



India Review

A PUBLICATION OF THE EMBASSY OF INDIA, KABUL

<http://meakabul.nic.in>

VOLUME 3 ISSUE 8 AUGUST 2007



INDIA OFFERS COOPERATION AT ROME CONFERENCE ON JUSTICE AND RULE OF LAW

President Karzai with heads of delegations at the Rome Conference.

At the Conference on Justice and Rule of Law in Afghanistan, held in Rome on July 2 and 3, the Indian delegation was led by Shri Prakash Jaiswal, Minister of State (MOS) for Home Affairs and included Rajiv Dogra, Indian Ambassador to Italy; Rakesh Sood, Indian Ambassador to Afghanistan; V.N. Gaur, Joint Secretary (Police), Ministry of Home Affairs; and Smita Pant, Under Secretary dealing with Afghanistan in the Ministry of External Affairs in New Delhi.

The conference, co-hosted jointly by Afghanistan, Italy and the United Nations, reaffirmed the crucial importance of the reform of justice sector and the implementation of the rule of law for the reconstruction of Afghanistan, while recognising that without justice and the rule of law no sustainable security, stabilisation, economic development and human rights could be achieved.

The conference delegates concurred that the rule of law reform and the coordinated support by the international community will be implemented through a National Justice

Programme, including short, medium and long-term implementation, to be funded in significant part through the Afghanistan Reconstruction Trust Fund.

Although the conference was not intended to be a pledging conference, donors took the opportunity to make new announcements adding an additional amount of about \$360 million (some of which are multi-year pledges) to support short-term projects, and with commitment to consider further funds to implement the National Justice Programme.

Donor countries also committed themselves to a coordinated approach at central level and provincial level through the establishment of a Provincial Justice Coordination Mechanism.

In his speech at the conference, Minister of State Shri Prakash Jaiswal, elaborated that, to date, India had imparted training programmes under Indian Council for Cultural Relations (ICCR)'s scholarship scheme as well as the Indian Technical Economic Cooperation programme in the field of justice covering legal education, office

management, IT, English proficiency and intellectual property rights. The objective was to enhance human capacity development in Afghanistan, which is vital for institution building in Afghanistan. In the past, India has also trained Afghan judges and lawyers at the Indian Law Institute.

MoS Jaiswal also announced that India would be willing to consider further training programmes and technical assistance in the justice and legal sectors in established Indian law institutes, given India's vast experience in this field and the complementarities with Afghanistan's own conditions. In a joint India-Afghanistan-UNDP programme, India was also proposing to depute experienced coaches and mentors in Afghan institutions for capacity development in the justice sector.

This would be in keeping with President Karzai's vision of providing a multi-faceted regional dimension to the reconstruction work being undertaken in Afghanistan, which would have greater situational complementarities, besides being more cost effective. ■

Excerpts from the statement of Head of Indian delegation

■ The Rome Conference offers a vital platform for Afghanistan and the international community to come together for consolidating our efforts and committing to a comprehensive, broad-based vision of rule of law reforms that will address Afghanistan's needs in a holistic manner. Concrete decisions on these at this conference can, indeed, lead to an integrated, strategic plan for justice that can produce improved coordination, efficiency and cost effectiveness in this sector.

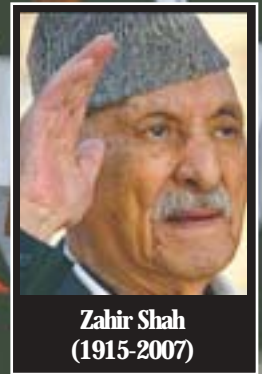
■ India remains firmly committed to the comprehensive justice and rule of law reform process in Afghanistan. A well-functioning professional justice sector, together with reforms in all other sectors, indeed, has the potential to strengthen the reconstruction effort and ushering in the much needed long-term stability in Afghanistan.

■ India's commitment to the reconstruction and development of Afghanistan remains unflinching. Our \$750 million partnership today embraces a multi-dimensional co-operation programme being undertaken in virtually all parts of Afghanistan covering almost all sectors including justice, education, health, telecommunications, transport and civil aviation, agriculture and irrigation, industry, power generation and transmission, information and broadcasting, as well as human resource development. Our diverse assistance programme is in total alignment with the Afghan priorities and implemented in close coordination with the Afghan stakeholders, with focus on local ownership.

