gayoom of Maldives besides meeting the Foreign Minister and Defence Minister of Maldives. Jairam Ramesh, Minister of State for Commerce, visited Maldives during 29-31 January 2008.

India extended cash assistance equivalent to Rs. 100 crore in the aftermath of damage caused to Maldives by tidal waves in May 2007 and also continued to provide training facilities to Maldivian nationals in various areas under its bilateral aid programme. The construction work on a project relating to the setting up of Faculty of Hospitality and Tourism Studies, a Hotel Management Training Institute in Maldives with Indian assistance of over Rs. 50 crore commenced in September 2007 and is expected to be completed by end-2008/early 2009. India's exports during the years 2005 and 2006 amounted to Rs. 368.72 crore and 384.10 crore respectively while the India's imports amounted to Rs. 4.48 crore and Rs. 5.53 crore respectively.

India-Myanmar relations strengthened during the year through a number of bilateral visits at various levels. The Minister of Culture and Tourism Ambika Soni visited Myanmar on 14 October 2007 to attend the state funeral of late Prime Minister General Soe Win. Earlier in September 2007, Minister of Petroleum and Natural Gas Murali Deora visited Nay Pyi Taw for the signing of Production Sharing Contracts (PSC) between ONGC Videsh Limited with Myanmar Oil and Gas Enterprise for three deep-sea blocks. From Myanmar side there was visit of Lt. General Thiha Thura Tin Aung Myint Oo, Quarter Master General and Member SPDC visited India in april 2007 and Myanmar Foreign Minister U Nyan Win visited India in January 2008. Interaction at the level of Prime Minister and External Affairs Minister also continued on the sidelines of international meetings. Work on cross-border infrastructure projects including the resurfacing of the Tamu-Kalewa-Kalemyo road and negotiations on the Kaladan Multi-modal Transit Transport Project, which are aimed at both benefiting the North-east region of India as well as improving bilateral trade, continued. India is also considering the development of Rhi-Tidim, Rhi-Falam Roads in Myanmar for the development of second border trade point between India and Myanmar at zokhawthar (Mizoram) Rhi (Myanmar). On the economic front Myanmar's exports to India during 2008-07 amounted to Rs. 2934 crore and India's exports to Myanmar amounted to Rs. 640 crore. India continued to extend support to the process of national reconciliation and political reform within Myanmar.

India continued to support Nepal's transition to a democratic, stable, peaceful and prosperous State. India maintained close consultations with the Government of Nepal and the major political parties with a view to support the early introduction of the new constitutional order through Constituent Assembly elections held on 10 April, 2008. The bilateral relationship strengthened further and was characterized by extensive interaction and high-level visits. The highlights were the visit of Nepalese

Prime Minister G.P. Koirala and Foreign Minister Mrs. Sahana Pradhan to India in April 2007 to participate in the SAARC Summit. Foreign Minister Mrs. Pradhan also visited India in December, 2007 to participate in the SAARC Council of Ministers Meeting.

The Government contributed to the development efforts of Government of Nepal by undertaking development projects in areas of infrastructure, education, health, rural and community development. Strengthening of border infrastructure including development of integrated check-posts and construction of cross-border road and rail links along the India-Nepal border was high on Government's priority.

The Composite Dialogue and the Joint Commission continued to strengthen and deepen bilateral engagement although the pace of progress in India-Pakistan relations slowed considerably due to the domestic political turbulence in Pakistan. The dialogue process which began in 2004 is premised on the commitment given by the Pakistan President on 6 January 2004 not to permit any territory under Pakistan's control to be used to support terrorism in any manner. During the year, the dialogue process resulted in the signing of the Agreement on Reducing the Risk from Accidents Relating to Nuclear Weapons, an agreement to allow either country's trucks to cross at Wagah / Attari Border up to designated points on the other side, and completion of joint survey of Sir Creek and exchange of maps showing respective positions of either country. Transport links established in the previous rounds of the dialogue continued to operate successfully, facilitating the movement of people and boosting bilateral trade. The robust growth in bilateral trade is illustrated by the fact that total trade turnover increased from Rs. 3846.45 crore in 2005-06 to Rs. 7563.49 crore in 2006-07. This high rate of growth is being maintained in 2007-08 also. In the period from April to October 2007 total trade was valued at Rs. 4598.46 crore.

High-level bilateral visits added momentum to the dialogue process. Minister of External Affairs Pranab Mukherjee visited Pakistan on 13-14 January 2007. The Prime Minister of Pakistan Shaukat Aziz visited New Delhi to attend the SAARC Summit on 04 April 2004, The former Foreign Minister of Pakistan Khurshid Mahmood Kasuri visited New Delhi on 20-21 February 2007 to co-chair India-Pakistan Joint Commission meeting and Foreign Minister Inamul Haque on 7-8 December 2007 to attend the SAARC Council of Ministers.

Humanitarian issues concerning prisoners and fishermen continued to need high priority and attention. The formation of a Judicial Committee on Prisoners and the visit of relatives of Missing Defence Personnel to Pakistan are the important steps in this regard.

India continues to have serious concerns on the infrastructure of terrorism in Pakistan and its cross-border and other implications for us. The Joint Anti-Terrorism Mechanism, which was formed after the decision taken to that effect at Summit meeting in Havana in September 2006, held two meetings in 2007-08. This mechanism could be a useful instrument if implemented effectively.

India-Sri Lanka relations continued to be close in political, economic and cultural spheres. President Mahinda Rajapaksa visited New Delhi twice; in April 2007 for the SAARC Summit and in October 2007 for the Hindustan Times Leadership Summit. Foreign Minister Rohitha Bogollagama visited India several times, lastly in December 2007 for the SAARC Council of Ministers Meeting in New Delhi. From India, Minister for Food and Agriculture Sharad Pawar visited Sri Lanka in May 2007 and Finance Minister P. Chidambaram in November 2007 to address the annual lecture at the

Lakshman Kadirgamar Institute of International Relations and Strategic Studies. In the interaction which took place during these visits, India expressed its conviction that there is no military solution to the ethnic problem in Sri Lanka and the only way out is a negotiated, political settlement acceptable to all communities in Sri Lanka. Bilateral trade amounted to Rs. 6,400 crore for the period April-September 2007 as against Rs. 5,200 crore during the same period in 2006 and negotiations progressed on a Comprehensive Economic Partnership Agreement (CEPA). India was the 4th largest investor in Sri Lanka, in the year 2007. India continued to provide assistance to Sri Lanka in the field of human resource development. Progress was made on setting up of 500 MW coal-based power plant by NTPC in Trincomalee, rehabilitation of Colombo-Matara railway by RITES and Iacon and construction of 150-bed hospital at Dickoya in upcountry Sri Lanka.

SOUTH-EAST ASIA AND THE PACIFIC

India's relations with South East Asian countries including Australia, New Zealand and South Pacific countries continued to strengthen further in 2007-08. India's Look-East policy, which seeks to establish convergence with South-east Asian countries, showed continued progress in its implementation. Significant events during 2007-08 included the State Visits of the President of the Philippines and the Prime Ministers of Thailand, Vietnam and Cambodia to India. These visits led to the signing of several agreements which strengthened the institutional framework for closer relations with countries of South-East Asia.

During this period we further strengthened our bilateral defence relations with Singapore, Malaysia, Thailand and Vietnam through exchange of visits, training exchanges, ship visits and cooperation between defence industries of India and countries of South-east Asia. Cooperation in countering terrorism and organized crimes was strengthened through bilateral frameworks established with South-east Asian countries.

In accordance with our commitment to South-South Cooperation, India has also been offering soft credits and grants to Cambodia, Laos and Vietnam. Lines of Credit of US \$ 45 million for Vietnam, US \$ 17 million for Laos and US \$ 35 million for Cambodia were approved during the current year.

In the cultural sphere, we made efforts to strengthen the soft linkages between India and countries of South-east Asia. This aspect of our diplomacy was pursued through cultural exchanges, restoration of temples in Cambodia and Laos by the Archaeological Survey of India (ASI) and through the proposal to establish an international university at Nalanda through an Inter-governmental agreement. The proposed university will be a centre for classical and contemporary studies and will aspire to bring together scholars and students from the entire South-east Asian and East Asian regions.

EAST ASIA

India-Japan relations have undergone a significant and qualitative shift in recent years, propelled by successful regular summit-level exchanges. The Joint India-Japan Strategic and global partnership established during our Prime Minister's visit to Japan in 2006 provides both the vision for charting the future course of the relations and also a detailed action plan in that direction. The Strategic and Global Partnership is based on five pillars of cooperation viz., Political, Defence and Security Cooperation; Comprehensive Economic Partnership; Science and Technology Initiative; People

to People Exchanges and Cooperation in Regional/Multilateral fora. Japanese Prime Minister Abe's official visit to India in August 2007 helped chart out a road map for further strengthening this partnership with the signing of the Road Map for New Dimensions to the Strategic and Global Partnership. One important component of the Road Map is to broaden the strategic dialogue at all levels, to qualitatively upgrade exchanges in the security and defence fields, and to upgrade economic engagement.

Relations between India and Republic of Korea have become more intense and diversified. At the political level, these relations are excellent and devoid of any irritants. The increase in the field of art and culture have provided impetus to India-Korea bilateral ties. Economic engagement has acquired a prominent position in bilateral relations. ROK has emerged as an important country for investment into India. Growing defence and security ties and cooperation in regional and multilateral fora on common issues of interest are important aspects of dynamic bilateral relations.

India's traditionally friendly and cordial relations with Mongolia have steadily improved over the years. India continued to provide technical and economic cooperation to Mongolia in higher education, agriculture, information and communication technology and human resource development.

