

EU-INDIA SUMMIT
Marseille, 29 September 2008

Global partners for global challenges:

The EU-India Joint Action Plan (JAP)

The EU-India Joint Action Plan (JAP) has now been working for three years. It has provided an agreed measure of progress, a mechanism for coordination and a spur to stronger cooperation.

The period since its adoption has been marked by worldwide growth of interdependence. Climate change, terrorism and instability remain as much of a threat as in 2005 and new challenges have arisen. The unprecedented pressure on energy and natural resources, including foodstuffs, poses new difficulties and calls for immediate action, as well as long-term structural measures.

In light of these challenges, and on the basis of the shared values expressed in the 2005 JAP, the EU and India will build on the achievements of the past three years and ensure further progress in the coming period.

I. REVIEW

1. Political dialogue and cooperation have been strengthened

Better political cooperation between the EU and India has been a notable achievement. Existing channels for dialogue have been consolidated since 2005, with a regular calendar of Summits, ministerial meetings, and expert level meetings on subjects such as human rights and consular issues. In addition, new channels have been established, such as the annual security dialogue. New formats for dialogue have also been created through Indian membership of ASEM and EU observer status at SAARC. The EU and India have also pursued issues of common concern within the framework of the United Nations including peacekeeping & peacebuilding. In so far as cooperation between Europol and the CBI is concerned, it needs yet to be activated. The European and Indian Parliaments now have special delegations for promoting bilateral parliamentary relations.

2. Trade, investment and economic policy dialogue have expanded

In the last five years, trade has more than doubled, and bilateral investment has increased ten-fold. The parties launched negotiations for a bilateral trade and investment agreement in 2007. In specific policy dialogues on trade and investment, more progress has to be made.

New dialogues have been created on macroeconomic policy and on financial services, which underline the importance of financial and monetary stability, and of inclusive growth, in particular in the context of price rises associated with food, basic metals and energy.

3. Scientific and technical co-operation has developed

An EU-India Energy Panel has been established. The International Thermonuclear Experimental Reactor (ITER) Agreement, to which both India and the EU are parties, has come into force. Science and technology activities have intensified and exchanges have been elevated to ministerial level, with increased co-operation across the board, shared partnerships with co-investment in research and technology development, and the renewal of the EU-India Science and Technology Agreement.

Co-operation on information and communications technologies continues to be strengthened, as indicated by the connection of the European high speed research network GEANT2 with its Indian counterpart ERNET, allowing European and Indian researchers to develop joint projects. The area of transport will benefit from the signature of a horizontal aviation agreement.

Co-operation and exchanges on pharmaceuticals and biotechnology have provided a better understanding of the complex issues in the sector. The two sides have made progress towards validating Ayurveda products as para-medicines or food supplements. In the field of employment and social affairs, there have been substantial activities under the sector policy dialogue and associated work programme.

Clean development and climate change needs more concrete activities involving all stakeholders. The maritime agreement discussions are yet to come to fruition. In space technology, dialogue between the two sides needs to be further strengthened. In global navigation satellite systems, the EU-India agreement on Galileo has yet to be finalised.

4. Cultural and people-to-people links have deepened

Specific funding has been made available to increase the participation of Indian students in European graduate programmes. The Community Culture Programme has launched a special action for EU-India cultural co-operation for the period 2007-2009. Work continues on promoting civil society exchanges and people-to-people interaction in diverse fields. There is a need for more progress in the area of

culture and in the shared ambition of establishing chairs of study in both partners' academic institutions. Further effort is needed to facilitate the movement of persons, based on a comprehensive approach to migration issues.

II. NEW ACTIVITIES

The EU and India identified the following new activities to complement the 2005 India-EU Joint Action Plan, with the objective of promoting international peace and security and working together towards achieving economic progress, prosperity and sustainable development:

1. PROMOTING PEACE AND COMPREHENSIVE SECURITY

- To strengthen their consultations in the United Nations Human Rights Council and sustain their dialogue on human rights with a view to promoting the universality of human rights.
- To organise seminars and exchange best practice on civil-military peace building issues, including on Africa.
- To reinforce co-operation in fighting proliferation and in export control.
- To intensify contacts in the fight against terrorism including through the operationalisation of co-operation between Europol and India.
- To co-operate on regional issues.
- To join efforts in the international fora in using expertise in global development policy to promote the achievement of the MDGs and aid effectiveness.

2. PROMOTING SUSTAINABLE DEVELOPMENT

- To implement a bilateral Work Programme on Energy, Clean Development and Climate Change to promote joint activities, research and policy development.
- To explore the up-scaling of financing for activities to address climate change and further explore the potential for research and technology co-operation and the options for technology transfer.

- To foster co-operation on solar energy with a view to jointly developing a flagship programme in solar energy.
- To make substantive and efficient progress for the early conclusion of an ambitious and balanced broad-based trade and investment agreement.
- To strengthen the exchange of best practices and co-operation in customs matters, covering areas such as supply chain security and trade facilitation, customs Intellectual Property Rights enforcement, environmental protection, tackling commercial fraud, modernisation of processes, of procedures and of working methods.
- To share experience, views, and non-confidential information on competition law policy and enforcement.
- To use the EU-India regulatory dialogue on financial services launched in 2006 to make progress on regulatory convergence.
- To establish a Working Group on engineering sector including automotive industry; a dialogue on sustainable industrial policy; and the strengthening of co-operation on the small and medium-sized enterprises (SME) sector.
- To develop business-to-business and research co-operation with the help of the future European Business & Technology Centre (EBTC).
- To extend the current dialogue on agriculture to address agricultural productivity, including new technologies, input use efficiency, and improved selection of seeds and crops.
- To enhance technical and regulatory co-operation in the field of civil aviation, spanning such areas as aviation safety, aviation security, environment, air traffic management, economic regulation and business issues.
- To further co-operate in the field of decent work.
- To increase exchanges in the fields of sustainable extension of social protection, social dialogue, equal opportunities and gender equality.
- To launch a joint study on decent work covering priority areas relating to global employment, social cohesion, and sustainable development.
- To conduct a dialogue on issues relevant to co-operation with third countries.

