



Ministry of Foreign Affairs

Strategy

Norway – India 2030

The Norwegian Government's strategy for cooperation with India



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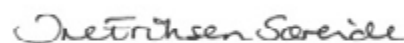
Foreword

Ties between Norway and India have deep historical roots. As early as the 1600s, a Danish-Norwegian trading station was established in Tranquebar (Tharangambadi), which today lies in the Indian state of Tamil Nadu. Norway's first consulates in India were opened in Calcutta in 1845 and in Bombay in 1857. The latter was closed in the 1970s but was reopened in 2015. This is a clear reflection of the strengthening of Norwegian-Indian relations in recent years.

Norway was one of the first countries to recognise India's independence in 1947. Norwegian development aid has its beginnings in a decision made by the Storting (Norwegian parliament) in 1952 to establish what was known as the 'India fund'. Today, India is itself a donor country, the world's largest democracy and a rapidly growing emerging economy. Its geopolitical role, its huge population, its long coastline and, not least, its booming economy make India an increasingly influential global player and an increasingly important partner for Norway.

Developments in India will have a significant impact on how successful the world is in achieving the Sustainable Development Goals and global climate targets. With this in mind, the Government is seeking to strengthen Norway's bilateral relations and economic ties with India. The blue economy and sustainable use of marine resources will be two key areas. This new India strategy therefore includes the establishment of structured cooperation on the oceans, with a view to increasing the visibility of Norwegian technological solutions and promoting the Norwegian business sector.

With its new energy-efficient embassy complex in New Delhi and the reopening of the Consulate General in Mumbai, Norway has significantly strengthened its presence in India in recent years. This strategy is intended to give renewed impetus to the further development of our cooperation with India.



Ine Eriksen Søreide,
Minister of Foreign Affairs



India – a growing economy

Since the 1990s, India has implemented far-reaching reforms and achieved strong and sustained economic growth. India's share of global gross domestic product (GDP) has nearly tripled since 1990. Today, India is the third largest contributor to global growth, after the US and China. Extreme poverty has been dramatically reduced since 2000. Environmental and climate-related problems have, on the other hand, increased.

This situation opens up new opportunities for cooperation between Norway and India, including in areas where Norway has strong interests and particularly valuable experience and expertise.

The purpose of this strategy is to provide an overall, long-term roadmap for the Government's engagement in and with India. It is intended to ensure an integrated and coordinated approach to cooperation between our two countries.

In developing this strategy, we started by considering what India is expected to look like in 2030:

1. In 2030, India will be the world's most populated country, with over 1.5 billion inhabitants, and home to over a sixth of the world's population.¹ India will have the world's largest workforce and the world's third largest economy.²
2. India's middle class will total nearly half a billion people³ and the country will be the world's largest market for consumer goods.⁴
3. There will be considerable regional and social disparities, and the country will have one of the world's youngest workforces.⁵
4. The ongoing process of urbanisation will be vital for India's economic growth, and 70 % of new jobs will be created in cities.⁶ There will be considerable pressure on infrastructure and significant environmental problems.

¹ UN DESA (2017): World Population Prospects.

² HSBC (2018): The world in 2030 & PWC (2017): The world in 2050.

³ EY (2013): Hitting the sweet spot: The growth of the middle class in emerging markets.

⁴ Kharas, Homi & Gertz, Geoffrey (2010): The New Global Middle Class: A Cross-Over from West to East.

⁵ Wolf, Charles; Dalal, Siddhartha; DaVanzo, Julie; Larson, Eric; Akhmedjonov, Alisher; Dogo, Harun; Huang, Meilinda & Montoya, Silvia (2011): China and India 2025.

⁶ McKinsey Global Institute (2010): India's urban awakening: Building inclusive cities, sustaining economic growth.