EURASIA

India maintained and further developed its strategic partnership with Russia during the year. The Prime Minister visited Moscow in November 2007 for the annual Summit meeting with the President of the Russian Federation. There was exchange of high-level visits to promote cooperation in respective spheres, including those of the Ministers of External Affairs, Defence, Commerce and Industry and Petroleum and Natural Gas from the Indian side and Head of Federal Space Agency and Acting Secretary of the Russian Security Council from the Russian side. Bilateral agreements were signed in diverse fields, particularly defence, economic cooperation and science and technology. Joint naval and airborne exercises were held in April and September 2007 respectively. The year marked the 60th anniversary of the establishment of diplomatic relations between India and the Russian Federation. India participated in India-Russia-China trilateral Foreign Ministers dialogue process.

India engaged with Eurasian countries at various levels to widen and deepen its cooperation with them. In particular, the President of Belarus visited India, the Minister of State for Commerce visited Azerbaijan and Uzbekistan and the Minister of State for Agriculture visited Armenia apart from several official level visits. Parliamentary visits, trade delegations, cultural festivals, seminars and development cooperation programmes and projects were undertaken to strengthen bilateral relations. The fifteenth anniversaries of the establishment of India's diplomatic relations with Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, Ukraine and Uzbekistan were marked through events with respective countries. India, as an Observer state, participated in the Heads of State and Heads of Government meetings of the Shanghai Cooperation Organization in August and November 2007 respectively.

THE GULF

In order to further strengthen its close and friendly relations with the countries of the Gulf region, India maintained the pace of its interactions in all fields. The year was remarked by the visits of the Crown Prince of Bahrain in March 2007. Vice President

and Prime Minister of the UAE and Ruler of Dubai in March 2007, and of the Deputy Prime Minister for the Council of Ministers of the Sultanate of Oman in December 2007. Joint Commission/Committee Meetings were held with Bahrain, UAE and Yemen. India reiterated its desire to enhance cooperation with Iraq during the meeting of the bilateral Joint Commission held in May 2007 and hopes that peace and stability would soon return to it. An Indo-GCC Industrial Conference was held in May 2007 in Mumbai . A number of Agreements and MoUs were signed to strengthen the Institutional framework for bilateral cooperation with the countries of the region, which are important economic partners, a major source for oil and gas Imports and have a common interest in promoting peace and stability in the region. The region is home to over 4 million Indian expatriates, and several measures were initiated to promote their welfare.

WEST ASIA AND NORTH AFRICA

India continued to consolidate its traditionally close and multifaceted relationships with countries of West Asia and North Africa. The momentum generated by the visit of the King and Queen of Jordan to India in 2006 was capitalized upon to give further substance to bilateral relations. Our close ties with Egypt continued to be nurtured with bilateral visits from both sides. India emerged as the third largest trading partner of Egypt in 2007. In Algeria a Parliamentary Friendship Group with India was formed and a parliamentary delegation from Algeria visited India in December 2007. On the economic front Indian companies continued to successfully expand their activities in the region, particularly in Algeria, Jordan, Sudan and Libya. Together, Indian companies secured contracts with over US \$ 1 billion in the region in 2007. Trade with the region also continued to row at a healthy rate.

India reiterated its support for a negotiated solution to the Palestinian issue resulting in a sovereign, independent, viable and united State of Palestine within secure and recognised borders living side-by-side at peace with Israel as endorsed in the Quartet Roadmap and UNSC Resolution 1397 an 1515. India joined the efforts of the international community to seek a just solution to the legitimate rights of the Palestinian people for a homeland of their own. India reiterated its commitment to the Palestinian cause at the Annapolis peace conference in November 2007 and pledged US \$ 5 million more for Palestine for development projects as well as training of 400 Palestinian officials under the ITEC programme at the subsequent donor's conference in Paris in December.

AFRICA

India further intensified its traditionally warm and cordial links with the countries of Africa. During the visit of Prime Minister Dr. Manmohan Singh to Nigeria in October 2007, It was agreed to establish a Strategic Partnership between India and Nigeria that would cover bilateral political, economic, trade, security, cultural, education, science and technology and international dimensions. India also received several high-level visitors from the countries of the region including the Ethiopian Prime Minister, Meles Zenawi and the President of the Union of Comoros, Mohamad Sambi. Regular exchange of Ministerial level visits resulted in new agreements in agreed areas of cooperation. Parliamentary exchanges look place particularly in the context of training courses offered by the Bureau of Parliamentary Studies and Training. Relief assistance and capacity building including through small development projects was provided under the assistance programme of the Ministry.

India deepened its ties with the region at not only the bilateral level but also at a regional and institutional level. A major step forward was the decision to hold the India-Africa Summit/Forum. It was held in New Delhi on 8 and 9 April 2008. The Summit was attended by the Presidents of Tanzania, the Democratic Republic of Congo, Ghana, Senegal, South Africa, Uganda, Vice Presidents of Nigeria and Zambia and Prime Ministers of Burkina Faso and Ethiopia, former Prime Minister and personal Representative of the President of Algeria, Minister of International Cooperation of Egypt, Minister of Foreign Affairs of Kenya, Secretary for African Union Affairs of Libya and Chairperson of AU Commission. At its conclusion, the Summit adopted a Delhi Declaration and an Africa-India Framework for Cooperation.

India's engagement with African Union (AU) continued to intensify with the Minister for External Affairs, Pranab Mukherjee, meeting with AU Chairperson Alpha Oumar Konare during his visit to Ethiopia in July 2007. The India-AU Joint Working Group met for two rounds of discussions including with African Permanent Representatives during the second round. The President of ECOWAS Commission called on Prime Minister Dr. Manmohan Singh during his visit to Nigeria in October 2007 and expressed his desire for further intensifying cooperation between India and ECOWAS. India also continued to engage in dialogues with other sub-regional groupings such as COMESA, SADC, EAC, and SACU.

The period saw increased Indian public and private sector investment in the continent and enhanced participation by Indian companies in multilaterally funded infrastructure projects in Africa. Anand Sharma, Minister of State for External Affairs led the Indian delegation for the regional project partnership conclaves which were held in Johannesburg, Cape Town, Kampala and Maputo. The regional conclave for West Africa was held by CII in Abidjan. The conclaves were successful with businesses from both regions striking significant partnerships and also gave spur to Indian companies seeking to build their brands in Africa. The Ministry supported the Pan-African Conclave held in New Delhi during 19-21 March 2008. Lines of Credit were extended for specific infrastructure development projects.

The TEAM-9 Initiative, a techno-economic cooperation venture between India and 9 countries of West Africa, continues to provide an effective impetus to deepen India's relations with several important countries of West Africa. ECOWAS countries began to avail of a US \$ 250 million line of credit extended by India to the ECOWAS Bank for Investment and Development and projects worth US \$ 113.5 million, ranging from health and agriculture sectors to rural electrification, were approved. The impact of these initiatives on our relationships with countries of West Africa region was evident in the several Ministerial level visits that India received.

The work for implementation of the Pan-African e-network project continued. The pilot project for tele-education and tele-medicine was inaugurated by External Affairs Minister Pranab Mukherjee in Addis Ababa, Ethiopia on 4 July 2007. The construction of hub in Dakar (Senegal), which was chosen as the site for establishment, was completed. TCIL has already signed MoUs for participation in the project with 28 countries in Africa. Survey work through TCIL teams in various regions is underway.

EUROPE

The member States of the EU are important to India individually as well as collectively. The European Union, which has always been an economic powerhouse, has evolved

as a political entity growing eastwards and encompassing 27 countries. The EU Reform Treaty was signed by the Heads of State or Government of the 27 Member States in Lisbon on 13 December 2007. Called the Treaty of Lisbon, it aims to provide the EU with modern Institutions and optimised working methods. The Schengen area too grew in December 2007 by including 9 of the 12 New Member countries; the rest three of the New Member countries, viz., Cyprus, Bulgaria and Romania are likely to join later.

India's relations with Europe have grown exponentially covering all areas of interaction. The EU is India's largest trading partner and bilateral trade crossed Rs. 270,000 crore in 2006. India and EU are also important investment partners with significant two-way flows. Total FDI inflow from the EU to India is US\$ 10.86 billion (24% of the total FDI inflows from August 1991 to February 2007). Indian investment has also been growing steadily in UK, Germany and Italy.

India and Europe have worked for development of common approaches to addressing new and emerging global challenges. The President of India visited Strasbourg, France in April 2007 and addressed the European Parliament. This was the first ever visit and address by an Indian President to the European Parliament. The EU was associated with SAARC as an Observer and attended the 14th SAARC Summit held in New Delhi during 1-4 April 2007. India's External Affairs Minister Participated for the first time in the ASEM Foreign Ministers Meeting in Germany in May 2007. The 8th India-EU Annual Summit took place in New Delhi on 30 November 2007.

India's engagement with individual countries in Europe intensified and diversified in fields such as energy, science and technology and culture. Summit-level interactions have taken place with UK, France, Italy, Netherlands, Germany and Portugal. There has been extensive interaction with EU member states at Ministerial and official levels besides growing exchanges of Parliamentarians and civil society dialogues. Efforts have also been made to diversify and deepen our traditionally warm, friendly and close relations with the countries of the Nordic as well as Central and Eastern Europe. Trade with most of these countries is increasing at a fast pace, moving away from traditional commodities to engineering goods and value-added items. Investments from India are also increasing. Nordic countries are also beginning to view the Indian stock market and financial instruments as safe and remunerative investments for their large investible funds, and have commenced investing in India. The relatively high growth rates in the former East Europe, coupled with the new possibilities arising from a dynamic and economically vibrant India is further boosting economic activity between India and these parts of Europe to mutual benefit.

