



INDIA AND SOUTH ASIA: JUNE 2016 DOSSIER

The June 2016 Dossier highlights a range of domestic and foreign policy developments in India as well as in the wider region. These include an interview with Mani Shankar Aiyar, former Congress cabinet minister and until recently member of the Rajya Sabha, and a detailed account of the recent travels of Prime Minister Narendra Modi and his failure to reach the proclaimed aim that India becomes a member of the Nuclear Suppliers Group because of China's resistance.

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Part I India - Domestic developments

In an interview with Dr. Klaus Voll, Mani Shankar Aiyar outlined the deficiencies and future possibilities for an Indo-European cooperation in the context of India's changing foreign policy approach.

Mani Shankar Aiyar: India and Europe

In an extensive discussion, Mani Shankar Aiyar, a former Congress cabinet minister and till recently a member of the *Rajya Sabha*, emphasised the „*fundamental civilisational differences between India and Europe.*“ He proposed to place the map of India on Europe's one, in order to demonstrate the dimensions. „*Europe is a continent and India a country.*“

According to Aiyar, nationalism in Europe is equated with ethnicity. „*For instance, several states have emerged from the former Yugoslavia, also Czechoslovakia has been divided. In India – 'Bharat Varsh' – which reaches from the Himalayas to the Indian Ocean and Bay of Bengal, the idea of a legitimate unity is dominating. In the past, empires have been existing within India and beyond, so under Ashoka up to Kandahar, under the Mughals up to Afghanistan and under the British up to Burma.*“

India, with a sense of inclusivity and exclusivity at the same time, is difficult to understand for Europeans, says Aiyar. Yet, he conceded an increasing understanding of India by Europeans. On the other side, the idea of Europe is based on an abstraction, says Aiyar.

„*Many assumed, that the British united India and that after their departure the country would collapse. The idea of Nehru about 'unity in diversity' has already existed since five thousand years.*“

In contrast, in Pakistan „unity through uniformity“ is practiced through the enforced national language Urdu, religion and islamisation, which has lead to an identity crisis. Pakistan is not a West Asian but a South Asian country.“

In the beginning, the political and economic relations between the EU and India were largely based on the Indian export goods jute, tobacco and textiles, says Aiyar, who served twice as an Indian diplomat in Brussels. „*Nowadays India is politically and economically far more important. India, which has discarded the Non-Aligned Movement, is on the way to become an ally of the United States, whereas the Europeans are already allied with the US. But there is no independent European foreign policy after signs of such a one – France and Germany – during the first Iraq war. There is no scope for an Indian-European initiative, which would distinguish itself from an initiative between Europe and the US.*“

It makes therefore more sense, to address the Indian concerns directly to the United States – with which a true strategic partnership exists - and to supplement them with European positions. One cannot have a strategic partnership with Europe, only with NATO. In the past India succeeded to use European differences, for instance by receiving nuclear fuel from France.

Since the implosion of the Soviet Union India has expanded its strategic options with the United States of America and its allies. Yet China poses a strategic challenge. India is increasingly ready, to support a kind of ring around China, in view of a revival of a cold war between Washington and Beijing.

An alternative to this is an independent Indian understanding with China in view of the Asian resurgence in the 21st century, which also requires stability in West Asia.“

Aiyar emphasized, that the US-presence in Asian waters is not necessarily desirable, since there is no

strategic concept for Asia really existing. Western powers would again try to come to Asia, in order to exercise the roles of referees.

„India should aspire friendship with China and Pakistan. A large segment of the Pakistani civil society wants friendly relations with India.“ Aiyar regretted in this context again, that there is no independent European foreign policy, but did not elaborate about a possible European role in West and South Asia.

Aiyar was of the opinion that India should resist attempts that surplus food products could be sold at dumping prices. *„The danger exists, that the Indian re-industrialisation could be endangered.“*

He stressed, that the income distribution in India should be fair. In his opinion, *„disruptive activities of big business, supported by right-wing political forces are the principal cause of growing Naxalism.“*

The current Indian government would distance itself increasingly from the maxim of *„unity in diversity“*, as propagated by Jawaharlal Nehru. In this context, he reminded about the massacres in Gujarat under the then government, led by Narendra Modi.