5. Demand for resources such as food, energy and minerals will have increased the country's dependence on marine resources and on imports.⁷
 6. Most Indians will have access to electricity⁸ and India will be one of the world's largest markets for renewable energy.⁹ Greenhouse gas emissions from coal-fired power plants and the transport sector will be high. India will experience increasingly frequent extreme weather events.
 7. India will be a global hub for digital technology and a world-leading exporter of ICT services. At least 80 % of all Indians will have a mobile phone with internet access.¹⁰ India will be an advanced space nation.
 8. India will still be the world's largest democracy. It will be a major power in Asia and the Indian Ocean area in terms of security and defence policy; it will safeguard its strategic autonomy and attach importance to international law and global rules.
- This will mean that in 2030 India's influence and freedom of action will be considerably greater than today. At the same time, it can be expected that India will increasingly seek international cooperation to address national and global challenges. The strategic priorities for Norway's cooperation with India in the period up to 2030 are based on the assumption that India will make the transition from emerging economy to major global power.

7 OECD (2016): The Ocean Economy 2030.

8 Indian Government (2017): The Saubhagya Initiative.

9 IRENA (2016): Roadmap for a renewable energy future.

10 Nielsen (2017): Future of marketing in India.



Priority areas

The Government's priorities for cooperation between Norway and India in the period up to 2030 are based on three factors: (i) Norway's national and international interests, (ii) Norway's competitive advantages and (iii) India's priorities.

In order to achieve the objectives set out in this strategy, Norway will make use of all relevant agencies and government bodies, and will focus on: (1) political contact and cooperation between the authorities, (2) business cooperation, and (3) research cooperation.

Due to its geographical size and its large population, India has a critical role to play in achieving the Sustainable Development Goals (SDGs) and global climate targets. The SDGs and climate targets are key priorities in Norwegian foreign and development policy, and this is reflected in Norway's cooperation with India.

India is a country of great diversity and stark contrasts. The pace of growth and development varies both within and between its 29 states and seven territories. This strategy will be implemented at state level, and priorities and opportunities will vary from state to state.

Promoting the Norwegian business sector is one of the overriding objectives of the Government's engagement in India. The rapid development of future mobile networks (5G), the Internet of Things and artificial intelligence is changing the way business is done and creating new opportunities for developing new solutions that can, for example, help us achieve the SDGs. Access to dynamic, forward-looking knowledge and technology communities will help us to advance the digitalisation of the Norwegian business sector in the time ahead.

Cooperation in the areas of art, culture and sport can help to promote common values such as democracy, freedom of expression, and sustainability. India is an export market for Norwegian art and culture.

India has a strategic location and is a major power in Asia in the field of security and defence. Norway should follow developments in these policy areas closely and consider any relevant opportunities for cooperation. It will be important to monitor security and defence policy developments in the region to maintain a good understanding of the context surrounding Indian foreign policy. It is



to be expected that Indian foreign policy will increasingly affect the framework conditions for Norway's policy in the region.

Democracy and a rules-based world order



OBJECTIVE 1: Norway will increase its cooperation with India with a view to strengthening multilateral cooperation, the international trading system and the international legal order.

One of the strategic aims of Norwegian foreign policy is to contribute to the maintenance of the international legal order and to strengthen multilateral governance systems. Norway and the rest of the international community benefit from stability and predictability. It is in Norway's interests that international and regional relations, conflict resolution and efforts to address new challenges are based on international law. Norway is a strong advocate of finding regional solutions to regional challenges. At the same time, respect for human rights, gender equality, democracy and the rule of law are vital for promoting sustainable development for all. Priority is given to promoting women's rights and efforts to prevent violence against women.

India is the world's largest democracy and a staunch defender of the international legal order. In a region and a world where the balance of power is changing, India is an emerging major power that is seeking a more influential role in global and regional forums. Like Norway, India attaches importance to UN reform. In the time ahead, India is expected to play a greater role in multilateral cooperation, in step with its growing economic and political power.

Trade with India is expected to increase in the years ahead. However, this will depend on good and predictable framework conditions. Norway will strengthen its dialogue with India on reform of the World Trade Organization and will work to promote a well-functioning, rules-based multilateral trading system.

The Government will make use of the following policy instruments to promote dialogue and cooperation with India in this area:

1. Political contact and cooperation

between the authorities: Norway will strengthen its political dialogue with India primarily under the India-Norway Joint Commission¹¹ and will continue to work towards the establishment of a free trade agreement between India and

¹¹ See fact box

EFTA. Norway will promote cooperation that enhances respect for international law and strengthens the effectiveness, representativeness and legitimacy of global and regional organisations. Norway will facilitate increased exchange of experience and results in order to promote the achievement of the SDGs.