3. PROMOTING RESEARCH AND TECHNOLOGY

- To co-operate in civil nuclear research and development in a manner consistent with their international obligations.
- To enhance co-operation in the framework of the International Thermonuclear Experimental Reactor (ITER) Agreement and through the conclusion of a bilateral agreement between Euratom and India in the field of fusion energy research.
- To create links and to increase exchanges between both sides' statistical services to foster co-ordination in statistical methodology and research on social and economic data.
- To undertake collaborative research and capacity building in new fields of science and technology, which will be determined by the Steering Committee of the EC-India S&T agreement.
- To strengthen dialogue between the Indian Space Research Organisation (ISRO), the Department of Space (DOS), the European Space Agency (ESA), and the European Commission.
- To explore co-operation in the field of Pharmaceutical Education and Research.

4. PROMOTING PEOPLE-TO-PEOPLE AND CULTURAL EXCHANGES

- To strengthen dialogue between the two Parliaments.
- To continue the promotion of civil society exchanges and interaction through the reinforcement of the mandate of the EU-India Civil Society Roundtable in order to ensure greater involvement of economic and social partners, especially trade unions, farmers, consumers and business associations.
- To improve co-operation and foster greater linkages between European and Indian higher education institutions.
- To promote the development of European Union Study Centres in India and Modern Indian Study Centres in the EU.

- To increase exchanges of students and academics, *inter alia*, by offering masters and doctoral-level scholarships and a wide range of opportunities for academic co-operation through the second phase of EU's Erasmus Mundus External Co-operation Window.
- To explore the possibility to train teachers in view of the setting up of a large number of national level educational institutions and central universities in the Eleventh Five-Year Plan in India.
- To disseminate tools and good practices regarding transparency, transferability and mutual recognition of qualifications.
- To promote modernization of higher education and vocational training in the EU and in India with an emphasis on quality, openness, transparency and partnerships between academic and business communities to enhance innovation and employment.
- The EU and India take note of the work carried out by the International Center for Promotion of Enterprises (ICPE) within the UN framework to promote cooperation in areas of entrepreneurship and SME development, corporate governance, trade and knowledge-based society through research and consultancy.
- To engage further in intercultural dialogue building up on cultural diversity and multilingualism.
- To enhance cultural co-operation, in particular within the context of the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions.
- To promote the conservation and management of monuments and sites.
- To launch a dialogue in order to exchange information and expertise in the areas of education, training, culture and multilingualism.
- To use the EC indicative budget of €470 million for India for the period 2007-2013 in support of the health and education programmes of the Government of India and for the implementation of the Action Plan's initiatives.

THE INDIA-EU STRATEGIC PARTNERSHIP

JOINT ACTION PLAN

India- EU relations go back to the early 1960s. India was among the first countries to establish diplomatic relations with the (then) EEC. The 1994 cooperation agreement signed between EU and India took bilateral relations beyond merely trade and economic cooperation. Together with the Joint Political Statement signed in 1993 it opened the way for annual ministerial meetings and a broad political dialogue. The first India-EU Summit in Lisbon in June 2000 marked a watershed in the evolution of this relationship. Since then there have been five Summit-level interactions, the last being the Fifth Summit in The Hague on 8th November 2004. India-EU relations have grown exponentially from what used to be a purely trade and economic driven relationship to one covering all areas of interaction. The Summit in The Hague was a landmark Summit, as it endorsed the proposal to upgrade the India-EU relationship to the level of a 'Strategic Partnership'. We see this Partnership as more than just the sum of its parts. We see it as a qualitative transformation in the way we engage as equal partners and work together in partnership with the world at large.

THE STRATEGIC IMPORTANCE OF THE RELATIONSHIP

India-EU relations have developed substantially since the adoption of the 1993 Declaration. An extensive bilateral political dialogue has evolved, which includes regular annual summits, Troika Ministerial and Senior Official level meetings covering a wide range of issues. In the economic sphere, ties have expanded and we have worked closely together to strengthen the multilateral trading system and to pursue a constructive dialogue on trade and investment and economic cooperation.

India and the EU, as the largest democracies in the world, share common values and beliefs that make them natural partners as well as factors of stability in the present world order. We share a common commitment to democracy, pluralism, human rights and the rule of law, to an independent judiciary and media. India and the EU also have much to contribute towards fostering a rule-based international order - be it through the United Nations (UN) or through the World Trade Organisation (WTO). We hold a common belief in the fundamental importance of multilateralism in accordance with the UN Charter and in the essential role of the U N for maintaining international peace and security, promoting the economic and social advancement of all peoples and meeting global threats and challenges.

As the EU evolves and enlarges, and as we both face diverse and complex global challenges, it is critically important to expand our multifaceted relationship and build upon these foundations. We commit ourselves accordingly to:

- Strengthening dialogue and consultation mechanisms;
- Deepening political dialogue and cooperation;
- Bringing together People and Cultures;

- Enhancing Economic Policy Dialogue and Cooperation;
- Developing Trade and Investment.

I. STRENGTHENING DIALOGUE AND CONSULTATION MECHANISMS

India and the EU have effective mechanisms for dialogue at all levels. With the launching of the India-EU Strategic Partnership, it is necessary to further intensify our dialogue, both by actively strengthening existing mechanisms and making them more efficient as well as initiating dialogues in new areas being considered for cooperation. It would also be necessary to put follow up mechanisms in place in order to effectively implement the decisions taken, with a view to ensuring a more sustained and cohesive approach to issues affecting India and the EU over an increasingly wide range of sectors.

