



## MoUs Between India-Maldives

### 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 76<sup>th</sup> 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](#)**

PDF Refernece URL: <https://www.drishtias.com/printpdf/mous-between-india-maldives>