2. Business cooperation: Norway will seek to ensure good and predictable framework conditions for Norwegian companies in India and will work to promote Norwegian expertise and technology, for example through targeted cooperation under Team Norway.¹²

3. Research cooperation: Asia is one of four priority research areas set out in the *Research strategy for the Foreign Service and Norad 2017-2024*. India will be a central theme in the Research Council of Norway's planned new programme on international relations, foreign policy and Norwegian interests (UTENRIKS) under the focus area 'Asia in transition'.

India-Norway Joint Commission:

Cooperation between the Norwegian and Indian authorities takes place through the India-Norway Joint Commission. The Joint Commission is headed by the foreign ministers of the two countries and normally meets every other year. Under the Joint Commission, there are working groups that focus on individual topics of mutual interest, such as those highlighted in this strategy.

The oceans

OBJECTIVE 2: Norwegian companies' market share in India's ocean-based sector will increase.

OBJECTIVE 3: Norway will support sustainable use of marine resources in India and efforts to reduce marine litter.

Norway is one of the world's leading maritime nations. Ocean and coast-based industries account for around 70 % of our export revenues. Norway is one of the world's largest exporters of seafood. We are among the most advanced shipping nations, and are a major offshore oil and gas producer. Norway's shipbuilding and supplier industries are world class, and our offshore wind power activities are developing rapidly.

Norway is also at the forefront when it comes to marine research and sustainable use of marine resources. Sustainable use is an important factor in our efforts to achieve the SDGs. The importance of combating fisheries crime at the global level must also be emphasised in our cooperation with India. Promoting the Law of the Sea is a core interest for Norway. The Law of the Sea provides a framework for states' rights and duties in relation to the seas and oceans.

India's ocean policy emphasises the importance of the Law of the Sea, of search and rescue cooperation with nearby coastal states and of the advancement of scientific knowledge about the oceans. The Indian Government has launched several initiatives aimed at developing India's blue economy. These include the development of ports and river transport, as well as increased focus on shipping, fisheries and aquaculture, seabed mining and offshore wind power.

With its rapidly growing economy, India is an important market for Norwegian maritime companies. Existing and potential areas of cooperation include LNG shipping, LNG infrastructure and new shipping technologies. India is interested in making use of green short sea shipping both along its coast and for river transport. India will be a crucial partner in initiatives to combat marine litter and microplastics.

In addition, India is a major consumer market for seafood. At present, Norwegian seafood exports to India are limited, due in part to

¹² See fact box

high tariffs and to challenges relating to cold storage. One of Norway's aims is to secure good market access for Norwegian seafood to India.

The Government will make use of the following policy instruments to strengthen Norwegian-Indian cooperation in this area:

1. Political contact and cooperation

between the authorities: Political issues will be discussed in a structured dialogue on the oceans, which will involve regular meetings and exchange of visits at political level. Matters that arise from the dialogue will be followed up in the working groups on various thematic areas that already exist within the framework of the India-Norway Joint Commission.

2. Business cooperation: The Government will promote Norwegian expertise and technology in areas where Norway is at the forefront of developments and where there is considerable market potential. A wide range of agencies and government bodies that provide support to the business sector will take part in these efforts and will engage in targeted cooperation under Team Norway. There will also be focus on network-building, competence-building, direct contact with the Indian business sector and exchange of visits.

3. Research cooperation: As set out in the Panorama strategy,¹³ India is one of six priority countries identified by Norway for cooperation on higher education and research. Thematic areas relating to the oceans, such as climate change, the environment, marine research, the maritime sector and polar research, are at the heart of this cooperation.



OBJECTIVE 4: Norwegian companies' market share in India's energy sector will increase.

India's energy consumption is expected to increase more than any other country's in the period up to 2040.¹⁴ India is already the world's third largest producer and third largest consumer of energy, after the US and China. India is the world's third largest importer of oil, and currently imports 83 % of its consumption.