Aiyar conceded deficits in the very small Indian foreign policy elite about their understanding of the EU. *„Since the EU is above all known because of its technological standards, the commerce ministry is better informed than the foreign ministry. On the European side there is great change towards knowledge about India. But as long as there is no real EU-foreign policy, it makes more sense, to expand the bilateral relations with important European states than with Brussel.“*

Aiyar recommended, that Europeans should concentrate on the Indian Union States and cultivate intensively regional political leaders. They should build efficient Consulates with commercial offices in view of *„the increasing federalisation of economic policy. Ambassadors should become frequent flyers with visits in the various states. The Embassy reports should contain reports about the situation in all the states.“*

Part II India - Foreign Policy Developments

Dr Joyce Lobo analyses and writes on a series of engagements by PM Modi to secure India's membership to the NSG while engaging with the extended neighbourhood. India's engagement with Africa is a short write up on President Mukherjee's recent visit to three of its nations.

Modi's Pitch for NSG Membership

Prime Minister Narendra Modi embarked on a five-nation tour (June 4-9) with a larger aim of expediting India's membership to the *Nuclear Suppliers Group* (NSG). Hence his visit to countries like the USA, Switzerland and Mexico figured prominently. The article here focuses more on his visit to the USA.

Modi apart from discussing with the heads of leading USA think tanks on the theme, "*What can US and India do together for the World?*" also addressed the *US India Business Council* (USIBC). Here he utilised the opportunity to drive the point home that the Indian economy was not stagnating despite global downturn, that economic reforms have led to 'ease of doing business' - while moving away from providing subsidies - and that efforts were in place to curtail corruption.

Modi entered the annals of American political history by addressing the joint *US Congress* on June 08— the fifth prime minister from India to do so and first foreign leader this year. While speaking on the complementarities of the political economy of both the countries, he emphasized on issues that were threatening the world today—terrorism. Without naming any person or state, Modi in an indirect way commended the USA efforts to reign in terrorism in India's neighbourhood, "*I commend the members of the U.S. Congress for sending a clear message to those who preach and practice terrorism for political gains. Refusing to reward them is the first step towards holding them accountable for their actions.*" Also he pointed that to fight terrorism traditional tools were not enough, rather the policy to be followed was to isolate sponsors who provided safe havens and financial support, to treat all kinds of terrorists uniformly while delinking religion from terrorism.

Modi-Obama Talks

Modi formally engaged with President Obama on June 7. The talks focused largely on economic opportunities, sustainable development, peace and security, inclusiveness, human rights and democratic governance and lastly global leadership. They reviewed the progress during the last two years that both the leaders envisaged through the documents signed— the September 2014 *Vision Statement for the Strategic Partnership (Chalein Saath Saath* which means *Forward Together We Go*) and the January 2015 *India-U.S. Delhi Declaration of Friendship*. In 2014 a second document called the *US-India Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region* was adopted to strengthen regional ties in Asia was signed. This added value to the partnership to contain China's muscle flexing in the South China Sea and guarantee maritime security while enabling both countries to work closely to strengthen regional ties and work for a rules-based security architecture. At present in order to give continuation, both sides are attempting to be priority partners in the Asia-Pacific and the Indian Ocean Region.

With the USA, Modi had to make good of the current visit given the fact that President Barack Obama's administration ends its tenure this year and the momentum on issues unsolved will gain only after the new administration takes over and gains traction in about six months and beyond.