UNITED STATES

The India-US bilateral engagement has broadened with a number of initiatives announced during the visits of Prime Minister Dr. Manmohan Singh to Washington DC in July 2005 and President Bush to New Delhi in March 2006. As a result, India and US interaction today encompasses strategic and security issues, defence, counter-terrorism, science and technology, health, trade, space, energy, maritime cooperation, and environment. Frequent contacts at political as well as at official levels and the regular bilateral dialogue on a wide range of issues have contributed to the qualitative transformation in bilateral cooperation in areas of common interest.

CIVIL NUCLEAR ENERGY

The India-US bilateral cooperation agreement on civil nuclear cooperation to implement the understandings of July 2005 and March 2006 is a significant landmark in India-US cooperation - paving the way for civil nuclear cooperation and trade between India and the West and other members of the Nuclear Suppliers Group. Government initiated talks in December 2007 with the International Atomic Energy Agency for the conclusion of an India-Specific safeguards agreement.

DEFENCE

Under the India-US Defence Policy Group, which is the apex institutional dialogue mechanism for defence cooperation, the Joint Technology Group (JTG) held its 9th meeting on 10 April 2007 in Washington, the Defence Procurement and Production Group (DPPG) held its 4th meeting on 30-31 May 2007 in Hawaii, the Senior Technology Security Group held its 4th meeting in New Delhi on 26 November 2007 and the 8th meeting of Military Cooperation group (MCG) was held in Hawaii on 11-13 December 2007. India-U.S. Defence Joint Working Group (DJWG) held two meetings — first in April 2007 in New Delhi and second in November 2007 in Washington. In the first ship acquisition by India from the US, USS Trenton was handed over to Indian Navy on 17 January 2007. It has been commissioned as INS *Jalashwa*. The defence forces of the two countries engaged in bilateral exercises and participated in multilateral exercises. US companies participated at the Aero India show held in Bangalore from 9-13 February 2007. India-US joint military exercises were held in Alaska from 8-26 September 2007.

SPACE

The second meeting of India-U.S. Joint Working Group (JWG) on civil space cooperation was held in February 2007 in Washington D.C. In-depth discussions were held covering broad topics like Space Science, Earth Observations and Earth Science, Data Policy, Landsat Data Continuity Mission, Export Control etc. The JWG adopted the Joint Statement on U.S.-India Cooperation in the Use of GPS and Space-based Positioning, Navigation and Timing systems and Applications.

ENERGY AND ENVIRONMENT

The US Energy Secretary Bodman visited India in March 2007. The Coal Working Group under the India-US. Energy Dialogue met in June 2007 at Washington DC. External Affairs Minister, Pranab Mukherjee led the delegation to the Major Economies meeting on Energy Security and Climate Change convened by the US President George W. Bush which was held on 27 September 2007.

TRADE AND ECONOMY

USA continues to be India's largest trading partner and a leading foreign investor. During 2006, the total bilateral trade in merchandise and commodities stood at US\$ 31.91 billion as compared to US\$ 26.76 billion in 2005, an increase of 17%. The total bilateral trade in merchandise and commodities during the first nine months of 2007 stood at US\$ 29.64 billion. The U.S. continues to be one of the largest foreign direct investors in India. The cumulative FDI flows from USA from August 1991 to July 2007 stood at US\$ 6215 million. FDI inflows from the U.S. constitute about 12% of total actual FDI inflows into India. The U.S. is the leading portfolio investor in India. During 2006-07, portfolio investments by USA were US\$ 2240 million. The U.S. is also the most important destination of Indian investment abroad. Between 1996

and March 2007, Indian companies invested US\$ 2727 million in the U.S. largely in manufacturing and non-financial services.

During the India-US Trade Policy Forum Meeting co-chaired by US Trade Representative (USTR), Susan Schwab and Commerce and Industry Minister Kamal Nath in April 2007, it was decided to set up a Private Sector Advisory Group (PSAG) to provide strategic recommendations and insights for enhancing bilateral trade and fostering investment.

India and the US signed in June 2007 a Memorandum of Understanding (MOU) to establish the India-US Aviation Cooperation Programme (ACP), a public-private partnership between Ministry of Civil Aviation of India and US Trade Development Agency (USTDA) and Federal Aviation Agency (FAA). A Memorandum of Cooperation (MOC) was signed between Ministry of Urban Development of India and US in 2007 in New York. Commerce and Industry Minister Kamal Nath visited Department of Transportation in September 2007 to expand cooperation in the fields of public transportation.

Under the bilateral Knowledge Initiative on Agriculture (AKI), a work plan to focus on four areas of cooperation - university capacity building, food processing and marketing, biotechnology and water management- has been finalized and is being implemented. The 5th meeting of the Board constituted under the AKI met Washington DC in June 2007 to review the implementation of the February 2006 Work Plan.

CANADA

The agenda with the new Conservative Government prioritized the common objectives of increasing bilateral trade and investment cooperation in science and technology including bio-technology, education, agriculture, counter-terrorism, civil nuclear safety, energy efficiency and environment. Political, official and business-level visits and contacts were frequent as both sides identified and pursued potential areas of enhanced cooperation on the bilateral as well as multilateral plane.

STRATEGIC DIALOGUE

Assistant Deputy Minister, International Security Branch and Political Director of the Department of Foreign Affairs and International Trade Fannada Colleen Swords visited India from 11-15 November 2007 to hold the third round of the India-Canada Dialogue on Strategic Issues.

COUNTER-TERRORISM

The 8th meeting of the India-Canada Joint Working Group on Counter-Terrorism and the India-Canada Security Dialogue took place in Ottawa from 20-22 March, 2007. The Joint Working Group discussed the threat of terrorism that two countries faced in the regional and global contexts and agreed on a number of measures to strengthen bilateral cooperation.

ENVIRONMENT

Minister of State for Environment and Forests N.N. Meena led Indian delegation to the 19th Meeting of the Parties to the Montreal protocol on Substances that Deplete the Ozone Layer in Montreal in September, 2007. On the margins of the Conference, a bilateral agreement was signed for setting up an India-Canada Forum for Environmental Cooperation. Canadian Deputy Minister of Environment, Michael Horgan, visited India to participate in the Second Ministerial Meeting of the Asia-

Pacific Partnership on Clean Development and Climate on 15 October 2007 in New Delhi. Canada was admitted, with India's support, as the 7th member of the Asia-Pacific partnership on Clean Development and Climate.

A delegation consisting of five officials and 9 biotechnology companies visited Canada in September 2007. During the visit, an agreement was signed between Department of Biotechnology and National Research Council-Plant Biotechnology Institute, Saskatoon. Canada, for setting up a joint fund for research in identified areas of plant biotechnology.

LATIN AMERICA AND THE CARIBBEAN (LAC)

Relations between India and the countries of Latin America continued to progress. Several high-level incoming and outgoing visits gave impetus to ongoing interaction with these countries. These included the visits of President Luis Inacio Lula da Silva of Brazil in June 2007 and of President Felipe Calderon Hinojosa of Mexico in September 2007. Foreign Ministers of Cuba, Guatemala, El Salvador and Brazil also visited India. Visits from India to this region included those to Cuba, Dominican Republic, Guatemala, Colombia and Ecuador. In keeping with our initiatives to reach out to new markets, Indian trade missions and commercial delegations to LAC region were facilitated. Indian business majors established operations in oil and gas sector in Trinidad and Tobago, Mexico, Brazil, Colombia and Cuba, and iron ore sector in Bolivia. Similarly companies in the IT and pharmaceutical sectors became active in several Latin American Countries. LACs are responding to these developments and new resident missions are being opened in Delhi by Guatemala, Costa Rica, Nicaragua and El Salvador. India has announced its intention to open a new mission in Guatemala.

UNITED NATIONS AND INTERNATIONAL ORGANISATIONS

India has always attached considerable significance to multilateral diplomacy, and plays an important part in international organisations. India has traditionally been an active and constructive participant in the activities of the United Nations and its affiliated international organisations. India's interests and the areas of her focus cover a wide spectrum which includes reform of the UN system, tackling international terrorism, peacekeeping operations, international human rights issues, environmental conservation and a fair and just international economic order. India strives to a principled approach to these global issues firmly based on its vision of a more equitable and peaceful international order that gives due emphasis to the legitimate interests of the developing world.

Prime Minister Dr. Manmohan Singh led the Indian delegation to the Commonwealth Heads of Government Meeting (CHOGM) in Kampala (Uganda) from 23-25 November 2007. External Affairs Minister Pranab Mukherjee attended the pre-CHOGM Commonwealth Foreign Ministers meeting on 21-22 November 2007. Minister of State for External Affairs Anand Sharma represented India at a 'Youth Dialogue' and a 'Sports Breakfast' which were chaired by the President of Uganda. India's candidate Kamallesh Sharma was selected as the next Secretary General of Commonwealth during the Kampala CHOGM.

The External Affairs Minister led the Indian delegation to the General Debate of 62nd UNGA Session from 23 September to 2 October 2007. His statement at the General Debate covered a number of major issues including India's position on the issue of climate change, need for a comprehensive reform of the international financial

architecture to achieve the Millennium Development Goals (MDGs), Doha round of trade negotiations and comprehensive reform of the UN. He also announced a further pledge of US \$ 10 million as Government of India's further contribution to the UN Democracy Fund. Further, the External Affairs Minister hosted the Ministerial meeting of South Asian Association for Regional Cooperation (SAARC) and participated in the Ministerial meetings of the Non-Aligned Movement (NAM), Asia Cooperation Dialogue, India-Brazil-South Africa initiative and Brazil-Russia-India-China (BRIC), besides having a number of other meetings.