The electricity sector is dominated by fossil fuels, mainly coal (60 %). India has set a target of doubling the proportion of gas in its energy mix, bringing it up to a 15 % share by 2022, and could become one of the world's fastest growing importers of natural gas, including LNG. This could offer major opportunities for Norwegian actors in the energy and maritime sectors.

The Indian Government has set ambitious targets for the transition to a green economy. By 2020, renewables are expected to be the next largest energy source after coal.¹⁵ India is already the world's seventh largest producer of hydropower. In 2017, more than 30 % of installed generating capacity was from renewable sources.

Norway has extensive expertise in the fields of electricity production, grids and trading. The shift towards cleaner sources of energy production will create new opportunities for Norwegian businesses in the gas, solar, wind and hydropower sectors. There are considerable opportunities for Norwegian companies to acquire market shares in emerging economies like India.

Norway will make use of the following policy instruments to strengthen Norwegian-Indian cooperation in this area:

¹³ Strategy for cooperation on higher education and research with Brazil, China, India, Japan, Russia and South Africa (2016–2020).

¹⁴ International Energy Agency World Energy Outlook 2017

¹⁵ BP Energy Outlook 2018

1. Political contact and cooperation

between the authorities: The Government will seek to facilitate political contact, including exchanges of visits relating to energy. India's interest in contact with Norwegian authorities and exchange of experience in the field of energy will be followed up by the Ministry of Petroleum and Energy and its underlying agencies.

2. Business cooperation: The Government will promote Norwegian expertise and technology in areas relating to energy where Norway is at the forefront of developments and where there is considerable market potential.

3. Research cooperation: Clean energy is one of five thematic priorities in the Research Council of Norway's INDNOR programme.¹⁶ Solar power and smart grids are key priorities for India, and there is considerable potential for innovation-oriented research in both areas. Joint calls for proposals for research projects in these and other areas in the field of clean energy have been published by the two countries, primarily under the Research Council's Large-scale programme for energy research (ENERGIX).

Team Norway is a collaborative network of public and private actors that promote and support the Norwegian business sector internationally. The purpose of Team Norway is to increase value creation in the Norwegian economy through exchange of information, cooperation, and coordinated efforts and initiatives.

Climate and environment



OBJECTIVE 5: Norway will support India's efforts to reduce emissions and meet its obligations under the Paris Agreement.

India has a critical role to play in addressing global climate, environment and resource challenges. In a few years, India will be the world's third largest economy. It already accounts for 7 % of global greenhouse gas emissions. India also has a key role to play in the formation of global policy and in international negotiations on climate change and environmental issues.

Urbanisation, economic growth and population growth are putting pressure on infrastructure and resources, and creating major environmental challenges. India is exceptionally rich in biodiversity. It is vulnerable to climate change due in part to the fact that agriculture and food production depend on a predictable rainy season. The energy sector has a particularly important role to play in our efforts to achieve the global climate targets. The way in which India develops its energy sector in the time ahead will be a crucial factor in this context.

Norway has expertise in a number of fields relating to climate change and the environment. Cooperation with India could offer considerable opportunities for Norwegian actors in the areas of environmental management and environmental technology, which could help to reduce India's emissions. India has a vital part to play in the work to achieve the objectives of Norway's International Climate and Forest Initiative, which are to conserve primary forests and reduce emissions from deforestation.

At India's request, Norway will continue its cooperation with India in these areas and will make use of the following policy instruments:

1. Political contact and cooperation

between the authorities: The Government will seek to facilitate political contact, cooperation between experts and exchange of bilateral visits relating to climate change and the environment.

¹⁶ The Norwegian Programme for Research Cooperation with India (INDNOR) (see fact box).



2. Business cooperation: The Government will promote Norwegian expertise and technology and climate- and environmentally-friendly solutions that have considerable market potential.

3. Research cooperation: Environment, climate change and clean energy are three of the thematic priority areas in the Research Council of Norway's INDNOR programme. Norwegian research institutions are engaged in cooperation with The Energy and Resources Institute (TERI) in India in areas related to India's national efforts to reach its climate targets and sustainability goals. The Norwegian research institute SINTEF is carrying out a number of projects on the use of waste to produce energy for industry and on new climate-friendly technologies.