Infusion of clean energy with civil-nuclear cooperation: On the civil nuclear cooperation, both countries through the *U.S.-India Contact Group* set up in September 2014 broke the nuclear logjam over the civil nuclear liability issue. This led to the operationalisation of the *123 Agreement*. India ratified the *Convention on Supplementary Compensation for Nuclear Damage*. Preparatory work has begun to build six AP-1000 nuclear reactors by *Westinghouse Electric* of the USA and the *Nuclear Power Corporation of India Ltd.* The financing package for the project is being worked out between India and the *U.S. Export-Import Bank*, while the two firms finalize the contractual arrangements by June 2017.

This step towards clean energy is fortified by both countries signing the *Paris Agreement* on climate last year. There is a common understanding to ratify the same in their respective countries. While seeking short and long term strategies to work towards greenhouse gas emission, both sides have decided to adopt an HFC amendment in 2016 with the financial help of donor countries to the *Multilateral Fund* to help developing countries like India to implement the phasedown schedule. Also both sides announced the joint creation of a US\$ 20 million *U.S. - India Clean Energy Finance* (USICEF) initiative which is anticipated to mobilize up to \$400 million to provide clean and renewable electricity to up to 1 million households by 2020. Moreover, cooperation is ongoing in addressing the greenhouse gas emissions from international aviation and in promoting heavy-duty vehicle standards and efficiency. Both sides signed the *MOU to Enhance Cooperation on Energy Security, Clean Energy and Climate Change*, and an *MOU on Cooperation in Gas Hydrates*.

India has laid an ambitious plan to install 175 GW of renewable power out of which 100 GW is to be sourced from solar power. Hence the USA has shown interest to join the initiative of India— the *International Solar Alliance* (ISA). Also it will play an important role by joining along with India to launch the third Initiative of the ISA which will focus on off-grid solar for energy access at the Founding Conference of ISA in September, 2016 in India. Both countries will jointly support a US\$ 40 million *U.S.-India Catalytic Solar Finance Program* as part of smaller-scale renewable energy investments for poorer rural villages that are not connected to the grid.

And finally the important reason for Modi's visit was to ensure that the USA applies pressure on the hold-out countries in accepting India's candidature to the NSG sans *Nuclear Non-Proliferation Treaty* (NPT) membership. So far countries like South Africa, New Zealand and Turkey have agreed to let the process of entry proceed while Modi in his combined USA visit to Switzerland and Mexico has been successful in gaining acceptance. Obama extended India support to two other export control regimes—the *Wassenaar Arrangement* and *Australia Group*. India is in a haste to garner support of the 48 member states of the NSG while its membership to the *Missile Technology Control Regime* (MTCR) is a foregone conclusion.

India intends to produce energy by using non-fossil fuels upto 40% by 2030. This in turn means that it would rely more on nuclear power. Also the other two reasons for its shift to nuclear commerce are international collaborations and nuclear export. These three reasons are cited for membership to the export control regimes.

Defence and security cooperation: Defence cooperation has moved to be reasonably strong as purchases amounted to US\$ 10 billion in the last decade. Obama called India a “*major defence partner*”. Though there is not much achieved under the four “*pathfinder projects*” under the *Defence*

Technology and Trade Initiative (DTTI), new working groups were created to deal with agreed items which were part of naval, air and other weapons systems. As the purchase of 36 *Rafale* fighters from France has not taken off, news reports indicate that the USA Company *Lockheed Martin* intends to shift its production company to India wherein India will benefit in the transfer of technology of its *F-16* fighters. Also the text on *Information Exchange Annex* under the *Joint Working Group on Aircraft Carrier Technology Cooperation* was finalised. India may seek assistance from the USA to build its second indigenous aircraft carrier.

For the first time the *Maritime Security Dialogue* was held between both the countries. Also, the technical arrangement for sharing of maritime “*White Shipping*” information has been concluded between both the countries. Most importantly the text on the *Logistics Exchange Memorandum of Agreement* (LEMOA) has been finalized awaiting signing in about three months. This will let the militaries share each other’s facilities. When this agreement is signed it will cement one of the three foundational agreements that form the high technology cooperation between both the countries in terms of defence and security. The other two are the *Communications Interoperability and Security Memorandum of Agreement* (CISMOA) and *Basic Exchange and Cooperation Agreement for Geo-spatial Cooperation* (BECA) which allow technology transfers and continuous communication between military systems of India and the USA.