Towards this end, India and the EU will:

- Maintain the high level dialogue at Summit and Ministerial level on all issues of mutual interest. Make full use of opportunities for contacts between Indian Ministers and their EU counterparts on issues of mutual relevance;
- Continue to exchange views on regional issues and the international situation at the official and ministerial level;
- Review at the Senior Officials Meeting and EU-India Joint Commission the effective implementation of decisions taken at the political level.

The progress in the implementation of the Joint Action Plan will be placed before each annual Summit, and an overall assessment will be made for the 2008 India-EU Summit.

II. POLITICAL DIALOGUE AND COOPERATION

PLURALISM AND DIVERSITY

Both India and the EU are multi-cultural, multi-religious and multi-lingual societies. India is a microcosm of the globe because of its sub-continental size and a population that accounts for nearly one sixth of humanity. India, with the second largest Muslim community in the world, is a paradigm of Asia's syncretic culture, and of how various religions can flourish in a plural, democratic and open society. The EU, with its expanding geographical boundaries and diversifying demography, is one of the most demographically diverse entities in the world and yet able to synthesise the diversity of its member states into a coherent whole. These are areas where both India and the EU could benefit from an exchange of experiences. Both sides share the objective of contributing to the promotion of cultural and linguistic diversity, which we consider an inalienable value, and the promotion of dialogue among cultures at the international level.

Towards this end:

- India and the EU will initiate a dialogue on Pluralism and Diversity with a view to sharing experiences and enhancing mutual knowledge of the cultural and linguistic diversity existing within India and EU;
- India and the EU will continue to encourage academic exchanges on the dynamics of pluralistic societies in Europe and Asia.

DIALOGUE ON REGIONAL COOPERATION IN THE EU AND IN SAARC

SAARC and the EU are large entities with complex structures and diverse demographics. India and the EU would benefit from a deepened exchange of views on developments in Europe and South Asia. The European Commission already has a Memorandum of Understanding with SAARC, the main focus of which is technical assistance. The European Commission and SAARC Secretariat are currently exploring the possibilities of strengthening cooperation for technical assistance in various projects.

Towards this end, India and the EU will seek to have a regular exchange of views on regional cooperation in the EU and in SAARC.

DEMOCRACY & HUMAN RIGHTS

Both India and the EU are committed to upholding human rights and fundamental freedoms and have ratified the major international human rights instruments. These shared values, based on democracy, pluralism and respect for the rule of law gives strength to the relationship.

We propose to:

- Continue in a spirit of equality and mutual respect, the dialogue on Human Rights both in a multilateral and bilateral context, with the objective of building greater mutual understanding and expanding common ground in order to strengthen the foundations of the strategic partnership;
- Consult and discuss positions on human rights and democracy issues and look at opportunities for co-sponsoring resolutions on thematic issues in relevant fora such as UN Commission on Human Rights or UNGA Third Committee;
- Look together for possible synergies and initiatives to promote human rights and democracy.

EFFECTIVE MULTILATERALISM

India and the EU believe that a multilateral approach, in which the UN plays a central role, is the best way to address global challenges such as development which is economically, socially and environmentally sustainable; effective management of globalisation; terrorism; drug trafficking; organised crime; natural disasters; pandemics; and energy security.

Accordingly, we will:

- Work closely to promote effective multilateralism;
- Continue to hold regular consultations on thematic issues prior to the UN General Assembly (UNGA), and work together on negotiation and implementation of the outcome of major international conferences and Summits including on security, trade, environment, development and human rights;
- Exchange views on the issues raised by the Secretary General of the United Nations in his comprehensive report entitled 'In Larger Freedom: Towards Development, Security, and Human Rights for all';
- Endeavour to invite each other reciprocally for conferences sponsored by either side where the other is, or can be, a participant.

PEACEKEEPING, PEACE-BUILDING AND POST-CONFLICT ASSISTANCE

India and the EU have a common interest in UN peacekeeping and in post-conflict political and economic rehabilitation and reconstruction.

We propose to work together in the first instance in the following areas:

- Consultation before major UN debates on peacekeeping and peace-building and in the preparation of major peace conferences;
- Establishing a dialogue at official level on UN peacekeeping and peace-building to exchange perspectives on conceptual and operational aspects of Peacekeeping Operations, including post-conflict reconstruction and rehabilitation, in order to identify and develop specific areas of cooperation in the following sectors:
 - Training for military and civilian components of peacekeeping missions, including Police and other security forces;
 - Exchange of trainees and instructors between Peacekeeping Training Centres of India and EU Member States;

- Joint support of UN peacekeeping and peacebuilding efforts, including as regards improved analytical capacities and greater cooperation between EU and Indian components of UN peacekeeping missions;
- Trade and development in peace-building;
- Post-conflict and confidence building projects in other regions of the world;
- Seminars and other activities designed to facilitate post conflict management.

DISARMAMENT AND NON-PROLIFERATION OF WMD AND SECURITY DIALOGUE

India and the EU have a shared interest in working towards achieving the goals and objectives of universal disarmament and non-proliferation of weapons of mass destruction and their means of delivery. The proliferation of weapons of mass destruction and its linkages with terrorism poses a threat to international peace and security.

In this context, we resolve to enhance collective action to fight the proliferation of WMD as well as their means of delivery. We believe that our response to proliferation challenges requires strengthened multilateral consultations and the pooling of all efforts and resources. We agree that effective export control measures for dual use goods can play an important role in preventing proliferation, and at the same time, such measures should not hamper international co-operation in materials, equipment and technology for peaceful purposes.

We will establish a bilateral India-EU Security Dialogue at Senior Official level which will include regular consultations on global and regional security issues, disarmament and non-proliferation to increase mutual understanding and identify possible areas of cooperation.

