AN INDIAN APPROACH TO INTERNATIONAL DEVELOPMENT COOPERATION: TOWARDS A ‘WHITE PAPER’ ON POLICY

THE FUTURE OF INDIAN DEVELOPMENT COOPERATION: UNDERSTANDING DEVELOPMENT FROM INDIAN PERSPECTIVES

Background

India’s role in the international development cooperation community has undergone significant transformation over the past years. India’s once struggling economy, that needed massive external inputs to meet even the survival needs of its people, has transformed into a booming economy creating a “paradox of plenty”. This has impacted positively upon India’s outlook towards international development cooperation. India has gone from being a chronic beneficiary to becoming a significant provider of development cooperation. The expansion in India’s development cooperation since the turn of the century, both in terms of geographic spread and volume, has been exponential. India has been at the forefront of creation of policy coalitions such as BRICS (Brazil, Russia, India, China, South Africa) and IBSA (India, Brazil, South Africa) that provide a forum and platform for countries of the ‘Global South’ to cooperate with one another on multiple fronts. This kind of development cooperation has come to be recognised as “South-South Cooperation”. Development cooperation may therefore be said to have assumed considerable significance as a policy imperative for India.

Statement of Purpose

This effort seeks to define and clarify concepts, as well as set out principles that can serve for guiding the work of development practitioners including, among others, government officials, think tanks, experts engaged with international developmental agencies and academicians; as well as increasing public awareness about India’s development cooperation with a view to giving a more meaningful role to civil society organisations in respect of the same. By doing so, this effort aims to initiate a discussion on the future of India’s development
cooperation and help develop a broad consensus among various stakeholders regarding the course of action to address it.

**Justification for a Policy on India’s Development Cooperation**

The principal justification for the need of formulating and adopting the policy is the lack of an objective and structured approach towards development cooperation. To begin with, there is a lack of information disseminated in the public domain about India’s development cooperation. Secondly, the information available in the public domain is widely dispersed and highly disaggregated. This makes monitoring and evaluation of India’s development cooperation difficult. This, in turn, undermines the accountability of governmental initiatives in this regard. Finally, the lack of a stated policy results in a lack of consistency in the implementation of development cooperation, making it subject to the changing ideologies and priorities of different governments.

**Vision for India’s Development Cooperation**

The vision and values that drive India’s development cooperation going forward are:

- **Non-Conditionality**: The development partnerships India enters into must be entered into on mutually agreed terms and such terms must not degenerate into *conditionalities* for partner countries.

- **Promoting a “Partnership among Equals”**: India shall endeavour to make a conscious effort to ensure that all its development partnerships, between *the* Indian government and a partner country, *the* Indian government and a CSO of a partner country, *or an* Indian CSO and its CSO counterpart in a partner country, *or an* Indian CSO with the government of a partner country, or any combination thereof, must essentially be a partnership where each partner is on an equal footing and there is no domination or undue influence that one partner is able to exercise over another.

- **Mutual Accountability**: Since the development partnership is based on the principle of equality, India and its development partners must be accountable to each other for the same.

**Operating Principles**

India’s development cooperation must embrace the following principles:
• **Mutual benefit** for both India and its partners in development cooperation. All development cooperation must come as a response to requests from the partner country and focus on addressing prevailing, pressing and expressed needs.

• **Transparency and fiscal integrity** of the development cooperation process, which are indispensable to ensure that the funds allocated for development cooperation are not diverted to illegitimate purposes.

• **Accountability** of all the institutions involved in development cooperation, (from planning through execution to oversight and evaluation), is necessary to ensure that the benefits of development cooperation reach the intended beneficiaries.

• **Sustainability**: Development cooperation must be sustainable socially, economically and in terms of human resource capabilities.

• **Inclusiveness**: The development conceived under development cooperation must include sections of potential beneficiaries that have been excluded so far. Particular emphasis must be placed on including women, who have been largely excluded as a group from development. There can be no gender justice without gender equality and no gender equality without gender justice.

### Goals of India’s development cooperation

The overarching goals of India’s development cooperation can be described as twins: capacity development and technology transfer. These objectives shall be guided by priorities as detailed below.