A fact sheet on the framework for cyber relationship between both the countries was released which was prepared on the basis of common principles and forms of cooperation. Both sides have agreed to sign the *Framework for the U.S.-India Cyber Relationship* within two months of the Modi-Obama meeting.

On fighting terrorism, the USA has somewhat changed tack in its dealings with Islamabad. It had recently killed Taliban chief Mullah Mohammed Mansour in a drone attack and refused the financing of the sale of *F-16* fighter jets. Most importantly, US military aid has been blocked by the *US Congress* recently to ensure that Pakistan takes action against the *Haqqani* terror network. The release of the aid requires the certification of the Defence Secretary. Last month India joined the global terror database maintained by the *Terrorist Screening Center* (TSC) of the USA and an arrangement between the agencies of both the countries was signed to enhance counter terrorism cooperation. India and the US have built on the *January 2015 U.S.-India Joint Statement* commitment to make the U.S.-India partnership a defining counterterrorism relationship and the *September 2015 U.S.-India Joint Declaration on Combatting Terrorism*. During those talks both sides directed their officials to identify new areas of collaborations.

Economic cooperation: The bilateral trade in goods and services between India and the USA stands at US\$ 100 billion while that between the USA and China is five times more— US\$ 560 billion. In order to increase the value and volume of trade both countries are looking into cooperation in areas such as high technology cooperation, space cooperation, etc. Though the US welcomes India’s membership into the *Asia-Pacific Economic Cooperation* (APEC), India is expected to make binding concessions by reducing industrial tariffs to very low levels or eliminate them over a specified time period, sign the *Bilateral Investment Treaty* (BIT) with the USA and participate positively in negotiations for a proposed *Investment Facilitation Agreement* at the *World Trade Organisation* (WTO).

Largely the Modi-Obama talks have focused on a review of work and agreements that were undertaken during the last two years. Clean energy including India's membership of NSG and defence cooperation has taken the centerstage.

In Switzerland & Mexico

Switzerland and Mexico have both agreed to let India join the NSG during Modi's visit. Also Switzerland has agreed to share information to end banking secrecy. India is on a drive to curb corruption while bringing in transparency to ensure better flow of revenue and strengthen investor confidence. Bern is India's fifth largest trade partner in the world and eleventh largest investor. India seeks cooperation in areas of renewable energy and vocational education.

The Mexican bilateral visit figures almost after a span of three decades, the last being in 1986. Trade between both the countries today is around US\$ 6 billion. Mexico exports primarily crude oil while Indian exports automotive parts, pharmaceuticals and IT. Amongst the Asian countries India ranks first in importing crude oil from Mexico which provides for 16% of India's oil imports.

The trips to Bern and Mexico add to India's increased engagement with foreign countries given its quest for a permanent seat in the *UN Security Council*, its aspiration for global peace and stability, its aspiration for a balanced global financial order and global governance, and lastly to find a place for itself on the global table.

Modi in Qatar: Engagement with the extended neighbourhood

Modi visited Qatar (June 4-5) meeting both the Emir of the State Sheikh Tamim Bin Hamad Al-Thani and the Prime Minister Sheikh Abdullah Bin Nasser Bin Khalifa Al-Thani. Both India and Qatar are involved in cooperation with regard to trade and investment, energy, defence and manpower.

Based on the *Defence Cooperation* agreement, signed in 2008, both sides have engaged in joint exercises and in training of the armed forces including coastal defence. During the talks, Qatar conveyed its interest for the joint production of defence equipment in India under the '*Make in India*' initiative. Also both sides have agreed to strengthen maritime security in the Gulf and the Indian Ocean Region.