FIGHT AGAINST TERRORISM AND ORGANISED CRIME

India and the EU recognise the fact that terrorism constitutes one of the most serious threats to international peace and security, and reaffirm their condemnation of all acts of terrorism as criminal and unjustifiable, irrespective of their motivations, forms and manifestations.

We propose to work together to strengthen our cooperation in counter-terrorism efforts in accordance with the UN Charter and applicable principles of international law.

We agree to:

- Support the work of the UN to ensure universal respect for and full implementation of all relevant UN Security Council Resolutions (UNSCRs), UN conventions on terrorism and related protocols;

- Cooperate in the fight against terrorism and establish contacts between the Indian and EU Counter Terrorism Coordinators;
- Cooperate in the fight against trafficking in drugs and psychotropic substances, and the diversion of chemical precursors related to their production;
- Work closely to promote the early entry into force of the International Convention for Suppression of Acts of Nuclear Terrorism and for the early conclusion of the Comprehensive Convention on International Terrorism;
- Work together to reduce terrorist access to financing and to fight money-laundering, and monitor suspicious transactions, taking into account international standards adopted by the Financial Action Task Force (FATF);
- Exchange views on how to develop the comprehensive United Nations counter-terrorism strategy based upon the recommendations in the Secretary General's report "In Larger Freedom";
- Expand the EU-India dialogue to include the link between drug trafficking and terrorism, document security, illicit arms trafficking and cyber-terrorism;
- Promote cooperation between Europol on the EU side and the Central Bureau of Investigation (CBI) on the Indian side;
- Establish an Indian contact point in India for Eurojust.

III. BRINGING TOGETHER PEOPLE AND CULTURES

MIGRATION AND CONSULAR ISSUES

The subjects of Migration and Consular Issues are increasingly important in the context of globalisation, given the large-scale movement of people from region to region for economic or other reasons and the large migrant communities in both India and the EU. It is important to note that India is a source, transit point and a destination for migrants. We recognise that we need to maintain a constant dialogue on all aspects relating to migration and consular issues. We also recognise that facilitation of movement of people is an important aspect of improving people-to-people contacts.

Given the inter-connections between migration and other issues such as public security, we are convinced of the need for an exchange of views in this area. It is, therefore, felt useful to hold a comprehensive dialogue on migration issues.

The India-EU Joint Working Group on Consular Issues was set up following the first India-EU Summit in Lisbon in 2000, in order to enhance cooperation in facilitating the movement of

people between India and the EU, including the speedy delivery of consular and visa services and enhancing business relations and tourism. The Working Group meets twice a year to discuss issues of concern on either side. We encourage it to continue its work, with a view to further facilitating progress.

We will therefore:

- Hold dialogues on all aspects of migration and consular issues of interest to us;
- Encourage institutions on either side to undertake joint studies on problems relating to skill-set shortages and the changing demographic profiles in our regions.

PARLIAMENTARY EXCHANGES

As the two largest democracies in the world, the importance of regular Parliamentary interactions between India and the EU can hardly be over-emphasised. They are essential to enhance understanding of each other's points of view on matters of interest to both sides. They also encourage greater understanding of each other's democratic systems and areas of responsibility.

We propose to:

- Work towards the further development of EU-India friendship groups in the Indian Parliament and the European Parliament;
- Organise regular exchanges of visits by Parliamentary delegations, including by the Speaker of the Lok Sabha to the European Parliament and the President of the European Parliament to the Indian Parliament;
- Encourage greater interaction between subject-specific Parliamentary Committees on both sides.

EDUCATION & ACADEMIC EXCHANGES

We are convinced that cooperation between institutions of higher education and the exchange of scholars and students play a significant role in enhancing mutual knowledge. We therefore propose to build on existing programmes between India and EU Member States and develop new initiatives to accord greater opportunities to students from both sides to study in each other's universities.

We will seek to:

- Promote the implementation of the India Window of the Erasmus Mundus Scholarship Programme; and encourage continuation of the programme;

- Link up Websites of Indian and EU Universities and academic institutions in order to better inform students of academic opportunities in each others' areas;
- Encourage the development of EU studies in India and Indian studies in the EU, by encouraging installation of Chairs and/or Centres of Modern Indian Studies in EU Universities and of EU Studies in Indian Universities including EU languages;
- Facilitate access to academic institutions and residence in each other's territory of students admitted into bona fide programmes of such institutions.

CIVIL SOCIETY EXCHANGES

The First India-EU Summit in Lisbon in June 2000 recognised that the involvement of organised civil society in the dialogue between the two sides would add a new dimension to India-EU relations. Given the vibrant and free civil societies that flourish in India and in the EU, it was felt that the creation of a forum to institutionalise such interaction would enhance each other's understanding of regional and global problems through open and frank discussions. In pursuit of this approach, the India-EU Round Table was inaugurated in January 2001 so as to complement the existing political, economic and social links. Eight Round Tables covering diverse areas of mutual interest have been successfully held. We will seek to expand our cooperation through:

- Promoting cooperation between political parties, trade unions, business associations, universities and civil society (including Think Tanks and NGOs);
- Developing the India-EU Civil Society Internet Forum enabling enhanced exchange of ideas between civil society actors;
- Continuing to support the work of the India-EU Round Table, and its integration into the institutional architecture of the India-EU relationship.

CULTURAL COOPERATION

The E U and India, which enjoy rich and diversified cultural traditions, recognise culture as an important instrument to foster close cooperation among States. We express satisfaction at the ongoing programmes and cultural exchanges between India and EU Member States and will endeavour to increase these exchanges both at the institutional level as well as at the level of public and private organisations. We believe that more areas of cooperation can be further considered and exploited, especially in fields where longstanding cultural traditions, as well as contemporary creations, can enrich such cooperation and make it fruitful. We will identify such areas and explore ways of collaboration.