The Norwegian Programme for Research Cooperation with India (INDNOR) was established by the Research Council of Norway in 2010 to strengthen and promote

cooperation between Norway and India on research and research funding. INDNOR is a key tool in the work to follow up the bilateral research agreement between the two countries and the Research Council's roadmap for bilateral research cooperation with India. It includes cooperation under the EU Framework Programme for Research and Innovation (Horizon 2020) and other joint European platforms in which Indian researchers take part. Funding from the INDNOR programme is also made available for India-related research projects under other thematic research programmes at the Research Council, and the programme is a key element of the Research Council's work on global sustainability.

Other important areas



OBJECTIVE 6: Norway is to be an attractive partner for India in the areas of research, higher education and global health.

Norway has strong institutions that are willing and able to take part in international cooperation, flexible funding schemes, the ability to respond rapidly, and a willingness to take risks. All of this puts Norway in a particularly good position when it comes to engaging in cooperation on research, higher education and global health.

Cooperation on research and higher education

Cooperation between Norwegian and Indian research and higher education institutions is to promote Norwegian expertise and technology in India, which in turn will strengthen business cooperation, trade and investment.

Cooperation with India in this field will mainly focus on the sciences and technology, but will also include the social sciences. One of the aims is to further develop existing research cooperation in areas of strategic interest for Norwegian research communities and institutions, with particular focus on the thematic areas highlighted in the Research Council of Norway's roadmap for bilateral research cooperation with India.

Norway will focus on innovation and the commercialisation of Norwegian technology with a view to gaining a foothold in an increasingly digitalised Indian market. Start-ups, clusters, and incubators and accelerators can play an important role in the commercialisation of industry-oriented research and innovation.

One of our aims is to identify experience and results of relevance for the efforts to achieve the SDGs, for example in the area of climate-resilient food production. Norway will also strengthen cooperation under multinational research programmes and initiatives such as Horizon 2020, Mission Innovation and the Coalition for Epidemic Preparedness Innovations (CEPI).

Our cooperation on higher education complements our research cooperation and is helping to enhance mutual understanding and to strengthen the ties between Norway and India. As set out in the Panorama strategy, Norway aims to increase the scope of its cooperation on higher education, primarily by expanding existing research cooperation.

Student exchanges are to be based on cooperation agreements between institutions in order to ensure that they are of a high quality. Priority will be given to courses in subjects and thematic areas of relevance to this strategy. Efforts will also be made to provide work experience placements in Norwegian and Indian companies, as a way of building skills and experience that can help to foster business cooperation in the future.

Global health

Since 2006, Norway has collaborated with India on the development of innovative models for improving maternal and child health. This cooperation has produced good results that can be applied to other sectors. At India's request, Norway will continue its cooperation in this area. Norway will also intensify its efforts to develop cooperation with India in other areas of global health. This work will include traditional project cooperation, for example in the fields of vaccine development (CEPI) and medical technology.

Research on vaccines and other medical research is a priority under the bilateral research agreement between Norway and India. Norway supports India's ambition to become a responsible and major player in the field of pharmaceuticals that can provide reasonably priced medicines and high-quality vaccines to the rest of the world. Norway wishes to strengthen its cooperation with India on antibiotic resistance and the treatment of infectious diseases in the context of food security.



Implementation

During the period it covers, i.e. up to 2030, the strategy is to be implemented through action plans drawn up under the auspices of the Ministry of Foreign Affairs in consultation with other relevant ministries. The Ministry of Foreign Affairs' special representative for India will coordinate Norway's efforts.

Our Embassy in New Delhi and Consulate General in Mumbai will have a key role to play in the implementation of the strategy. With the opening of a new embassy complex in New Delhi and the recent reopening of the Consulate General in Mumbai, Norway has strengthened its presence in India and

increased its implementation capacity in priority areas.

Companies and relevant public- and private-sector institutions and actors will be invited to take part in the implementation of this strategy. These include Innovation Norway, the Norway India Chamber of Commerce and Industry (NICCI), the Norwegian Business Association India (NBAI), the Research Council of Norway and various Norwegian research communities.

The first step will be to develop a three-year action plan for cooperation in the sectors described in the strategy.

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