Strong condemnation of terrorism added an important dimension to the relationship. Both sides devoted a large portion of the *Joint Statement* to refocus on this issue that needed to be dealt in a comprehensive way. Some of the new aspects that included were curbing the flow of *Foreign Terrorist Fighters*, countering terrorist propaganda through the internet and enhancing cyber security. In this context both sides have signed a MoU concerning cooperation in the exchange of intelligence related to money laundering, terrorism-financing and related crimes.

Indian nationals comprise the largest expatriate community in Qatar which stands near about 630,000 comprising more than a quarter of the Qatari population. Recognising their contribution to Qatar's development, both sides signed a MoU on skill development and mutual recognition of qualifications to facilitate mobility of skilled workers from India to Qatar. Modi interacted with the Indian community. Indian labourers face problems in the Gulf which are largely attributed to the fact that rights of the workers are not protected as they are not subjected to the rule of law. Contracts are

not honoured, standard of living is poor, and agencies that recruit workers are dubious.

Both sides discussed a variety of topics: on diversifying trade, the situation in West Asia, cooperation in sports and tourism, cooperation in healthcare, and on joint exploration and production of energy.

Modi invited Qatar to participate in the economic growth story of India. Both sides have discussed ways for Qatar's participation in different asset classes and various infrastructure sectors as well as the disinvestments of Indian *Public Sector Undertakings*. Hence a MoU was signed between *National Investment and Infrastructure Fund* (NIIF) of India and *Qatar Investment Authority* (QIA) for facilitating participation of Qatari institutional investors in infrastructure projects in India.

Bilateral trade has reached about US\$ 15.5 billion in 2015 out of which India's exports amount to only US\$ 1 billion. Qatar is the largest supplier of LNG to India, accounting for over 65% of India's global import. India is the third largest export destination for Qatar (behind Japan and South Korea) and ranks at 10th position for Qatar's imports. During the talks Modi invited Qatar to invest in India's exploration and production sector through bidding under the "*Hydrocarbon Exploration and Licensing*" Policy and "*Discovered Small Fields*" Policy; and in the second phase of the strategic reserves storage facility being created in India.

The focus of the visit has been more to explore investment opportunities and diversify the commercial relations from being buyer-seller to joint collaborations and investments. The Emir having visited India during several occasions, lately in March 2015, which has been reciprocated by Modi. This gesture seems to set a precedent for making them a regular affair if not annual. In this regard a decision is taken *in principle*.

Modi in a span of a year has visited the UAE, Saudi Arabia, Iran and Qatar. The visit adds weight to the argument of the present government to engage with the extended neighbourhood in a large way.

President Pranab Mukherjee Visits Ghana, Cote d'Ivoire & Namibia

President Pranab Mukherjee stepped engagements with three African nations to give momentum to the October 2015 held *Third India-Africa Forum Summit* (IAFS-III) in New Delhi. The IAFS started in 2008 (New Delhi) in consultation with the *African Union Commission* as an initiative to engage with the African countries in a fruitful manner. The IAFS acts as a mechanism to give a framework to India's engagement –functional, economic and political—with Africa. Also it has provided enough scope to have common understanding, consensus and convergence on global issues. These Africa forums are organized by countries like the USA, China, Japan and the EU. The summit hosted by India last year saw the complete attendance of all the 54 countries of the *African Union* (AU).

Visits to Ghana (June 12-14) and Cote d'Ivoire (June 14-15) were the first ever by an Indian President. The visit to Namibia (June 15-17) was the second by an Indian President after a gap of 21 years. The engagement with African countries is yet to reach its potential and India is yet to set up its momentum. During this meeting of the IAFS, India had announced US\$ 10 billion additional concessional lines of credit and US\$ 600 million in grant assistance. India has also increased the ITEC and ICCR scholarships as part of its foreign policy drive to positively contribute to development by way of capacity building. India aims to keep engaging with all of the 54 African countries.

The common theme that Mukherjee emphasised in his bilateral talk or addresses and in his interactions was on terrorism. He sought support for the early conclusion of negotiations on the *Comprehensive Convention on International Terrorism* (CCIT). The second focus of the visit was in

terms of investments sought by African countries from India. India is willing to invest but seeks a better investment climate in addition to initiating a dialogue process with the business groups of the respective countries.