We will in particular seek to:

- Work towards full implementation of the Cultural Declaration;

- Hold India-EU Cultural weeks on a reciprocal basis as part of the India-EU Summit activities, with both sides facilitating participation, funds and logistics;
- Facilitate participation by both sides in Film Festivals and other relevant cultural events to be organised in each other's territories;
- Develop cooperation programmes in preservation and restoration techniques;
- Promote dialogue between respective audiovisual industry with a view to stimulating cooperation and exchange programmes; co-production, circulation of cultural works between Europe and India and training professionals;
- Exchange views on cultural diversity including on developments such as the adoption of the UNESCO Convention on the Protection and the Promotion of the Diversity of Cultural Expressions;
- Undertake possible joint action to increase awareness of European culture in India and Indian culture in Europe, including meetings, seminars and thematic conferences which gather professionals, in particular from the audiovisual sector;
- Undertake twinning between European and Indian cities, in accordance with each other's guidelines.

INCREASING MUTUAL VISIBILITY

India and the EU are large geographical entities, with complex and diverse demographics and rich histories and cultural traditions. This necessitates a conscious effort on both sides to inform each other's public opinion. Both societies are evolving rapidly and there is a constant need to update the media image on both sides. The strategy to enhance mutual visibility should include enhancing the effectiveness of available instruments at our disposal, in addition to exploring new ones.

To this end, we propose to:

- Promote more intensive media coverage of India in the EU and vice versa;
- Enhance journalistic exchanges between the two sides;
- Organise short term information courses and thematic conferences for journalists on a reciprocal basis;
- Promote tourism in both directions and especially enhance interaction between youth groups including cooperation in the field of sport.

Develop periodically EU-India thematic cultural years (eg cinema, music, dance, literature.)

IV. ECONOMIC POLICY DIALOGUE AND COOPERATION

A strengthened exchange of views and information between India and the EU on matters of mutual interest in the areas of economic cooperation will improve the business environment, leading to strengthened economic relations. Moreover, in the long term, it will help to reduce obstacles to bilateral trade and investment.

For this purpose, both sides agree to the setting up of discussion platforms including several new Working Groups. Inter-linkages between the Working Groups will be through the existing Sub-Commissions and the Joint Commission.

INDUSTRIAL POLICY

Cooperation between India and the EU on industrial issues and understanding of the regulatory framework has been growing in recent years. Under the 'Joint Initiative to Enhance Trade and Investment', the two sides jointly carried out general as well as eight sector specific studies on trade and investment matters. On the basis of the results of the studies, Indian and European business associations brought out a set of recommendations, which were placed before the 2001 and 2002 Summits.

Considering the potential for a further enhanced dialogue, both sides agree to:

- Establish a platform for the exchange of information and views on industrial policy and to enhance mutual understanding of regulatory frameworks;
- Continue and reinforce dialogue in existing and strengthened Working Groups and encourage discussion in various sectors;
- Exchange information on competition policy in areas of mutual interest, with a view to increasing cooperation;
- Develop a dialogue on best practices in the field of corporate governance;
- Establish a Working Group on Food Processing Industries.

Following the useful Joint Initiative studies, both sides also agree that a new initiative on enhancing bilateral Trade and Investment would be taken up.

SCIENCE AND TECHNOLOGY

In both India and the EU, the development of science and technology (S&T) capabilities, to help boost innovation and competitiveness, has taken centre stage in policy making. India and the EU began cooperation in the S&T sectors in the mid-1980s, which has now led to more than a hundred joint research projects. Research collaboration has mainly focused on sustainable development key themes (health, agriculture, natural resources management). The India-EC

Science and Technology Cooperation Agreement entered into force on 14 October 2002. It has been a major milestone in bringing together our S&T expertise for our mutual interest.

Yet the potential for more India-EU collaboration in many new and emerging high-tech areas is huge. India is a priority country for collaboration under the international dimension of the EU's Sixth Framework Research Programme (FP6) and for participating in the preparation of FP7 so as to synergise it with India-EC S&T Agreement. We share a firm commitment to foster European and Indian joint research, for our mutual benefit and as a contribution to solving global issues.

In order to build upon our well-established policy dialogue and partnership in S&T, India and the EU propose to:

- Organise joint workshops on research fields of mutual interest among EU's thematic research priorities;
- Promote participation by Indian researchers in the Research and Technological Development (RTD) Framework Programme;
- Explore with India other scientific and technical collaboration possibilities, such as joint research in the areas of frontier technology/cutting edge technology;
- Seek to increase mobility, exchanges and access of researchers between India and Europe.
- As agreed at the 2nd India-EC Science and Technology Steering Committee meeting held at New Delhi on 29th April 2005, make further pro-active use of the India-EC S&T Agreement to co-sponsor collaborative activities and research projects in areas, such as:
 - Information Science and Technology;
 - Genomics and Biotechnology for Health;
 - Nanotechnology and Functional Materials;
 - Road Transport Research and Development;
 - High Energy Physics (Accelerator Science and Technology).

FINANCE AND MONETARY AFFAIRS

India and the EU have a strong and growing presence in international financial discussions. The introduction of the Euro has strengthened the EU's role and responsibilities in the international monetary arena. In an increasingly interdependent and global economy, where the financial and monetary policies of one major economic actor affect others, India and the EU share a common interest in developing an in-depth policy dialogue on global financial and monetary issues.

For this reason, India and the EU should promote exchange of views and information between relevant institutions and policy makers in the economic and financial domain. This would allow an exchange of views on macroeconomic and financial matters of common interest. Dialogue already taking place in various fora should be further strengthened.