On 15 June 2007, the United Nations General Assembly unanimously adopted a resolution, introduced by Anand Sharma, Minister of State for External Affairs, on International Day of Non-Violence with the co-sponsorship of 142 countries to annually observe and celebrate Mahatma Gandhi's birthday October 2, as the International Day of Non-Violence. The first International Day of Non-Violence was observed at the UN on 2 October 2007 when Sonia Gandhi, Member of Parliament and Chairperson of the United Progressive Alliance (UPA) addressed an informal plenary meeting of the UN General Assembly, which was attended by a large number of dignitaries from across the world. Other activities organized to mark the occasion included a Round Table at which Philosophy, a photographic exhibition, screening of a film on Mahatma Gandhi and a special cancellation issued by the UN Postal Administration (UNPA) for use by the UNPA during October 2007.

India continued its active and constructive engagement in the reform process at the UN. Despite substantive implementation of the UN reform agenda that emerged from the Outcome Document of the World Summit in 2005, such reform will inevitably remain incomplete without comprehensive reform and expansion of the Security Council, have been discussed for well over a decade through numerous reports and interminable consultations. It is now time for inter-governmental negotiations to commence in order to make the Security Council more democratic, representative and responsive. India, with partners from Africa, Latin America and Asia, tabled a resolution on 11 September 2007, spelling out the principles on which reform ought to be based if it has to be meaningful.

The Minister of State for Industry, Dr. Ashwini Kumar, led the Indian delegation to 63rd session marking the 60th anniversary of United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) in Almaty, Kazakhstan, from 17-23 May 2007. The Minister of Panchayati Raj, Youth Affairs and Sports and Development of North-Eastern Region, Mani Shankar Aiyar, Unveiled a bust of Mahatma Gandhi at the UNESCAP premises in Bangkok at a special ceremony to mark the first International Day of Non-Violence on the birth anniversary of Mahatma Gandhi on 2 October 2007.

India signed and ratified the UN Convention on the Rights of Persons with Disabilities on 1 October 2007.

Climate change issues have come to occupy centre stage on the international agenda. India has been interacting closely with key countries around the world and participating in meetings and conferences on climate change for practical, pragmatic solutions for the benefit of the entire humankind. The Ministry has been proactively involved in the international negotiations and discussions on climate change. This has included the UNFCCC, negotiations including the annual conference held in Bali in December 2007, the Major Economies Meeting process, the UN high level Event in September 2007 and other meetings/debates at the UN and G8-05 driven

processes. India has also hosted the 2nd Ministerial Meeting of the Asia-Pacific Partnership for Clean Development and Climate in October 2007.

Prime Minister Dr. Manmohan Singh participated in the G8-O5 Meeting in Heiligendamm, Germany in June 2007 where his intervention on climate change was widely acclaimed. He clearly outlined India's position on climate change noting that strategies should include mitigation and adaptation with fair burden sharing and measures to realise sustainable patterns of consumption and production. He emphasised the importance of taking into account where the primary responsibility for the present levels of GHG concentration rests and not perpetuation of poverty among the developing countries. No strategy should foreclose for developing countries the possibilities of accelerated social and economic development. The principle of common and differentiated responsibility and respective capability is very important. The time is not ripe for developing countries to take quantitative targets, as these would be counter-productive on their development processes. He also said that India was determined that its per capita GHG emissions are not going to exceed those of developed countries even while pursuing policies of development and economic growth.

In order to evolve measures to mitigate the risk posed by disasters, the Delhi Declaration on Disaster Risk Reduction in Asia 2007 was adopted at the Second Asian Ministerial Conference on Disaster Risk Reduction in New Delhi in November 2007. An Indian delegation also participated in the first meeting of the Global Platform for Disaster Risk Reduction in Geneva in June 2007.

In the UNGA discussions on the coordination of humanitarian assistance, India piloted on behalf of the Group of 77, a resolution tabled annually on 'International Cooperation in Humanitarian Assistance for Natural Disasters, from Relief to Development'.

With a large diaspora spread all over the world, issues relating to migration were actively pursued by India in international fora. India participated in the first meeting of the Global Forum on Migration and Development (GFMD) held in Brussels in July 2007.

MULTILATERAL ECONOMIC RELATIONS

India hosted the 14th SAARC Summit in New Delhi on 3-4 April 2007 assuming the chairmanship of SAARC. It was the smoothest, least contentious Summit. For the first time, SAARC expanded its membership to include Afghanistan as the eighth member and China, Japan, Republic of Korea, the United States of America and the European Union as five Observers. Since then Iran has also been welcomed as the Sixth Observer of SAARC. Member States urged SAARC to move from a declaratory to an implementation phase. Two important Agreements on the establishment of the South Asian University and the SAARC Food Bank were signed. The SAARC countries agreed to work together on a roadmap *inter alia*, for poverty alleviation, food security, trade and transport, education, culture and counter-terrorism. The SAARC leaders also agreed to make tangible progress on the four issues of Water (including flood control); Energy, Food and Environment.

Dynamism has set in the various SAARC processes after India assumed the Chairmanship of SAARC, principally due to our conscious effort to discharge our role in a non-reciprocal manner. India hosted Ministerial meetings in the crucial areas of transport (30-31 August 2007) finance (14-15 September 2007), and security

(25-26 October 2007). On social issues, and to implement the Social Charter, India hosted the National Coordination Committee Meeting (6-7 September 2007), first Meeting of the Regional Task Force to implement the SAARC Convention on Trafficking in Women and Children and a Conference on Micro Financing and Women Economic Empowerment in SAARC (26-27 July 2007). In all the meetings, concrete projects were identified. The draft Agreement on the SAARC Development Fund (SDF) was finalized on 29 November 2007. There has been significant progress in negotiations on the text of the Agreement on Protection and Promotion of Investments that is now ready to be finalized. The two Agreements are likely to be signed during the next Summit to be held in Sri Lanka in 2008.

Work has started on the establishment of the South Asian University as well as on a pilot project connecting one/two hospitals in each of the SAARC countries with 3-4 Super Speciality hospitals in India. With regard to the issues identified during the Retreat (Water; Energy; Food and Environment) India is proposing a project on solar rural electrification for 300 houses in a country; capacity building in rainwater harvesting, preservation of forests and agri-business; and sharing of Indian protocol of optimally utilizing rhizobium bacteria for increased nitrogen fixation for high yielding pulses. People-to-people linkages with other SAARC member states have been strengthened through culture, trade and tourism to ensure that the developmental benefits are enjoyed by all of SAARC's population.

India also continued its active engagement with several other groupings such as ASEAN, EAS, MGC, BIMSTEC, IOR-ARC, IBSA, G-15, G-8, OECD/APEC, WIPO, ACD, ARF, ASEM, BRIC, in order to increase its integration with the global economy and the evolving global political and security architecture. Prime Minister led the Indian delegation to the 8th India-ASEAN Summit, the East Asia Summit and also the second IBSA Summit held in Pretoria in October 2007. Prime Minister participated in a meeting of the outreach countries of the G-8 Summit held in Germany on 8 June 2007.

Making tangible progress on various commitments made by the Prime Minister during the ASEAN Summit, India hosted 125 Buddhist pilgrims including journalists to visit India on Buddhist circuit from CLM (Cambodia, Laos, Myanmar, Vietnam) countries. Further, 100 students from 10 ASEAN member countries visited on a week long educational trip in December 2007. The annual special training course of ASEAN diplomats has been conducted in August 2007.

INDIAN TECHNICAL AND ECONOMIC COOPERATION (ITEC) PROGRAMME AND DEVELOPMENT PARTNERSHIP (DP)

The Technical Cooperation programme with its emphasis on capacity building, transfer of technology and sharing of the Indian developmental experience formed an important element of India's interaction with countries in the developing world. Over 4,700 participants from 156 ITEC-partner countries took part in the training programmes in the civilian and defence field conducted under ITEC (Indian Technical and Economic Programme) and SCAAP (Special Commonwealth Assistance for Africa Programme) on a bilateral basis. Multilateral and regional dimensions were reflected in special programmes conducted in cooperation with organisations such as the WTO and the Commonwealth. Indian experts were deputed to advise and assist in diverse areas such as Information Technology, Auditing, Agriculture and Defence. Many projects were undertaken during the year in the fields of Archaeological

Conservation, Tourism and Hospitality, Information Technology and Small and Medium Enterprises in different parts of the developing world. The humanitarian programme of offering relief and solidarity to disaster hit areas continued with the delivery of supplies and medicines.

INVESTMENT AND TECHNOLOGY PROMOTION (ITP)

Economic diplomacy continued to be a serious area of focus in recognition of its importance as a means of achieving broader foreign policy objectives. The Ministry, through the ITP Division, participated in various policy meetings of Foreign Investment Promotion Board, Reserve Bank of India, Board of Trade as well as other policy meetings concerning reforms and liberalisation of the economy and simplifying of investment procedures. At the same time, the capacity to provide support and advice to Indian Government and private entities seeking to establish business and investment enterprises abroad was enhanced through various means, including promotional activities and concessional Lines of Credit.

A new Energy Security Unit was established in the Ministry in September 2007 and appended to the ITP Division to support India's international engagement through appropriate and sustained diplomatic Interventions. The Unit will also support the efforts of our corporate entities, both in public and private sectors, in acquiring energy assets overseas, in transfer of new and emerging technologies to India and in building strategic partnerships with foreign companies.