In Ghana, Mukherjee met President John Dramani Mahama where it was decided that the current level of bilateral trade needed to be increased to US\$ 5 billion by 2020. Ghana has interest in areas of civil nuclear energy, renewable energy, the SME sector, railways and sustainable agriculture.

In Cote d'Ivoire, President Alassane Ouattara and his entire cabinet received Mukherjee. The latter was bestowed the highest national honour, the *Grande Croix Commandeur* in the *National Merit Order*. India has been involved in providing lines of credit as part of development assistance.

In Namibia, Mukherjee requested the supply of Uranium to India in his talks with President Dr. Hage Geingob. It was decided that a technical team from both sides would meet at the earliest to discuss the ways of supply. Namibia is in support of India's candidature for a permanent seat on an expanded Security Council.

General Prayut Chan-o-cha in India

India and Thailand relations have regained momentum with THE February visit by Vice President of India Hamid Ansari this year and the June 16-18 visit by Prime Minister of Thailand General Prayut Chan-o-cha. Thailand has become an important partner to India in the South-east Asia region in terms of maritime security and in forging a strategic partnership with *Association of Southeast Asian Nations* (ASEAN). It is an accepted fact that both countries complement each other through India's *Act East Policy* with that of Thailand's *Look West Policy*. Both have evolved this harmony into a comprehensive partnership.

Both share great understanding in regional forums and groups like the *East Asia Summit* (EAS) and BIMSTEC groupings as also the *Mekong Ganga Cooperation* (MGC), *Asia Cooperation Dialogue* (ACD) and *Indian Ocean Rim Association* (IORA). Tourism and people to people contacts have been key elements to this growing relationship given the historical ties via Buddhism and cultural linkages that are present through the Hindu elements reflected in the aesthetics of Thailand.

Prayut was accompanied by a huge delegation comprising ministers, bureaucrats, and business leaders. The first meeting of the *India Thailand Joint Business Forum*, held on 17 June, recommended the expansion of business and investment opportunities between the two countries. Modi and Prayut held delegation level talks on 17 June. Bangkok has shown interest in the '*Make in India*' initiative in areas such as manufacturing, infrastructure, tourism and hospitality. In terms of enhancing connectivity, both sides have agreed to quicken the pace on the *India-Myanmar-Thailand Trilateral Highway* project, on *India-Myanmar-Thailand Motor Vehicles Agreement* negotiations and in beginning the negotiations on the *Air Service Agreement*.

Both the countries have steadied cooperation in security and defence through defence exchanges, dialogue, and exercises between the three armed forces. Also to increase cooperation in anti-piracy and securing sea lanes of communication, negotiations are ongoing to finalize the *White Shipping Agreement*.

The bilateral trade between both the countries has increased eight times in the last 15 years amounting to US\$ 7.93 billion at present which is in favour of Thailand. Both sides have restarted talks on the *Free Trade Agreement* called as *Comprehensive Economic Cooperation Agreement*.

Prayut is the leader of the Thai military junta having usurped power from the caretaker government under Yingluck Shinawatra. He is known to be close towards China. The last visit by a Thai government official was when Yingluck visited in 2012. India's long due engagement with the current Thai Prime Minister is an attempt to gain momentum that was lost during the political crisis that Bangkok faced.

Modi in Tashkent: SCO 2016 Summit

At the *Shanghai Cooperation Organization* (SCO) summit held at Tashkent (June 23-24), PM Narendra Modi vowed that while India benefited from the organisation's strengths in energy, natural resources and industry, it would in return drive economic growth in the region due to its strong economy and vast market. India signed the *Memorandum of Obligations* to reach the finalisation process of joining the SCO. Modi laid emphasis on connectivity of different forms and the need to fight terrorism in order to bring in stability and development especially in the Afghan region.