To this end it is agreed to:

- Hold regular consultations at an appropriate senior level on matters of common interest as and when necessary for issues considered appropriate by mutual consent;
- Establish a regular macroeconomic dialogue on matters of common interest;
- Identify academic institutions on both sides for increasing academic cooperation and exchange in these areas;
- Exchange information on financial services regulatory policies, banking systems and accounting standards;
- Encourage the European Investment Bank to continue its involvement in investment in India, and to explore strengthening it in the future.

ENVIRONMENT

India and the EU are committed to creating the conditions necessary for sustainable economic development. Each recognises the interdependencies in the field of environment and the trans-boundary character of many environmental problems. As major global actors, both partners are fully conscious of their capacity to play a central role in international efforts towards better environmental global governance. India and the EU are signatories and active contributors to the main multilateral instruments, including the Kyoto Protocol, and the UN Convention on Biodiversity.

To realise our shared vision of making sustainable development a reality, India and the EU will seek to:

- Strengthen the dialogue on global environmental issues with a view to building mutual understanding in particular on the UN Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol, the Montreal Protocol on Substances that Deplete the Ozone Layer, the UN Convention to Combat Desertification and the Convention on Biological Diversity;
- Hold meetings of the Joint Working Group (JWG) on Environment on a yearly basis and develop high level visits;
- Organise an India-EU environment forum in 2005 with stakeholders involving business, academia and civil society to exchange views and information;
- Hold an experts' meeting to exchange views on voluntary eco labelling schemes;
- Identify key environmental issues and approaches to sustainable development where exchange of experiences and cooperation could be mutually beneficial.

CLEAN DEVELOPMENT AND CLIMATE CHANGE

India and the EU agree that urgent action is required by all countries to address the issue of climate change on the basis of equity and in accordance with their common but differentiated responsibilities and respective capabilities. Both sides are of the view that in the years to come the UNFCCC and the Kyoto process must gain further momentum. India and the EU also urge Parties to the Kyoto Protocol to achieve their targets, where obligated for the first commitment period. India and the EU further commit themselves to work together closely on future global negotiations for tackling climate change, consistent with the principles of UNFCCC beyond 2012.

Accordingly, India and the EU agree to launch an India-EU Initiative on Clean Development and Climate Change. This Initiative will focus on voluntary practical measures, and be taken forward at successive India-EU Summits. In view of the particular importance of cleaner technologies for tackling climate change, both sides further agree to:

- Identify and develop ways of widening access and overcoming the barriers to dissemination of such technologies in India and the EU and more widely;
- Increase funding and promote public-private partnerships for research and development of cleaner technologies;
- Promote adaptive research and development to suit the resource endowment of both parties;
- Reduce the price gap between “cleaner” and “less efficient” technologies by seeking economies of scale;
- Hold experts’ meetings on climate change, including on the Clean Development Mechanism (CDM) in 2005.

It was further decided that India and the EU would take steps to encourage and promote sustainable patterns of consumption and production to lessen the causes and adverse impacts of climate change.

India and the EU agree to strengthen the implementation of the CDM to promote cooperation on CDM between India and the EU and to encourage our companies to engage in CDM projects. The proposed India–EU Seminar on CDM would also explore the possibilities of making CDM processes more efficient, and with reduced transaction costs.

India and the EU will cooperate on improving our adaptation to climate change and integrate adaptation concerns into our respective sustainable development strategies. Both sides agree to cooperate to enhance the scientific, technical and institutional capacity to predict climate change and its socio-economic impacts. Research and development on technologies and measures to adapt to climate change will be further pursued by India and the EU.

ENERGY

Energy is of major significance for both India and the EU. Both sides recognise the need to work towards achieving safe, secure, affordable and sustainable energy supplies. Joint efforts in the development of more efficient, cleaner and alternative energy chains will be paramount.

In this context, an India-EU Energy Panel has been set up to coordinate joint efforts and discuss energy related matters of mutual interest. The Energy Panel has decided to set up Working Groups in the areas of:

- Energy efficiency and renewable energies;
- Coal and clean coal conversion technologies;
- Fusion energy including India's membership in ITER.

Both sides agree to cooperate closely in the areas of:

- Promoting energy efficiency and energy conservation;
- Development of affordable clean energy technologies;
- Identification of new technologies in the field of new, renewable, conventional and non-conventional energy sources;
- Oil and gas, with a view to promoting security of supplies and stability in prices;
- Nuclear energy;
- Technology and expertise in exchange of energy between different grid systems and development of energy markets;
- Development of hydrogen and fuel cells;
- Methane recovery and use.

INFORMATION AND COMMUNICATION TECHNOLOGIES

Information and communication technologies (ICT) influence all areas of society, business and government. The development and widespread adoption of new ICT services and networks have powerful effects on economic and social development.

India has developed a strong capacity in ICT, capturing a large and growing share of the world market for IT and software services. With its large pool of talented IT specialists and world class facilities for IT research and development, India is considered an important partner for Europe and vice versa. Many ICT researchers and businesses on both sides are keen to strengthen links with their counterparts.

In 2001, India and the EU took further concrete steps to promote mutual cooperation in the development of ICT and a modern information society, as expressed in the Joint EU-India Vision Statement on IT adopted at the Second Summit in New Delhi.

By building upon our already extensive information society dialogue, the EU and India have agreed to:

- Enhance India-EU cooperation in the Seventh Framework Programme;
- Under the umbrella of the India-EU Information Society Dialogue, exchange views on a regular basis on:
 - e-commerce
 - internet governance
 - universal service;
- Exchange views between relevant authorities of India and EC on these areas of common interest in appropriate fora;
- Encourage India-EU joint research proposals and collaboration activities, in particular, for the following fields: 4G, e-government, e-education and e-health;
- Exchange best practices and information on regulatory frameworks (internet governance, privacy and security, spamming) and for electronic communications (e.g. mobile aspects, universal service);
- Exchange views on Telecommunication spectrum management and on roaming and interoperability of telecommunication services;
- Work towards GEANT-ERNET connectivity with the objective of connecting EU and Indian Information networks to facilitate research and technology linkages;
- Continue Information Society Technologies (IST) awareness through workshops and seminars.