Continued on page 3



INDIA MOURNS THE DEMISE OF HIS MAJESTY ZAHIR SHAH



Zahir Shah
(1915-2007)

Minister of Water Resources Saifudin Soz (second from left) with President Karzai and other dignitaries at the funeral ceremony of Zahir Shah.

The occasion was solemn. The atmosphere was sombre. Representatives of governments from all over the world, senior officials of Government of Afghanistan and members of diplomatic corps of Kabul stood in mourning and paid homage to the departed soul at the Presidential Palace in Kabul. It was the funeral ceremony of His Majesty Zahir Shah, who passed away in the early hours of July 23, 2007 at the ripe age of 92 years.

His Majesty Zahir Shah had left his own mark in promoting the ties between the Governments as well as people of India and Afghanistan and had close association with India. He was a friend of India who enjoyed a personal rapport and close contacts with Pandit Jawaharlal Nehru and Indira Gandhi. The Indira Gandhi Child Hospital in Kabul was India's gift to the Afghan people — made at Zahir Shah's request. His Majesty Zahir Shah, defying his failing health, made his presence felt, when he laid the foundation stone on August 29, 2005 in the presence of Prime Minister Manmohan Singh and President Karzai for the new Parliament complex in Darul Aman, which is being built with the assistance of India.

To reflect this special relationship and respect for His Majesty Zahir Shah, India sent a high-powered team to attend the official mourning ceremony in Kabul. Led by senior Cabinet Minister Saifuddin Soz, the high-powered team included the Deputy Chairman

of Rajya Sabha (Upper House of Indian Parliament) K. Rahman Khan and Joint Secretary in the Ministry of External Affairs TCA Raghavan. Conveying his condolences on behalf of people and government of India, Minister Soz recalled the association of His Majesty Zahir Shah with India. He said "Baba-E-Millat worked for modernising of Afghanistan and India has lost a dear friend in his death. He worked for the peace and development of the region during his forty years tenure and India with the same spirit wants to stand by Afghanistan and its reconstruction."

In their special messages of condolences, President A.P.J. Abdul Kalam, Prime Minister Manmohan Singh and External Affairs Minister Pranab Mukherjee recalled the contribution of Zahir Shah to building better relations between India and Afghanistan. President Kalam, in his message, said that the demise of His Majesty was an "end of era" and hoped that "his vision of friendship and cooperation" will continue to guide the relations between India and Afghanistan. Prime Minister Singh sent his profound condolences and called His Majesty Zahir Shah as "a great Afghan patriot, who always stood for peace and modernisation of Afghanistan". External Affairs Minister Mukherjee stated that Baba-e-Millat will be always remembered by people of India with great fondness and respect.

In a special gesture reserved for select few foreign dignitaries, Government of India

declared one day mourning and ordered its national flag to be lowered to half mast on all government buildings in Delhi and in all its diplomatic missions abroad on July 24.

His Majesty Zahir Shah strove continuously for Afghanistan's progress and to bring the country closer to rest of the world. It is to his credit that the 1964 Constitution was brought into effect and elections to parliament and at lower levels were held. During his time, freedom of radio and print media took roots. With his modern and progressive disposition, he did not hesitate to inject social reforms — education for women, an end to 'purdah' — despite stiff opposition from conservative elements. He also channeled the foreign assistance to develop the country's infrastructure, realising its need for long term economic growth of the country. It was during his reign, Afghans enjoyed a period of peace and stability in recent history.

Recognising his role and vision, the 2004 Constitution bestowed him with the title of "Baba-e-Millat-e-Afghanistan" (Father of the Nation of Afghanistan), a true reflection of his position in the history of Afghanistan and a deserving tribute to his contribution. With his demise, an era in the history of Afghanistan has come to an end, but his dreams for modern and strong Afghanistan will continue to influence the ongoing efforts for rebuilding Afghanistan. His memories will be cherished by many both in and outside of Afghanistan. ■

India signs MoUs on Small Development Projects

In pursuance of the Agreement on US\$ 20 million Small Development Projects scheme signed during Indian Prime Minister Manmohan Singh's visit to Afghanistan on August 28, 2005, the second batch of 11 memoranda of understanding (MoUs) for various projects was signed at the Ministry of Economy on July 1.