Though the SCO remains an ineffective body, the focus during the Summit was more devoted to Modi's efforts to convince China give up its reservations on the *Nuclear Suppliers Group* (NSG) membership to New Delhi. During the meeting on the sidelines of the SCO with Beijing, Modi devoted his discussion on India's impending entry. Beijing is the only stumbling block that India is finding hard to negotiate with, as the latter's entry is hyphenated with Pakistan. Given the recent developments on the NSG membership to India, the hold-out countries have softened their stance. In light of this, Modi on the sidelines requested his counterpart Xi Jinping to make a fair and objective assessment of India's application and judge it on its own merits in order to contribute to the newly emerging consensus.

Iran gaining entry to SCO might add some value in terms of security and economic linkages. Given the fact that SCO focuses on regional security and economic cooperation, India will try to make good of the forum by focussing on the connectivity aspect.

Part III South Asia

Dr Joyce Lobo examines the recent Modi visit to Kabul through the development prism.

Modi's Kabul visit seals India's developmental role

In what seems like a consistent approach, India has stuck to its role of being a partner in development, peace and stability processes of Afghanistan. Prime Minister Narendra Modi's second visit to Kabul within a span of six months proves India's positive intentions towards this state that has seen much conflict and instability leading to insecurity. What is noteworthy is that Modi was bestowed the highest civilian honour— the *Amir Amanullah Khan Award*.

The *India-Afghanistan Strategic Partnership* was signed in 2011. Moreover India pledged its abiding support for Afghanistan's ongoing crucial transitions - political, economic and security - for the decade of 2015-24 and beyond. President Ashraf Ghani's visit to India in April 2015 was more in line with maintaining good relations with India while giving priority to other countries, particularly Pakistan in order to bring the *Taliban* on board for negotiations. This showed that unlike his predecessor, he was keen to forge ties with Pakistan and other countries like China, Saudi Arabia, the UK, and the USA in order to change the strategies for ensuring peace in the country. However, Pakistan has stuck to its former role of weakening Kabul. This has led the latter to reprioritize its orientations. India has not acted as a spoiler to the democratic efforts of Kabul and has extended support to Ghani's *National Unity Government* and the latter's vision for Kabul while he took office.

In 2015 both countries decided to work closely on the Chabahar port which got materialised with the recent signing of the *Trilateral Agreement on Transport and Transit Corridors (Chabahar Agreement)*. During his December 2015 visit, Modi inaugurated the *Atal Block* (named after the former PM A. B. Vajpayee) within the *National Assembly* of Afghanistan, which stands as a symbol of India's commitment to Kabul's peace and prosperity. On June 4, both Modi and Ghani inaugurated the *Afghan-India Friendship Dam*, earlier known as *Salma Dam*, in Herat Province, which was financed and constructed by India. This dam, with a storage capacity of 640 million cubic meters, will irrigate 75,000 hectares of land and generate 42 MW of electricity.

So far India has committed about US\$ 2 billion as development assistance to Kabul. It has completed nearly 200 small and large projects these past 15 years. India has been in the forefront of Afghan development in terms of capacity building and education, where it has provided scholarships.

The discussions presently revolved round the possibility of delivering more helicopters to Afghanistan, in order to boost the airpower of the *Afghan National Security* and Defense Forces. Already India has delivered three *Mi-25* gunship helicopters, which have helped the *Afghan Air Force* (AAF) to fight the Taliban, particularly in the Helmand Province. India was till recently hesitant to transfer offensive weapons to Kabul, earlier had supplied three *Cheetal* trainer helicopters to the AAF.

Despite India's contributions, Pakistan and China will remain key countries to the Afghan peace talks with the Taliban. India's change in position by finally transferring offensive military ware shows that linking its Kabul policy strictly with Pakistan is not beneficial to India. This also has been manifested with the signing of *Chabahar Agreement* with Iran and Afghanistan wherein India bypasses Pakistan to continue trade to Central Asian countries and beyond.