TRANSPORT

India and the EU have a common interest to explore synergies in developing reliable, safe and secure transport networks and linkages, which respond to the needs of individuals and business. Efficient transport systems will increase competitiveness on both sides and enhance our attractiveness as investment locations.

The EC's economic cooperation with India in the field of transport is well established. The India-EC Civil Aviation Project is the largest bilateral economic cooperation project in India. The project aims to strengthen civil air safety and stimulates cooperation between Indian and the EU civil aviation authorities and European aerospace industries. The India-EC Maritime Transport Project, which ended in late 2003, inter alia, contributed to electronic data interchange programme in the port sector in India.

To advance our mutual interests in this important sector, India and the EU have agreed to:

- Work towards the conclusion of a Maritime Agreement;

- Launch a broad-based dialogue in the sector of civil aviation including closer cooperation in air transport technology, regulation and infrastructure and assess the scope for mutual benefits that could derive from such dialogue;
- Explore the possibility of continuing and expanding the scope of the existing Civil Aviation Project;
- Continue discussions, as a matter of priority, on a horizontal agreement between India and the EU resolving legal issues in bilateral air services agreements.

SPACE TECHNOLOGY

Both India and Europe are at the cutting-edge of research in the field of Space Technology, and there is a wide scope for cooperation. With a view to promote collaboration and provide an appropriate environment for fruitful cooperation in the space sector, both parties will:

- Support further collaboration and dialogue between Indian Space Research Organisation (ISRO), Department of Space (DOS) and the European Space Agency (ESA) and the European Commission, in areas such as earth observation and remote sensing for monitoring of natural resources and environment, communications, meteorology, navigation, life and material sciences under micro gravity conditions, space exploration, space sciences and any other area relevant to our respective Space programmes;
- Jointly identify specific new areas/projects of cooperation between the respective space agencies for further discussion/implementation through the existing mechanism for technical cooperation;
- Conclude a framework agreement on India's participation in Galileo Satellite Navigation Systems.

PHARMACEUTICALS AND BIOTECHNOLOGY

The EU is the second largest centre of biotechnology research activity in the world and Indian biotechnology is advancing rapidly. Opportunities for partnership in areas such as new discoveries, preclinical/clinical trials and bio-informatics already exist and the potential for collaboration in agri-biotechnology, food safety and pharmaceuticals is growing.

Greater interaction and enhanced cooperation between respective EU and Indian administrations, industry and research institutions would lead to faster progress and greater benefits for all. For this reason the EU and India agree to:

- Set up a Working Group on Pharmaceuticals and Biotech and in this framework they agree to hold experts' meetings, as a matter of priority, with the participation of European Agency for Evaluation of Medicinal Products (EMA) on the EU regulatory approach in the field of Ayurveda products;

- Exchange information on the regulatory framework, on best practice in funding, research, environmental issues, technical exchange programmes, and infrastructure support institutions;
- Cooperate on confronting global challenges posed by diseases such as HIV/AIDS, tuberculosis and malaria, and as part of this seek to organise a Conference on development of vaccines for HIV/AIDS, malaria and tuberculosis.

AGRICULTURE

India and the EU appreciate the social and economic importance for both sides to develop and preserve a dynamic agricultural sector. To create the conditions necessary for an efficient, modern and diversified agricultural sector, the EU and India have agreed to:

- Exchange views in relation to our respective agriculture policies including modernisation and other issues;
- Explore issues of reciprocal interest in agriculture trade;
- Reinforce the dialogue in the restructured Working Group on Agriculture and Marine products. Both sides will identify new areas of cooperation in this Working group and meet in parallel with the newly created Joint Working Group on Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBTs).

CUSTOMS

The EU is India's largest trading partner and India-EU bilateral trade has been showing great dynamism. Both sides agreed that trade volumes can be further boosted. The EU and India are committed to understanding the problems faced by EU and Indian companies in relation to customs controls.

To help overcome various obstacles to trade and improve supply chain security, India and the EU propose to:

- Ensure full exploitation of the agreement between the EC and India on cooperation and mutual assistance on customs matters through development of a cooperation programme by the Joint Customs Cooperation Committee;
- Strengthen the dialogue on customs issues including issues such as valuation and classification, rules of origin etc;
- Discuss the role of customs in the implementation of relevant trade and commercial policy issues.

Both sides also agreed to:

- Deliberate on harmonisation, implementation and enforcement of customs laws, procedures and working methods;
- Cooperate on security and facilitation in the international trade supply chain and in tackling commercial fraud;
- Discuss and cooperate in modernisation and capacity building;
- Explore exchange of information within the framework of the customs agreement and to discuss the establishment of formal channels of communication.

EMPLOYMENT AND SOCIAL POLICY

Employment and social policies are core issues within the EU and the Government of India has put them at the heart of its policy approach. India and the EU are committed to promote full, freely chosen and productive employment with full respect for fundamental principles, fair wages and rights at work. India and the EU share a common interest to develop a policy dialogue on employment and social security to share experience, periodic exchange of views and information on:

- Labour and employment issues, including on employment policies, restructuring, the global employment opportunities and requirements for trained manpower;
- Human resource management in particular through training and skills development;
- Social security.

BUSINESS COOPERATION

The close association of industry and business in India-EU cooperation as well as dialogue between businesses from both sides are crucial to achieving the common goal of enhanced trade and investment. Industry and business of India and the EU are not only competitors but also partners.

Regular business summits have been held since 2001. These summits have helped to create better understanding of the opportunities and obstacles in a broad variety of sectors. The recent phenomenon of Indian investments in EU especially in knowledge-based sectors of IT, Pharma, etc., has added a new dimension to overall India-EU economic relations.