The MoUs comprised the projects of construction of 38 schools in Badakshan, Paktia, Paktika, Khost, Kunar, Nangarhar, Nooristan and Nimroz provinces, construction of protection wall in Chaknahor village of Lalpor district of Nangarhar, a girder bridge in Shirzad district of Nangarhar, and setting up of 71 water points in Marawarah district of Kunar. The total amount of these 11 projects is \$ 4.7million.

The MoUs were signed by Sandeep Kumar, Minister at the Indian Embassy, together with Prof. Nazir Ahmad Shahidi, Deputy Minister (Professional), Ministry of Economy, Mohammed Sadeeq Patman, Deputy Minister (Finance and Administration), Ministry of Education and Eng. Raz Mohammad, Deputy Minister (Administration and Finance), Ministry of Rural Rehabilitation and Development.

This was the second batch of MoUs signed. Earlier in phase I, 16 MoUs were signed on April 2 for setting up of four demonstrative nurseries, seven basic health clinics and 219 water points/bore wells covering the provinces of Nangarhar, Khost, Nooristan, Kunar, Paktia, Badakhshan, Nimroz, Paktika and Zabul. These were for \$1.69m. All the projects have been finalised in total accordance with the priorities of the



(From right): Prof Nazir Ahmad Shahidi, Deputy Minister (Professional), Ministry of Economy, Sandeep Kumar, Minister, Indian Embassy, and Mohammed Sadeeq Patman, Deputy Minister (Finance and Administration), Ministry of Education at the MoUs signing ceremony

Afghan government in the various sectors and in alignment with the Afghan National Development Strategy.

The scheme is part of India's overall \$750 million reconstruction programme for Afghanistan. It relates to quick-impact, small-scale projects with less than \$1 million, having short gestation periods of six to nine months, identified at grass-roots levels in consultation with the local government and implemented by local contractors. The objective is to create a sense of partnership and ownership in the local communities, particularly in the vulnerable border districts in the south and southeastern provinces of Afghanistan, which would help in ushering in

development and strengthening the writ of the central government. It is expected that the small development projects will thereby contribute to greater peace, prosperity and security in the region.

In a press conference that followed the signing of the MoUs, Prof. Shahidi, Deputy Minister (Professional) from the Ministry of Economy, which has been designated as the nodal Ministry from the Afghan side for implementation of the MoU on Small Development Projects, appreciated India's assistance, which he said, was very timely and would contribute significantly to the overall reconstruction and development of Afghanistan. ■

Excerpts from the statement of Head of Indian delegation at the Rome Conference

Continued from page 1

■ In the justice sector, India has undertaken important training programmes under the Indian Technical Economic Cooperation programme in the field of justice covering legal education, office management, IT, English proficiency, and intellectual property rights. Afghan students have also been sent to law schools in India under our scholarship schemes. Enhancing human capacity development is a key focus of our overall assistance programme, which we strongly believe can become a vanguard in institution building in Afghanistan.

■ India will also be deputing experienced



(From left to right) Minister of State Shri Prakash Jaiswal and Ambassador Rakesh Sood at the Rome Conference.

coaches and mentors for capacity development in the justice sector under the

Capacity for Afghan Public Service project that is being undertaken jointly with the Afghan government and UNDP.

■ India will also be willing to broaden its engagement in the field of technical police training, including the counter narcotics police, with focus on strengthening leverages between police and prosecutors. The induction of a greater number of women in the police sector within the proposed police-judiciary co-operation framework is another area of priority for the Afghan government, and India will be willing to work towards affecting this as well, in coordination with the relevant role players.

Senior Indian diplomat participates in 'Mr. Kabul' contest

Sandeep Kumar, Minister at the Indian Embassy in Kabul, participated at the 'Mr. Kabul, 2007' body-building competition held at the crammed-to-the nook Park Cinema in downtown Shahar-e-Nau in Kabul on July 05, 2007, as the sole foreigner.

The competition was organised by the National Olympic Committee, with participation of about 100 athletes in nine categories of 50-100 kgs, representing various Kabul body-building gyms.