CONSULAR, PASSPORT AND VISA SERVICES

The Ministry took a number of measures like decentralization and online applications to make the passport issuance system simpler and speedier for the convenience of the public. Computerization of Passport and Visa issuance system was completed in Missions/Posts at Bahrain, Toronto, Kuala Lumpur, Birmingham, Jeddah, Colombo, Kandy and Vancouver and work is underway in Houston, Chicago, San Francisco, Washington, Moscow and Doha. Thirteen Missions/Posts abroad have already outsourced visa application collection work. The Ministry has also successfully implemented the project for centralized printing of Machine Readable Passports (MRPs) in respect of 111 Indian Missions/Posts abroad.

A pilot project for issue of e-passports in the diplomatic and official category of passports has been initiated and is expected to be completed shortly. Based on the experience gained from this pilot project, it is proposed to start issuance of e-passports in the ordinary category.

Visa waiver Agreements for the holders of Diplomatic and Official passports were signed with Croatia, Cyprus, Ecuador, Japan, Philippines and Serbia. These Agreements will enter into force shortly.

Extradition Treaties were signed with Portugal, Belarus and Mexico in 2007. The Ministry started Implementation of Apostille Convention in August 2007 for attestation of documents. Under the Hague Convention of October 1961, public documents apostilled by the Ministry are acceptable in 92 Member Countries.

PROPOGATION OF HINDI ABROAD

Implementation of Official Language Policy of the Government of India has always been accorded high priority by the Ministry of External Affairs. All important documents meant to be placed before the Parliament are prepared bilingually. Training in Hindi forms an integral part of the training programmes of Foreign Service Institute in the Ministry. Our Mission implement a well-formulated scheme for propagation of

Hindi abroad by providing teaching materials, financial assistance and scholarships for foreign students to study Hindi. Regional Hindi Conferences were organized in Budapest from 24-26 October 2007 and Seoul From 9-11 November 2007.

The Eighth World Hindi Conference was organized by the Ministry from 13-15 July 2007 in New York in association with Bharatiya Vidya Bhavan, New York. Over 850 delegates from different countries attended the Conference.

In recognition of the importance of the Right to Information Act 2005 a separate Right to Information (RTI) Division functions in the Ministry. A Joint Secretary level officer has been designated as the Central Public Information Officer (CPIO) and an Additional Secretary has been designated as the Appellate Authority. In addition, separate Appellate Authorities and CPIOs have been designated in the CPV Division, ICCR and ICWA. It has been the Ministry's endeavour to expeditiously provide information to Indian citizens in accordance with the provisions of the Right to Information Act 2005

FOREIGN SERVICE INSTITUTE (FSI)

The new building of the Foreign Service Institute was formally inaugurated on 14 November 2007 by the Minister of External Affairs, Pranab Mukherjee who also unveiled a bust of Jawaharlal Nehru at the Foreign Service Institute. The Foreign Service Institute conducted training programmes for IFS Probationers, Diplomatic Correspondents, Cabinet Secretariat Officers and other officers of the Ministry of External Affairs. Two Professional Courses for Foreign Diplomats and a special Course for ASEAN Diplomats were conducted by the Institute during the year. The Institute continued to maintain institutional linkages with its counterparts in other countries. Agreements/MoUs providing an institutional framework of cooperation between the FSI and counterpart institutes in Kyrgyzstan, Serbia, the Philippines, Brazil, Nigeria and the Czech Republic were signed during the year.

The FSI also organized lectures by eminent and distinguished personalities. The series of lectures organized by the FSI on the topic "India of My Dreams" included lectures by several eminent personalities such as Sunil Bharti Mittal, Chairman & Group Managing Director, Bharti Enterprises on 10 April 2007; Shivraj Patil, Minister of Home Affairs on 14 July 2007; Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission on 6 August 2007; Mani Shankar Aiyar, Minister of Panchayati Raj, Youth Affairs and Sports and Development of North East Region on 28 August 2007; Dr. Shashi Tharoor, former Under Secretary General, United Nations on 27 October 2007; and Dr. Ramachandra Guha, the renowned historian on 2 November 2007.

INDIAN COUNCIL FOR CULTURAL RELATIONS

The Indian Council for Cultural Relations (ICCR) was formally set up in 1950, with the primary objective of establishing, reviving and strengthening cultural relations and mutual understanding between India and other countries.

ICCR's objectives have continued to witness significant expansion, both qualitatively and quantitatively, in line with the momentum and dynamism acquired in recent years. The Council set up two new Centres abroad at Kabul and Kathmandu as well as two new offices at Pune and Varanasi to meet the increasing demands on its mandate.

The year long Festival of India in Japan was a major success. It concluded on 10 December 2007. The footprint of this Festival was all of South East Asia and multiple cultural troupes visited almost all the countries in the region.

The Council organised the first SAARC Cultural Festival in December 2007. This was the first event of its kind and consisted of several components such as fusion music, food, fashion, textile and handicrafts, folklore, exchange of student, etc.

The Council organised cultural events and brought out special publication on the occasion of 8th World Hindi Conference at New York. An Exhibition at the UN Headquarters at New York, on the occasion of the observance of the first International Day of Non-Violence on October 2, was also organised by ICCR.

The Council offered over 1800 scholarship slots to students from 90 countries including 500 slots to Afghan students. It sponsored over 60 cultural delegations to several countries covering all the continents of the world and hosted over twenty-five foreign cultural groups from different countries.

INDIAN COUNCIL OF WORLD AFFAIRS

The Indian Council of World Affairs was set up in 1943 and taken over by the Central Government in September 2000. During the period April-November 2007, the Indian Council of World Affairs organized a number of events such as lectures, seminars, bilateral strategic dialogues and background briefings. ICWA also completed two research projects and brought out three issues of ICWA's magazine 'India Quarterly'. During this period, the ICWA signed Memoranda of Understanding with counterpart organizations in China and Nigeria.

EXTERNAL AFFAIRS HIGHLIGHTS OF THE YEAR

- At India's initiative, the UN declared 2 October, Mahatma Gandhi's birth anniversary, as the 'International Day of Non-Violence'.
- India took the major initiative to host the first India-Africa Summit/Forum. A pilot project for tele-education and tele-medicine in Africa, and another Indian cooperation project for pan-African e-Network progressed.
- India hosted the 14th SAARC Summit, seeking to impart dynamism to SAARC processes implementation.
- The 1020-MW Tala hydel project in Bhutan, with Indian cooperation, started full operations, supplying power to India; agreement signed for another, 1095-MW Punatsangchhu Project.
- As the forefront of international assistance to Afghanistan, India committed some \$ 750m, and several thousand Indians engaged in the multi-sectoral developmental work there.
- Indo-US cooperation now spans a wide spectrum including high technology, space, agriculture, education, trade and commercial linkages, and there is the itinerant civil nuclear cooperation agreement, with the USA - and with other friendly countries.
- The President visited Strasbourg and addressed the European Parliament.
- A new direct passenger train service between Kolkata and Dhaka was launched; disaster relief work of Rs.100 crore was provided to Bangladesh.

- Rs. 10 crore assistance extended to Maldives following tidal waves damage; work started for a high level tourism and hospitality training centre, with Indian assistance of some Rs. 50 crore.
- Prime Minister visited China; high watermark being the signing of “A Shared Vision for the 21st Century”.
- India-Myanmar relations strengthened, with high level visits, the signing of bilateral oil and gas production sharing contracts, and cross border infrastructure projects, notably the Kaladan multi-modal transit transport project providing easier linkage for the north-east.
- A Comprehensive Economic Partnership Agreement with Sri Lanka progressed further; Indian bilateral cooperation included a 500-MW coal-based power plant, besides railway and hospital projects.
- Japanese Prime Minister visited India; roadmap charted for New Dimension to the Strategic and Global Partnership.
- Strategic partnership with Russia further developed by Prime Ministerial visits from both sides.
- India participated in the new peace efforts for Palestinian territory, and pledged further \$ 5m for development projects and training.
- India vigorously pursued the UN system reform, terrorism, and climate change issues, among others, on high priority basis.
- Prime Minister participated in the G8-O5 summit meetings, in Germany, and in Japan, to consider, along with other most influential countries of the world, major issues of the day.
- Continuing the widely popular Indian Technical and Economic Cooperation (ITEC) with the developing world, 156 countries and over 4,700 participants were benefited.
- Several measures taken to make the passport issuance system simpler and speedier; a pilot project initiated for e-passports.
- The 8th World Hindi Conference organized in New York, attended by 850 delegates from all around the world.
- The Foreign Service (Training) Institute moved into its newly built premises.
- The Indian Council for Cultural Relations set up two new centres abroad at Kabul and Kathmandu; and organized a year-long Festival of India in Japan, as well as the first SAARC Cultural Festival.

ACHIEVEMENTS OF THE MINISTRY OF OVERSEAS INDIAN AFFAIRS

OVERSEAS INDIAN CITIZENSHIP SCHEME

The Government launched Overseas Citizenship of India Scheme (OCI Scheme) w.e.f. Dec. 2, 2005 to facilitate life long visa-free travel to India and certain economic education and cultural benefits to Persons of Indian Origin (PIOs). So far about 3 lakh OCI documents have been issued by the Government.

OVERSEAS WORKERS RESOURCE CENTRE (OWRC)

In order to educate the intending emigrants about the risks involved in irregular migration and the precautions to be taken while seeking overseas employment and to

provide need based Information to overseas emigrants an Overseas Workers Resource centre (OWRC) has been established. The Centre operates a toll free helpline for the purpose.

