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MoUs Between India-Maldives

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Why in News

Recently, **India and the Maldives** have signed **four Memorandums of Understanding (MoUs)**.



Key Points

- **Four MoUs:**

- Two MoUs for High Impact Community Development Projects.
- An MoU on Cooperation in Sports and Youth Affairs.
- An MoU for a USD 100 million grant to fund the **Greater Male Connectivity Project** (GMCP) which is the largest ever such infrastructure project undertaken in the Maldives.
 - GMCP is a financial package by India, consisting of a grant of USD 100 million and a new line of credit of USD 400 million.
 - This will be the largest civilian infrastructure project in the Maldives, connecting **Malé** (the capital) with **three neighbouring islands** viz. Villingili, Gulhifalhu (where a port is being built under Indian **line of credit**) and Thilafushi (new industrial zone) by the **construction of a bridge-and-causeway link**.
 - This will **boost economic activity, generate employment and promote holistic urban development** in the Malé region.

- **Other Recent Initiatives:**

- In **April 2020**, India supplied 6.2 tonnes of essential medicines to the Maldives, under **Operation Sanjeevani** to tackle the **pandemic**.
- In **May 2020**, India under **Mission Sagar**, supplied food items and medical assistance teams to the countries in the southern Indian Ocean including the Maldives.

Indian Government assures that the **Maldives will be among the first countries to receive Covid-19 vaccines** as soon as one is developed in India.

- In **August 2020**, the **bilateral Air Travel Bubble** was established which connects five Indian cities with Male through 13 weekly flights leading to a steep increase in the number of tourists.
 - Creating a travel bubble **involves reconnecting countries or states which have shown a good level of success in containing the Covid-19** domestically.
 - Such a bubble would **allow the members of the group to restart trade ties** with each other and **open travel and tourism**.
- In **October 2020**, both governments inked a deal for a **USD 400 million line of credit** from the **Export-Import Bank of India** (Exim Bank), **premier export finance institution** of India.

The soft loans to the Maldives have funded connectivity, water, sewerage projects, Addu Development Project, an international cricket stadium, Gulhifalhu port, etc.

- **Significance:**

- The **MoUs are symbolic of India-Maldives’ strong development partnership** which is multi-faceted and designed to meet the specific requirements of the government and people.
 - The Maldives enjoys a special and central place in India’ **Neighbourhood First policy** and itself has a **foreign policy of India First**.
 - India is supportive of **Maldivian Foreign Minister’s candidature** for the **Presidency of the 76th session** of the **United Nations General Assembly in 2021**.
 - Both nations have consistently supported each other in multilateral fora such as the UN, the **Commonwealth**, the **Non-Aligned Movement (NAM)** and the **South Asian Association for Regional Cooperation (SAARC)**.
- Amid India’s growing concern over **China’s increasing influence** in the **Indian Ocean Region (IOR)**, the ties with the Maldives are of crucial importance.

The **current Maldivian President** is being criticised by the opposition for having an “**India-tilt**”. The Former President was dislodged from office in 2018 and was widely perceived as a close ally of China.

Source: TH