Body-building, together with wrestling and karate, is one of the top sports in Afghanistan. Most city gyms are packed at all times of the day with ardent fans of the sport pumping iron vigorously. The infrastructure is basic, but this does not in any way impinge on the determination and commitment of the gym users.

Some of the weights are carved out from discarded military vehicle tyres or canister cans. Sometimes there is no electricity, and the gyming sessions are conducted by candle light. But the show must go on.

At this year's competition, Wahid-ul-lah, 28, a huge hunk with rippled torso, was declared Mr. Kabul 2007. He said that it was a great honour for him to be awarded the top award. But at the same time, he also expressed some criticism that the government was not paying enough attention to the sports sector in the country and that the body-building department within the National Olympic Committee was starved of funds.

Another contestant, Khwaja Farid Sidiq, was crowned as the sports master of the year and was awarded one thousand dollars and some sports equipment in prize.

Kumar from the Indian Embassy, who himself came third in his category, attributed his



Sandeep Kumar in preparation for the competition.

participation in the competition to the desire of expressing his solidarity with the Afghan body-builders. He maintained that events such as these had the great potential of sending out very positive and encouraging signals to the people both within and outside Afghanistan that despite the security paradigm, there are a lot of positive developments in this country like body-building competitions, art exhibitions and music festivals. These constitute the other layer of reality in Afghanistan, that portray that Afghanistan has taken off, that it is business as usual in many sectors, and that there is cause for optimism and confidence in the tremendous work being undertaken in the country. Such events need to be applauded but sadly go unexposed in the national and

international media. In his view, the quality of competition was top-class, at par with any such event in the developed world like the U.S., Europe, Canada and Australia. He expressed his highest respect for the professionalism, fitness regime, diet control as well as the grit and determination of the participants to be able to come up with such exalted standards.

When asked what has been the most memorable part of his stay in Afghanistan, he said: "I will cherish the personal memories of participation in competitions like these with friends who allowed me to share their lives with them, who opened up their hearts and homes to me. It is this love and friendship of the Afghan people that has been my vital sustaining force." ■

Preview of painting exhibition at Indian Culture Centre in Kabul

The newly opened Indian Culture Centre at the Indian Embassy in Kabul buzzed with activity on July 17. The occasion was the preview of the painting exhibition of a well-known Indian painter and art critic, Sumati Gangopadhyay.

Gangopadhyay's collective work entitled 'Songs of a Mountain Country' predominantly touches upon the Afghan landscapes, sensuously approached, and dexterously intertwined with the themes of climate change, inundation of forested areas and pollution.

The paintings are abstract, drawing upon natural objects like mountains, rivers, trees and oceans, and often spaced out with tiny birds and animals.

The vibrancy of the work is embodied in the profuse use of reds, oranges and blacks that float on acrylics in perfect harmony and yet bode a sense of disquiet, reflective of the concern for the environment.

The main exhibition opened at the Park Residency Gallery on July 18 and ran successfully for 10 days.

Moved by the plight of orphans and street children of Kabul during an earlier visit, Gangopadhyay donated 25 percent of the sale of her paintings to Aschiana, a NGO working for children.

She also conducted art workshops for children, sponsored by the United Nations International Children's Fund (UNICEF), the product of which will be entered in an international children's art competition, 'Smiling Faces', to be held in South Korea later this month. **Continued on page 5**

Preview of painting exhibition at Indian Culture Centre in Kabul

Continued from page 4

Separately, at the invitation of the Faculty of Fine Arts of the Kabul University, she participated in a seminar on the contemporary art scene in Baroda, an important art centre in India (and from where the artist hails), with demonstration of her unique technique of reverse painting on glass and acrylic sheet.

Gangopadhyay has held a large number of exhibitions throughout India, both in solo and group shows. She is also a visiting art scholar at a number of art institutions. She says that she still harbours her early fascination for Chagall. Evidently, her paintings reflect the same passion for colours as he had.

The Indian Embassy hopes that the new culture centre will become a vibrant hub for all communities with diverse cultural background to come together in a mutual spirit of bonding through various cultural activities.