COUNCIL FOR PROMOTION OF OVERSEAS EMPLOYMENT (CPOE)

A council for Promotion of overseas Employment (CPOE) has been established which will serve as a strategic think tank to conduct market research, identify employment opportunities in the international labour market, disseminate market information to stakeholders, do skill profiling to identify skill gaps and plan appropriate Interventions for addressing such gaps, devise strategies to respond to the market dynamics and enable intending emigrants to reap the demographic dividends of globalization.

OVERSEAS INDIAN FACILITATION CENTRE (OIFC)

An Overseas Indian Facilitation Centre - a Not for Profit Trust - has been set up to serve as a single window to promote overseas Indian investment in India as well as to provide a variety of business advisory services to overseas Indians.

ESTBLISHING A PIO UNIVERSITY

With a view to provide benefits to the children of Overseas Indians by offering courses of international standards the Government has decided to establish PIO/NRI University at Bangalore by the Manipal Academy of Higher Education Trust, Manipal. The University will have 50% seats earmarked for PIOs/NRIs and the remaining 50% for resident Indian students.

SETTING UP OF OVERSEAS INDIAN CENTRES

The Government has approved setting up of three Overseas Indian Centres at Dubai, Kuala-Lumpur and Washington to provide medical, legal and financial counselling to the Overseas India workers.

OVERSEAS INDIANS AND THE MINISTRY OF OVERSEAS INDIAN AFFAIRS

India has the second largest Diaspora in the world. The Overseas Indian community estimated at over 25 million is spread across every major region in the world. Yet, it is difficult to speak of one great Indian Diaspore . The overseas Indian community is the result of different waves of migration over hundreds of years driven by a variety of reasons - mercantilism, colonialism and globalisation. Its early experiences make up a sage of trials, tribulations and the eventual triumph of determination and hard work. In the last three decades of the 20th century the character of migration began to change and a 'new Diaspora' led by high skilled professionals moving to the western world and semi-skilled contract workers moving to the Gulf, West and South East Asia emerged.

The overseas Indian Community thus constitutes a diverse heterogeneous and eclectic global community representing different regions, languages, cultures and faiths. The common thread that binds them together is the idea of India and its intrinsic values. Overseas Indians comprise People of Indian Origin (PIO) and Non Resident Indians (NRI) and today are amongst the best educated and successful communities in the world. In every part of the world the overseas Indian community is recognised and respected for its hard work, discipline, non interference and for successfully integrating with the local community. Overseas Indians have made significant contributions to the economy of the country of residence and have added in considerable measure to knowledge and innovation.

THE MINISTRY AND ITS MANDATE

The MOIA is the nodal Ministry for all matters relating to overseas Indians comprising Persons of Indian Origin (PIO), Non-Resident Indians (NRIs) and Overseas Citizens of India (OCI). The Mission is to promote, nurture and sustain a mutually beneficial and symbolic relationship between Indian and Overseas Indians. To achieve the mission, MOIA is guided by four key principles:

- Offer customized solutions to meet the varied expectations of the overseas Indian community.
- Lend a strategic dimension to India's engagement with the Diaspora
- Tap the investible diasporic community in terms of knowledge and resources
- Anchor all diasporic initiatives in the States

MOIA has taken up a series of programmes/ initiatives for the betterment of the overseas Indian community.

PRAVASI BHARATIYA DIVAS

9th January is recognised as the Pravasi Bharatiya Divas, as it was on this day in 1915 that Mahatama Gandhi returned to India from South Africa to launch what eventually became India's successful freedom struggle and inspiration to overseas Indians and people under colonial rule all over the world. The day is celebrated every year as part of Pravasi Bharatiya Divas (PBD) Convention. The PBD is the flagship event of the Ministry of Overseas Indian Affairs.

The sixth Pravasi Bharatiya Divas conference was organized at New Delhi on 7-9 January, 2008 in partnership with the Government of the National Capital Territory of Delhi and the Confederation of Indian Industry (CII). The theme for this year's PBD was 'Engaging the Diaspora, the way forward'. The Conference included plenary sessions on Social Development Challenges in India, Health & Education, Investment & Infrastructure, Trade & Business Opportunities, Developmental Challenges of States Partnership Opportunities, 'Diaspora Philanthropy, Empowerment of Rural Women. Concurrent Sessions on Knowledge Economy, Culture and Challenges in Women Empowerment and Leadership and Regional Working Sessions on 'Gulf', 'Asia-Pacific', 'Africa', 'Americas' and 'Europe' were also held as part of the Conference. Around 1100 delegates participated in the conference from different parts of the world.

The Conference was inaugurated by the Hon'ble Prime Minister of India Dr. Manmohan Singh. Hon'ble President of India smt. Pratibha Devisingh Patil, conferred the Pravasi Bharatiya Samman Awards to 11 persons of Indian origin and one overseas Indian Association at the Valedictory Session on 9th January. The recipients of the PBSA were selected by a Jury-Cum-Awards Committee chaired by the Hon'ble Vice President of India

Prime Minister of Mauritius, Dr. The Hon'ble Navinchandra Ramgoolam as the Chief Guest for Pravasi Bharatiya Divas 2008.

PRAVASI BHARATIYA SAMMAN AWARD (PBSA)

The Pravasi Bharatiya Samman Award (PBSA) is conferred as part of the Pravasi Bharatiya Divas (PBD) conferences that have been organized by the Government of India annually since 2003. PBSA is the highest honour conferred on overseas Indians.

As per the PBSA guidelines the Award shall be conferred on a Non Resident Indian (NRI), Person of Indian Origin (PIO) or a NRI/PIO organization/institution who has made:

- significant Contribution towards better understanding abroad of India and support to India's causes and concerns in a tangible way;
- significant contribution for the welfare of diaspora;
- notable contribution in philanthropic and charitable work and for social and humanitarian causes in India and abroad;
- significant contribution in building closer links between India and its diaspora in the economic, cultural and scientific fields;
- eminence in one's field for outstanding work which has enhanced India's prestige in the country of residents.

or

has achieved outstanding eminence in his skills which has enhanced India's prestige in that country (for non-professional workers).

Nominations for the PBSA can be made by the Heads of Indian Diplomatic Missions abroad, Chariman of the Standing Committee of the Ministry of Overseas Indian Affairs, Prominent Overseas associations with nation-wide character (as decided by the Ministry of Overseas Indian Affairs) and past Awardees of PBSA.

76 Persons of Indian Origin and one PIO organization, namely, National Council of Indian Culture, Trinidad and Tobago have so far been conferred with the Award.

OVERSEAS CITIZENSHIP OF INDIA (OCI) SCHEME

In response to persistent demands for 'dual citizenship' particularly from the Diaspora in North America and other developed countries and keeping in view the Government's deep commitment towards fulfilling the aspirations and expectations of Overseas Indians, the Overseas Citizenship of India (OCI) Scheme was introduced by amending the Citizenship Act, 1955 in August 2005. The Schemes was launched during the Pravasi Bharatiya Divas 2006 at Hyderabad. The Scheme provides for registration as Overseas Citizen of India (OCI) of all Persons of Indian Origin (PIOs) who were citizens of India or were eligible to become citizens of India on 26th January, 1950 or there after except who is or had been a citizen of Pakistan, Bangladesh or such other country as the Central Government may, by notification in the Official Gazette, specify.

A registered Overseas Citizen of India is granted multiple entry, multipurpose, life-long visa for visiting India, he/she is exempted from registration with Foreign Regional Registraton Officer or Foreign Registration Officer for any length of stay in India, and is entitled to parity with Non-Resident Indians in respect of all facilities available to them in economic, financial and educational fields except in matters relating to the acquisition of agricultural or plantation properties'.

The Ministry of Overseas Indian Affairs is empowered to notify grant of further benefits to OCIs. It has since notified that OCIs shall be treated at par with resident Indian nationals in the matter of tariffs in air fares in domestic sectors, within India, entry fees to visit national parks and wildlife sanctuaries in India and with Non-Resident Indian nationals in the matter of Inter-country adoption of Indian children.

Around 2, 81,000 persons of Indian origin have been registered as OCIs by middle of July, 2008.

SCHOLARSHIP PROGRAMME FOR DIASPORA CHILDREN

Launched in the academic year 2006-07, the scheme seeks to promote India as a destination of choice for tertiary studies by children of our overseas community and thus develop India as an educational hub globally. At present 100 scholarships are offered to PIO and NRI children for undergraduate courses in Engineering, Technology, Humanities, Liberal Arts, Commerce, Management, Journalism, Hotel Management, Agriculture, Animal Husbandry etc. Over 200 students have benefitted so far under the scheme where the Ministry meets upto 75% of the total institutional economic cost (which includes tuition fee, hostel charges, etc.) within a ceiling of US \$3600 per student per academic session. Deserving candidates are selected through a common entrance test conducted by Ed. CIL in forty identified countries with significant diaspora population.

ESTABLISHMENT OF A PIO/NRI UNIVERSITY

Keeping in view with the recommendations made by the High Level Committee on the Indian Diaspora (HLCID) and commitment given at the highest level the Govt. has approved establishment of a PIO/NRI University for the benefit of children of overseas Indians. The University will have the status of 'Deemed University' under Section 3 of the UGC Act. The University is being set up by the Manipal Academy of Higher Education Trust, Manipal at Bangalore, Karnataka.

