

Standing Committee Report Summary

India's Neighbourhood First Policy

- The Standing Committee on External Affairs (Chair: Mr. P.P. Chaudhary) submitted its report on 'India's Neighbourhood First Policy', on July 25, 2023. The concept of the Neighbourhood First Policy came into being in 2008. It was conceived to bolster relations with certain priority countries such as Afghanistan, Bangladesh, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka. Key observations and recommendations include:
 - **Terrorism and Illegal Migration:** The Committee noted that over the last three decades India has faced threats, tension, and possibility of terrorist and militant attacks from its immediate neighbourhood. Challenges of illegal migration and smuggling of weapons and drugs require improved security infrastructure at borders. The Committee recommended monitoring demographic changes caused by illegal migration in border areas. The Ministry of External Affairs should work in close coordination with the Ministry of Home Affairs and state governments to address illegal migration.
 - **Relations with China and Pakistan:** India's bilateral relations with China and Pakistan have been plagued by contentious issues. Terrorism emanating from Pakistan is a core concern. The Committee recommended engaging with regional and multilateral organisations to sensitise them of the role of Pakistan in fostering terrorism. Efforts should be made to establish a common platform for countering terrorism under the Neighbourhood First Policy. The Committee also recommended that the government should establish economic ties with Pakistan.
 - **Investment in border infrastructure:** The Committee noted the deficiency in India's border infrastructure and the need to stabilise and develop border regions. For engagement with India's neighbours, connectivity infrastructure such as cross-border roads, railways, and inland waterways and ports need an improvement. It recommended exploring the feasibility of setting up a regional development fund for connectivity infrastructure under regional frameworks.
 - **Monitoring India's Line of Credit (LOC) Projects:** India's LOC to its neighbours increased from USD 3.3 billion in 2014 to USD 14.7 billion in 2020. The Committee observed that 50% of India's global soft lending goes to its neighbours.
- It recommended the Ministry of External Affairs to take effective steps for timely completion of such LOC projects through regular monitoring. Development projects in neighbouring countries should be completed in a timeframe by strengthening of the Joint Project Monitoring Committees and oversight mechanism.
- **Defence and Maritime Security:** Defence cooperation is key to India's bilateral relationship with its neighbouring countries. Joint military exercises are conducted with various countries such as Maldives, Myanmar, and Nepal. The Committee recommended that the Ministry should take initiatives for enhancing maritime domain awareness in India's extended neighbourhood.
- **Development in the North-Eastern Region:** The Act East policy focuses on the extended neighbourhood in the Asia-Pacific region. India's north eastern region shares land borders with many neighbouring countries. The economic development of north eastern states is integral to the success of the Neighbourhood First Policy and the Act East Policy. The Committee recommended the Ministry to maintain a synergy between these two policies. This can help improve connectivity, economic development, and security of the North-Eastern Region.
- **Tourism promotion:** Since 2020, India has been the largest source of tourist arrivals to Maldives. Large number of visitors come to India from Bangladesh for medical treatment. Many Indians also visit Nepal for religious tourism. The Committee recommended promoting investment in tourism, including medical tourism under the Neighbourhood First Policy.
- **Multilateral organisations:** India's engagement with its neighbours is driven by multilateral and regional mechanisms. This includes the South Asian Association for Regional Cooperation and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation. The Committee observed that the impact of the Neighbourhood First Policy should be felt on the ground in an extensive manner. This requires strengthening of institutional and multilateral/regional mechanisms. The Committee recommended conducting periodic review of bilateral and multilateral relationship framework.

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