This is in furtherance of its firm belief that culture has the enormous power to build bridges between the people of the different



Ambassador Sood addressing the gathering at the opening of the exhibition. On the left is Catherine Mbengue, Representative, UNICEF Afghanistan and on the right is Sumati Gangopadhyay, painter.

countries, to create understanding and to forge familiarisation with the socio-cultural customs, values and way of life.

The gathering at the Indian Embassy on July 17 was effusive in its praise for the

Indian Embassy initiative. Afghan Deputy Culture Minister, Omar S. Sultan, in his address, noted the vibrancy of the bilateral cultural activities, remarking that the present event was yet another step forward in exposing the local artists in Afghanistan to the diversity of art movements prevalent outside the country, which would contribute to their empowerment.

As the evening drew on and the guests appreciated the colourful paintings and partook of the Indian snacks at the Indian Culture Centre, Gangopadhyay expressed her sense of satisfaction at the response received from people present, representing a large cross-section of society covering government officials, members of parliament, diplomats, business community, artists, media and Indian community members. In an on-the-spot interview with Voice of America, her spontaneity oozed out, "My paintings give a sense of fulfilment to my inner spaces, make me complete as a person. The Indian Culture Centre setting today was perfect in affecting the inner and outer harmony beautifully." ■

Education experts from India visit Afghanistan

An Indian education team visited Kabul from July 17 to 22, 2007, as a follow-up to the Agreed Minutes on the Joint Working Group meeting on the bilateral Memorandum of Understanding on Education.

The team from the National Council for Educational Research & Training (NCERT), New Delhi, was represented by Anil Sethi, Reader, Department of Education in Art & Aesthetics (New Delhi), Sunil Kumar, Reader, Department of Education in Art and Aesthetics, Asfa Yasin, Reader, Pandit Sunderlala Sharma, Central Institute of Vocational Education, Bhopal, I.B. Chugtai, Reader, Regional Institute of Education, Ajmer and N.K. Gupta, Reader, Department of Educational Research and Policy Perspectives, New Delhi. The objective was to provide technical assistance to the Ministry of Education for curriculum development in all subjects, including co-curricular areas of visual and performing arts as well as for teacher education and training for primary and secondary education. The delega-

tion members also considered technical resource support for teacher training colleges in Afghanistan involving teacher education curriculum, methodologies and training modules.

The team had intensive interactions with counterpart nodal points in the areas of their specialization.

Site visits to some vocational training institutes and teachers training colleges were also arranged, which provided valuable first-hand knowledge on the functioning of these institutions and the constraints experienced by them.

Based on the discussions and site visits, a plan of action for future co-operation was formulated, to cover the critical areas of curriculum development, teachers training, vocational as well as distance education.

The visit was part of the on-going assistance programme of the Indian Government for the restructuring of the education sector in Afghanistan.

India's major projects in the education field have been the annual award of 500

ICCR long-term scholarships for undergraduate and postgraduate courses in universities throughout India; reconstruction of the Habibia High School in Kabul; training of teachers; gifting of 30,000 desk-cum-benches for schools in Nangarhar provinces; deputation of English language teachers; provision of Sanskrit faculty at the Kabul University; proposed twinning arrangements between higher education universities and institutions between the two countries; collaboration in national adult literacy programme; as well as the constructions of schools in various provinces under the Small Development Projects Scheme.

India remains totally committed to the revival of the crippled education sector in Afghanistan, which is strategic to the socio-economic development of any country.

With the formulation of the action plan for future co-operation, Afghanistan will, no doubt, be witnessing visits by many more education delegations from India in the coming future. ■

The past few months have been action-packed for the Indian pharmaceutical industry, as leading domestic players have gone about making stunning acquisitions around the globe, even as international giants have made impressive investments in the country.

Ranbaxy Laboratories, the country's largest drug-maker, which made eight major acquisitions in 2006 — including Romania's Terapia for \$324 million, Spain's Mundogen, Italy's Allen SpA, and South Africa's BeTabs — is now eyeing the generics business of German giant Merck KGaA.

A few other leading Indian drug-makers, including Cipla and possibly Dr. Reddy's Laboratories (DRL), are also interested in acquiring Merck's generics business, which has been valued at around \$5 billion. Incidentally, Ranbaxy aims to be a \$5 billion company in another five years.