KNOW INDIA PROGRAMME

The Ministry is organizing 2-3 Know India Programmes (KIP) each year. Earlier known as Internship Programme for Diaspora Youth (IPDY), it is an Orientation Programme to acquaint the young overseas Indians, in the age group of 18-26 years, with the developments taking place in India in the industrial, scientific, academic, and other sectors and to expose them to various facets of the way of life in India, composite character of India and to let them interact with youth from different parts of the country. The objective is to bring the young overseas Indians closer to the land of their ancestors and to bond with the contemporary India. Under this Programme, participants are invited from 39 major diaspora countries for a three week programme which also includes calls on the President of India, Minister of Overseas Indian Affairs, Minister of Youth Affairs and Sports and others. Eight such programmes have been conducted so far. The 8th KIP concluded on 17th January this year. 34 Diaspora youth from 11 countries took part in it. So far, a total of 235 youth have benefited from this programme.

TRENDS IN EMIGRATION

There are about five million overseas Indian workers all over the world. More than 90% of these workers are in the Gulf countries and Southeast Asia. During 2007 approximately 8.09 lakh workers migrated from India after due emigration clearance, out of these approximately 3.12 lakh, 1.95 lakh, 95,000, 88,000 and 48,000 workers went to UAE, Saudi Arabia, Oman, Qatar and Kuwait respectively. Tamilnadu, Kerala, Andhra Pradesh and Uttar Pradesh were the leading sourcing states.

Major outflow of emigrant workers in the last few years from India has been to the Gulf countries where about four million workers are estimated to be employed. A vast majority of migrants to the Middle East, including Gulf countries are semi-skilled and unskilled workers and most of them are temporary migrants who return to India after expiry of their contractual employment. There has been a consistent and

steady increase in the number of persons emigrating for employment abroad from the year 2003 onwards. The number of emigration clearances granted by the eight offices of the Protector of Emigrants has increased from 4.66 lakh in 2003 to 8.09 lakh in 2007. U.A.E. is the main destination for Indian workers followed by Saudi Arabia. Outside the Gulf region, the intake of Indian manpower by Malayasia has shown a significant and consistent increase till 2005. There is considerable decline noticed in 2006 and 2007. Employment for Indian workers in these countries holds a great potential.

PRE-DEPARTURE ORIENTATION AND SKILL UPGRADATION FOR EMIGRANT WORKERS

The Ministry of Overseas Indian Affairs launched a scheme during 2006-07 to bring the skill level of potential emigrants at par with the overseas labour market requirement and to equip them with a basic knowledge about laws, language and culture of the destination country.

During 2007-08 the scheme has been expanded to include more implementing agencies such as Ministry of Micro, Small and Medium Enterprises, CII, FICCI, ASSOCHAM and NGOs.

The scheme 'Operation-cum-Skill Up-gradation Scheme for Potential Emigrants' has been further modified and per unit expenditure has been increased to Rs. 5500/- from the earlier limit of Rs. 1350. Now as per the modified guidelines, the scheme is 100% funded by the Central Government.

A budget provision of Rs. 925 crore has been kept during the year 2008-09.

SETTING UP OF OVERSEAS INDIAN CENTRES

The Government has approved setting up of three Overseas Indian Centres at Dubai, Kuala Lumpur and Washington to provide medical, legal and financial Counselling to the Overseas Indian Workers. Three posts of Counsellor-Community Affairs (Development) have been sanctioned in the Indian Missions at Washington, Dubai and Kuala Lumpur as field Organizations of MOIA in those countries. The Counsellor at Washington will look after the interests of the Overseas Indian community in the USA and Canada, the one in Dubai will cover the Gulf countries, and the Counsellor at Kuala Lumpur will look after Malaysia, Singapore and Brunei. The Counsellors will be supported by professionals to be appointed locally to provide assistance in the fields of health, legal and financial matters. Based on the experiences of these offices extension of these services to other countries will also be considered. These fields offices of MOIA are expected to be operational in the year 2008-09.

EMIGRATION REFORMS

Indian emigrants (other than white collar workers) have so far been typically less educated, low-skilled, ignorant about the relevant laws, procedures, foreign culture, language etc. That makes them vulnerable to lure, cheating at the hands of agents and exploitation at the hands of employers. As a result, the migration process extant tends to be exploitative for the overseas Indian workers and needs transformation into a more orderly economic process offering a win-win for all stakeholders. Emigration laws require to be modernized to bring about the transformation with emphasis on greater transparency, better regulation and deterrent punishment. The ministry has initiated the process for amending the Emigration Act. The emigration clearance has been automated in the office of Delhi POE and action is being taken to

replicate it at the other POE offices. There is a plan for comprehensive implementation of e-Governance in emigration process to make it simple, quick, effective, transparent and accountable by linking all stakeholders on a common platform.

Proposals for signing MOUs with the Gulf countries for bilateral cooperation in deployment and protection of workers are being vigorously pursued. Bilateral social Security agreements are being pursued with the developed countries to protect the interest of Indian professionals. A scheme has been launched for skill upgradation and orientation of potential emigrants with the help of state governments. There is a need for efficient delivery of on-site welfare services and reintegration of returned emigrants. The recruitment experience since the enactment of the Emigration Act in 1983 has shown severe shortcomings leading to cheating of the emigrants. Based on the recommendations of an internal Committee it is now proposed to revamp the RA system to make it more professional and accountable.

SKILL UPGRADATION SCHEME

Factors like globalization and ageing of population in western countries would accelerate migration of people from India to other countries for employment. By the year 2020 developed countries would have majority of their population over 50 years of age, while India would have the largest young workforce. It is therefore important for India to take immediate steps for preparing its young workforce to take up the challenge of future needs in the overseas employment market. The demand for unskilled workers is declining. The future belongs to those who have skills, preferably multiple skills and are willing to upgrade them.

India is not the only country supplying manpower for overseas employment. Countries like Bangladesh, Pakistan, Sri Lanka, Nepal, Indonesia, Philippines and China are our competitors. This is all the more reason why we must take steps to upgrade the skills of our workers so that they could move higher and higher on the wage ladder.

The overseas employment market is a highly imperfect market leading to malpractices by intermediates, low wages, poor working and living conditions, ill-treatment and exploitation of workers. The situation becomes worse due to lack of awareness and skills amongst potential emigrants.

The Ministry of Overseas Indian Affairs therefore launched a scheme during 2006-07 to bring the skill level of potential emigrants at par with the overseas labour market requirement and to equip them with a basic knowledge about laws, language and culture of the destination country. The scheme is further modified in 2008-09 and under the new scheme the execution machinery at the State level is strengthened. The scheme provides different modules for refreshing the skills of the potential emigrants compatible with the needs of different countries and for familiarizing them with good working practice, safety norms and use of tools. There would be inputs on human behavior, recruitment, visa and emigration procedures as well as elementary inputs in bookkeeping. The Ministry provides financial support to meet 100% of the cost.

AMENDMENT OF EMIGRATION ACT 1983

A large number of complaints are received about cheating of intending emigrants by touts and recruiting agents. Reports are also received about exploitation and ill-

treatment of emigrants by their foreign employers. Malpractices like substitution of contract, underpayment and delayed payment of wages, denial of contractual facilities etc. are frequent. It has also come to the notice of the Ministry that there is a high incidence of misuse of ECRS (visit visa) for seeking employment abroad. In view of this feedback the Ministry found it imperative to take a fresh look at the entire emigration system as enshrined in the Emigration Act, 1983 particularly with reference to the need for redefining the role and responsibilities of key stakeholders in the emigration process with the objective of protection and welfare of emigrants and intending emigrants.

There is an urgent need to convert the Emigration Act into an effective instrument for promotion of employment related migration, prevention of irregular migration and graduation of Indian workers up the wage chain. A well conceived vision on emigration is the need of the hour for not only ensuring the protection of the Indian workers going abroad but also from the perspective of the image of the country. The Ministry has undertaken the task of comprehensive amendment of the Emigration Act. The proposed amendments are based on the following principles:

1. The law should provide an enabling environment for promotion of overseas employment and welfare of workers.
2. The emigration process should be simple and transparent.
3. Roles and responsibilities of critical stakeholders including Central Government, Indian Missions, Protector General of Emigrants and Recruiting Agencies should be laid down.
4. A robust mechanism for protection of emigrants and potential emigrants should be provided to save them from exploitation by the recruiting agencies and the employers.
5. An effective framework for welfare of emigrants should be more stringent and a specific penal provision in respect of the offence of 'human smuggling' should be inserted.

The amendment of Emigration Act has been finalized in consultation with the relevant Ministries and Indian missions abroad. The amendment in the Emigration Act through a Bill or an Ordinance is under process.

BILATERAL MOUs ON MANPOWER

The problems of Indians in the Gulf include non-payment or delay of wages, harsh working and living conditions, substitution of contracts, retention of passport cheating by intermediaries, physical abuse and sexual exploitation etc.

Protecting emigrants against such malpractices require bilateral cooperation in the field of manpower deployment. India had signed labour agreement with Jordan and Qatar in 1980s. An additional protocol to the existing labour agreement between India & Qatar has recently been signed in November 2007 to take care of mutual concerns.

To protect the Indian workers and ensure their well-being the Ministry of Overseas Indian Affairs planned to sign MOUs with 5 Gulf countries (Kuwait UAE, Bahrain, Saudi Arabia and Oman) and with Malaysia. The EOU with UAE has been signed 13th December 2006 and with Kuwait in April 2007. MOU with Malaysia, Bahrain and Oman have been finalized through negotiations and will be signed soon. Saudi Arabia has not yet agreed to negotiate the MOU.

In General, the following broad principles have been built into the MOUs:

1. Declaration of Mutual intent to enhance employment opportunities and for bilateral cooperation in protection and welfare of workers.
2. Statement of the broad procedure that the foreign employer shall follow to recruit Indian workers.
3. A Joint Working Group to be constituted to ensure implementation of the MOU and to meet regularly to find solutions to bilateral labour problems.
4. The host country to take legislative and administrative measures to promote welfare of the workers in unorganized sector.