Both sides should build on those experiences to promote a strategic discussion on improving business links. We have therefore decided to:

- Hold a Business Round Table on a regular basis together with the Business Summits. Industry Associations concerned on both sides will take appropriate action to continue the Business Summit and Business Round Table initiatives. The Round Table will come up with innovative ideas to further trade and investment;

- Promote the development of networks for sectoral industrial cooperation and investment promotion;
- Further discuss strengthening of the existing information dissemination mechanism and explore the need for new instruments for facilitating EU-India trade and investment;
- Reinforce business-to-government dialogue based on the work undertaken under the Joint Initiative for Enhancing Trade and Investment, which should feed into the sectoral policy dialogues;
- Operationalise the Trade and Investment Development Programme (TIDP) Web portal to provide both sides with comprehensive information on trade and investment issues.

DEVELOPMENT COOPERATION

Against the backdrop of thirty years of engagement between India and EU both sides are committed to achieve progress with regard to the Millennium Development Goals and related international agendas.

Since 1976, the EC has committed around €2 billion of development cooperation to India. The allocation for the 2002-2006 programming period is €225 million. An emphasis has been placed on health, education, water and environment.

This commitment should be further enhanced. With a view to provide impetus to India-EU cooperation it is proposed to deepen development cooperation in Health and Education sectors, under which the EU - working together with the Government of India - will aim to significantly enhance development cooperation to supplement Indian programmes, namely Sarva Shiksha Abhiyan (SSA) and the National Rural Health Mission (NRHM), two important social sector programmes, for the remaining period of the 10th Five Year Plan and the 11th Five year Plan periods of the Government of India.

India is itself becoming an increasingly active player in an evolving development policy: it is both a recipient and donor, a user of developmental innovations and an exporter of new concepts. India's position as an emerging bilateral donor under the 'Indian Development & Economic Assistance Scheme (IDEAS)' could pave the way for a fruitful EU-India dialogue on optimal implementation of development cooperation in third countries.

We are committed to implementing the following actions:

- Operationalise States Partnership programme (€160 million) during 2005;
- Exchange views on global development issues;
- Evaluate the past fifteen years of India-EC bilateral cooperation and its impact, with the involvement of relevant authorities on both sides;

- Further explore EC-India cooperation in development projects in third countries;
- Aim to enhance significantly EU development cooperation for the universalisation of elementary education (Sarva Shiksha Abhiyan) and the National Rural Health Mission of the Government of India.

V. DEVELOPING TRADE AND INVESTMENT

India and the EU agree to take positive steps to further increase bilateral trade and economic cooperation and to tackling barriers to trade and investment. Private sector contacts would also be further developed. While trade and investment flows between India and the EU have been increasing, they remain below potential. Therefore, to enhance economic cooperation the following steps are proposed:

HIGH LEVEL TRADE GROUP

India and the EU agree to establish a High Level Trade Group to study and explore ways and means to deepen and widen their bilateral trade and investment relationship. The Group will report to the next summit in 2006, including the possible launch of bilateral negotiations on a broad-based trade and investment agreement. Within this framework, and in order to increase investment in India and the EU, the scope of a possible investment agreement will be explored.

WORLD TRADE ORGANISATION (WTO)/DOHA DEVELOPMENT AGENDA (DDA)

India and EU are committed to a successful outcome of the Hong Kong Ministerial in December 2005 and agree to move forward the Doha Development Agenda (DDA) negotiations to a successful conclusion as a matter of priority. In this respect both parties agree to continue their dialogue with a view to greater convergence in areas of mutual interest.

To this end the India and EU agree to strengthen their dialogue on the DDA negotiations which inter alia include Agriculture, Non-Agricultural Market Access (NAMA), Services, Trade Facilitation, Antidumping, Geographical Indications, Special and Differential Treatment, and Implementation, including as regards the relationship between Trade-related Intellectual Property Rights (TRIPs) and the Biodiversity Convention.

PUBLIC PRIVATE PARTNERSHIP (PPP)

Both parties agree to initiate a discussion on Public Private Partnerships (PPP) and as a first step to exchange information and experiences with a view to, inter alia, enhancing investment in infrastructure. The two sides agree to set up an Expert Group to identify policy level changes required to promote PPP.

INTELLECTUAL PROPERTY RIGHTS (IPR)

India and the EU attach importance to achieving effective and comprehensive protection of geographical indications (GIs). As a first step, India and the EU shall exchange information on their respective GI protection regimes and hold an expert meeting on GIs in 2005 with a view to strengthening their technical cooperation on GIs.

Both parties agree to establish an appropriate dialogue to discuss IPR policy, regulatory issues, implementation and enforcement, as well as the general objectives and/or framework. To this end, both parties agree to establish a forum for a regular exchange of views and information on domestic regulatory policies and practices and enforcement issues. This forum shall also cover related technical assistance and capacity building initiatives.

TECHNICAL BARRIERS TO TRADE(TBT)/SANITARY AND PHYTOSANITARY (SPS) ISSUES

The two sides agreed to establish a TBT/SPS Working Group and to hold the first meeting before the end of 2005. This would deepen the dialogue on TBT and SPS issues respectively with a view to facilitating bilateral trade and increasing market access.

TRADE DEFENCE INSTRUMENTS

India and the EU have agreed to activate the expert meetings according to the already agreed terms of reference.

SERVICES

India and EU agree to exchange information and initiate a dialogue on regulatory policy including Mutual Recognition Agreements (MRA's) and domestic regulations and market access issues related to services. Priority areas should be agreed before the end of 2005.

PUBLIC PROCUREMENT

Both parties agreed to exchange information on public procurement policies.

**New Delhi
7 September 2005**