The pharmaceutical sector was among the toppers in the M&A (mergers and acquisitions) league in India in 2006, with over \$2.2 billion worth of inbound and outbound deals under its belt. The biggest was the acquisition by U.S.-based generic drug-maker Mylan Labs of a 71.5 percent stake in Hyderabad-based Matrix Laboratories for a whopping \$736 million.

Among Indian acquisitions, the biggest was by Dr. Reddy's, which paid \$570 million for an all-cash acquisition of Germany's fourth largest generics firm, Betapharm. According to Anji Reddy, chairman of the Hyderabad-based group, the acquisition was part of its "strategic initiative towards becoming a mid-sized global pharmaceutical company with a strong presence in all key pharmaceutical markets".

The Betapharm deal was on the back of a \$59-million acquisition of the Mexican API business of Swiss giant Roche. The move was part of DRL's strategy to strengthen its position in the custom pharmaceutical services (CPS) business. International pharmaceutical firms are increasingly outsourcing both R&D services and CPS.

Mumbai-based Nicholas Piramal India Ltd (NPIL) also acquired three firms in the U.K., including a unit of Pfizer, the world's largest drug-maker. It also bought a company in Canada, and is now planning acquisitions in the U.S., ranging from \$20 million to \$200 million. According to Ajay Piramal, chairman, NPIL, this is part of a strategy where it plans to use its European and North American assets to manufacture niche high-value drugs, while keeping lower cost manufacturing in India.

Kemwell, a Bangalore-based formulations



The Indian pharma scene CURE FOR SURE

contract manufacturer, also acquired another Pfizer plant recently.

The facility, which produces both API and finished drugs, is based in Uppsala in Sweden, and has been approved by several regulatory authorities, including those in the U.S., Europe and Japan.

The acquisition of European firms is part of the strategy adopted by the Indian pharmaceutical sector to expand its custom manufacturing business, ranging from APIs and intermediate development and manufacturing into final dosage forms. According to Frost & Sullivan, contract manufacturing and research services in the global pharmaceutical sector is expected to balloon to \$168 billion in just about two years. In the past, American and European companies dominated the global pharmaceutical contract manufacturing sector, but Indian and Chinese companies are now aggressively expanding into this segment.

Frost & Sullivan estimates that India and China could potentially account for nearly 40 percent of the outsourced market for APIs, finished dosage formulations and intermediates. Most of the Indian pharmaceutical companies that are making aggressive forays abroad hope to see more than half their total revenues originate from overseas sales. NPIL, for instance, saw an over 200 percent jump in global sales for the quarter ended December 31, 2006, and international sales account for over 45 percent of its overall revenues.

But it is not just the large Indian drug-makers who are eyeing overseas acquisitions. Even medium-sized firms and smaller ones are hunting around the globe for such deals.

What are the factors triggering off the flurry of activities in the Indian pharmaceutical sector, and the spate of deals that have been

negotiated around the globe by domestic companies? There are many reasons for these developments, which will ultimately help boost the prospects for the Indian pharmaceuticals — and increasingly, also the biotechnology — sector.

The most important is the emergence of India as a low-cost, high-quality option for outsourcing of research, manufacturing and other services, which is bringing about dramatic changes in the global pharmaceuticals business.

Other factors include the global slowdown in the sale of patented drugs, the growing opportunities for generic drug-makers, the absence of new billion-dollar blockbuster drugs internationally.

Industry observers note that India's pharmaceutical industry is at the crossroads, and the country could become the preferred global supplier for bulk drugs and dosage forms, and a hub for contract research and manufacturing (CRAM), contract research organisations (CRO) and R&D activities.

The country is among the top-five manufacturers of bulk drugs and ranks among the top 20 pharmaceutical exporters in the world. The Indian pharmaceutical industry ranks fourth globally in terms of volume, and 13th in value terms.

India also has a vast pool of talented professionals — every year, nearly 125,000 chemical engineering graduates and chemists pass out of its universities. There are about half a million pharmaceutical scientists and pharmacists, working in the manufacturing, R&D, hospitals and retailing sectors. The industry is growing at a compound annual growth rate (CAGR) of 13.6 percent, and revenues are projected to touch \$12 billion by 2010. ■