COMPUTERIZATION OF EMIGRATION SYSTEM

The Ministry has formulated a scheme called "Computerization of emigration process". The scheme aims at implementing e-Governance in emigration in a comprehensive manner. The ultimate benefit of the scheme would be convenience, protection and welfare of the emigrant. The subsidiary benefits would include greater levels of efficiency, transparency and accountability in the functioning of the offices of the Protector General of Emigrants (PGE) and the Protectors of Emigrants (POE), real-time updation and quick access to reliable emigrant data, management information system to support decision making, computerized management of recruiting agent system, performance rating of protectors of emigrants, recruiting agents & employers, effective monitoring of emigration offences, interlinking of stakeholders and online validation of information across stakeholders. The scheme is expected to mitigate individual discretion, harassment of emigrants and corruption. It would also provide useful tools and data for policy functions, periodical publications and grievance redressal. The scheme involves automation of POE office & PGE office and phased interlinking with recruiting agents, employers, immigration counters, Indian missions abroad. Insurance companies and state governments etc and integration with labour market information and policy decisions to be taken from time to time. Smart cards would be issued to the emigrants under the scheme after examining all pros and cons because its benefits must justify the cost to the emigrant. The latter would also conduct a study on the question of smart cards with a view to get for the emigrants maximum value at least cost. All the POE offices have already been computerized. An Agreement is being signed with the National Institute of Smart Governance (NISG) for implementation of project E-Governance in Emigration'

BILATERAL SOCIAL SECURITY PACTS

Most of the developed countries have an umbrella social security system mandated by law. It is funded through mandatory contribution in the form of tax from all working people and their employers (in a prescribed ratio) in order to provide multiple benefits like old age pension, survivor's pension, disability pension, health insurance and employment insurance etc. Typically this social security tax is in the form of the fixed percentage of income subject to a maximum lumpsum limit. All expatriate workers are also required to pay social security tax as per the law of that country.

Often the Indian workers who are posted to these countries by their employers in India continue to make social security contribution in India as per the Indian law and yet they are compelled to pay social security contribution in the host country. Indian workers often do not get any benefit from the social security contribution paid abroad after they return to India on completion of the term of contract because most countries do not allow export of social security benefits. Similarly the self-employed

Indians working in these countries despite having made contribution throughout their active life are deprived of social security benefits in case they relocate to India in old age, which is often the case. Often the host countries have a minimum contribution period under the law and so the worker does not become eligible to social security benefits. If he stays and pays in the host country for a lesser period, he loses the entire contribution. Another disadvantage is that due to the high rate of social security tax, the Indian companies become less competitive while bidding for projects in these countries.

Bilateral social security agreements can on reciprocal basis protect the interests of such workers by exempting the posted workers from social security contribution under the host country legislation (provided the worker is covered under the home country social security system and continues to pay the contribution under that system during the period of posting abroad) and by providing for exportability of pension for the other categories of workers who have to pay social security contribution under the host country legislation in order to prevent loss of contribution on account of the minimum contribution period, they provide for totalization of contribution periods under the both legislations. Such agreements also make companies of both contracting States more competitive since exemption from social security contribution in respect of their employees substantially reduces costs.

Ministry of Overseas Indian Affairs has recently signed a bilateral social security agreement with Belgium. The Indo-Belgian agreement provides for the following benefits to Indians working in Belgium on reciprocal basis:

1. Those posted to Belgium for up to sixty months will be exempted from social security contributions under the Belgian law provided they continue to make social security payments in India.
2. Those who have to contribute under the Belgian law will be entitled to the export of the social security benefits should they relocate to India or a third country on completion of their contract or on retirement.
3. These benefits will also be available to Indian workers posted by an Indian company to Belgium from a third country.
4. Self-employed Indians in Belgium contributing under the Belgian social security system will be entitled to the export of social security benefits should they choose to relocate to India or a third country.
5. Periods of employment in both the countries will be totalized in order to determine the eligibility for pension.
6. Indian companies will become more competitive in Belgium since exemption from social security contribution in respect of their employees substantially reduces costs.

The Ministry has negotiated and finalized similar agreements with Germany, the Netherlands, Czech Republic and Republic of Hungary. Negotiations are in progress with France, Norway, Sweden, Switzerland and Bulgaria. The process has been initiated with Denmark, Cyprus, Luxembourg and Australia also.

INSURANCE OF EMIGRANTS

On the occasion of the Pravasi Bharatiya Divas in 2003 Government had announced the compulsory Insurance Scheme for the emigrants going abroad for employment. In

pursuance of this announcement, a compulsory insurance scheme known as Pravasi Bharatiya Bima Yojana (PBBY) 2003 came into force from 25.12.2003.

The PBBY, 2003 has now been upgraded as the Pravasi Bhartiya Bima Yojana, 2006 to provide broader coverage to the emigrant workers. The PBBY, 2006 has come into effect from 01.02.2006. The emigrant workers will now get a minimum insurance cover of Rs. 5 lakh (instead of Rs. 2 lakh) and the policy will be for the entire period of employment contract. An additional cover of Rs. 25,000/- for the legal expenses incurred by the emigrants in connection with their employment has also been included. The scheme also covers medical expenses upto Rs. 50,000 and maternity benefit of Rs 20,000.

COUNCIL FOR PROMOTION OF OVERSEAS EMPLOYMENT

The Union Cabinet has approved the proposal of the Ministry to constitute a Council for Promotion of Overseas employment, which will serve as a think tank to conduct market studies, identify employment opportunities overseas, develop skills to match the market demand, devise strategies to respond to the dynamic international labour market and enable the Indian workers to reap the demographic dividends of globalization. The Council has been constituted as a Registered Society under the Societies Registration Act, 1860.

ABOLITION OF ECR SUSPENSION (ECRS)

The Ministry has abolished the procedure which required an ECR Passport holder proposing to go abroad on a visit visa to obtain ECR suspension from the POE. The Procedure was resulting in inconvenience, harassment and corruption without serving any good cause. The reform is expected to benefit about 5-6 lakh ECR passport holders every year resulting in a saving of about Rs. 100 crore to them.

ASIA-EU PROJECT

An MOU has been signed between the Ministry of Overseas Indian Affairs (MOIA) and the International Organisation for Migration (IOM) for implementation of the project 'Regional Dialogue and Programme on Facilitating Managed and Legal Migration between Asia and the European Union (EU)'.

The Project is sponsored by the European Union (EU) and covers 10 Asian Countries (Bangladesh, China, India, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, Vietnam, for some activities Afghanistan) and 5 European countries (Germany Ireland, Italy, Spain and UK).

The Project is aimed at facilitating development of legal migration, enhancing regional cooperation on legal migration management, reducing irregular migration, enhancing placement capacity amongst recruiting agencies and dissemination of information relating to employment opportunities and procedures to intending emigrants. Specific Activities would be undertaken under the project to enhance the capacity of MOIA to assess and respond to the manpower needs in the EU, to enhance cooperation between India and the EU countries in the field of migration management and to educate potential migrants about the opportunities in the EU, the migration procedures at both ends and the risks involved in deviating from these procedures.

MOIA and IOM will jointly establish the PIU at New Delhi for the duration of the Project. The PIU will be staffed by a Programme Coordinator and a Programme Assistant who will be selected by MOIA and seconded by IOM for working on the PIU. IOM shall bear the costs for establishing the PIU, including the salary of the

Program, Coordinator and Program Assistant, costs for vehicle rents, office equipment and supplies and communications apart from specific activities to be implemented under the project. The MOIA will set up a Market Research Unit (MRU) at its own cost to support the project activities.

The objectives of the Asia-EU project are in harmony with the goals of MOIA in the matter of management of the migration of Indian workers for overseas employment and the project will result in capacity augmentation in India for reaping the demographic dividends of emerging employment opportunities in the EU countries. At present most skilled and semi-skilled workers from India migrate to the Gulf countries. This project will facilitate diversification of the migration process to a region where the future is lively to throw up major opportunities in the years to come. It will also help MOIA in developing key competencies for designing and administering planned overseas employment programs to respond to the international labour market needs, which will immensely benefit Indian workers.

A skill study of Indian workers indicating the gaps in the skill standards in Europe has been conducted by the PIU through the National Labour Institute and another Survey to assess the Knowledge Aptitude and Practice in Kerala and Punjab to finalize a communication strategy for awareness campaign for promotion of legal migration and risk of illegal migration has been conducted by Public Affairs Foundation (PAF). A Migrant Resource Centre is established in Cochin for providing counseling and telephonic helpline to the potential emigrants. A job fair is proposed to be organized for the Danish Industry in New Delhi to draw best practices for the placement and migration of Indian workers in Europe.

WELFARE FUND

The Ministry is formulating a scheme under which an Indian Community Welfare Fund (ICWF) is proposed to be established in the Indian Missions in all the ECR countries with contribution from the Ministry of Overseas Indian Affairs.

The proposed fund will be specifically aimed at providing the following services on the means tested basis:

- (i) Boarding and lodging for distressed overseas Indians in household/ domestic sector and unskilled labourers.
- (ii) Airlifting of mortal remains to India or local cremation/ burial of the deceased overseas Indians in such cases where a sponsor is unable or unwilling to do so as per the contract and the family is unable to meet the cost.
- (iii) Extending emergency medical care to the overseas Indian in need,
- (iv) Providing air passage to stranded overseas Indians in need.
- (v) Providing initial legal assistance to the overseas Indians in deserving cases.