• Capacity Development: India’s capacity development initiatives/programs shall aim to build capacities that are self-sustaining and responsive to the capacity assessments carried out.

• Technology Transfer: India’s development cooperation involving transfer of technology must indeed “transfer” technology. While transferring technology, India shall aim to transfer it in a manner such that the beneficiary of such technology is not only able to use it in its current form but is also able to gradually and eventually replicate it and even build upon it independent of any assistance from India.

### Determining Development Priorities

• **Gender Empowerment**: There has been an increased focus on gender empowerment in India’s development cooperation in
recent years. However, gaps continue to exist as far as the inclusion of women in development is concerned. To address this, it is important to mainstream gender in ongoing and future projects as well as identify gender-specific initiatives.

- **Sustainable Development Goals (SDGs):** Several South-South Cooperation conferences in recent years, of which India has been a part, have called for an alignment of SSC goals with fulfilment of Sustainable Development Goals (SDGs). India has reinforced its commitment to meeting SDGs at various international fora. It is essential that this commitment is reflected in policy and practice of India’s development cooperation.

**Financing for Development**

To support and ensure the holistic fulfilment of the aforesaid principles and priorities, India shall strive towards securing the finances needed for development, by exploring and not hesitating to use every modality as may be appropriate including grants, loans and lines of credit. The financing modalities must be sustainable and cost-effective and the process through which they are implemented must adhere to the principles and priorities set out above.

**Flexibility and Choice**

India shall strive to ensure flexibility in its choice of the most effective institutional framework option through which development cooperation is administered. Key considerations that must guide the choice of the institutional framework are transparency, accountability, multi-stakeholder representation and participation.

**Commitment to development cooperation both global and national**

While India shall strive to seize every opportunity for development cooperation globally, to contribute to the progressive and full realization of the Sustainable Development Goals, India also reasserts and reaffirms its strong commitment to bilateral and multilateral South-South Cooperation.

**Commitment to periodic review and revision of India’s International Development Cooperation Policy**

This policy document should be reviewed periodically. India’s development cooperation needs to be reviewed with regard to
attainment of the SDGs. It should be monitored and evaluated along with other commitments.

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Annex

THE FUTURE OF INDIA’S DEVELOPMENT COOPERATION

1. UNDERSTANDING DEVELOPMENT FROM AN INDIAN PERSPECTIVE

India’s motivation to enter into the field of development cooperation since its inception as a newly independent country emerged from the desire to support liberation struggles and assist countries in building their own capacities. In realising that these newly decolonised countries could not thrive in the bipolarity of the Cold War, the Non-Alignment Movement (NAM) was born, becoming a lobby group with the participation of Egypt, Indonesia, India and others. South-South Cooperation is rooted in the equitable approach of NAM, respecting sovereign integrity and the development needs of the Third World.

Over the years, this narrative of South-South Cooperation (SSC) has become more refined, working parallel to the traditional methods of North-South Cooperation led by the Organization for Economic Cooperation and Development Assistance Committee (OECD-DAC). India has been on the receiving end of assistance from OECD-DAC while, at the same time, forming partnerships for cooperation under SSC. For India, in the beginning development cooperation was a measure of alternatives, an attempt to create an equitable world with NAM and give the Third World a say in their development. Today, while this stands true, development cooperation has evolved to become more mutually beneficial for India as well as its partner countries.

With a decrease in institutional funding of the Ministry of External Affairs (MEA), there has been an overall decrease in grant-assistance towards countries and projects. A reduction in funding can have implications for the pace of projects as well as the institutional management of the same. The MEA has also started to increase funding via multilateral and international organizations as opposed to bilateral grantallocation. Such a trend could completely change the role of the MEA’s Development Partnerships Administration (DPA) towards development cooperation, as the focus moves towards the Export Import Bank of India (EXIM bank). A need for a government policy or even a coherent statement will help bring clarity to India’s development
cooperation approach.

It has been 70 years since Indian Independence and the start of India’s role as a development partner. However, India still does not have a clearly defined policy approach or clarity in its definitions towards development cooperation. While attempts have been made to institutionalise India’s efforts, the lack of a coherent policy and guiding definitions is viewed as a gap. India is no exception in this respect, since most countries in South-South Cooperation refrain from articulating a limiting vision and align such efforts to the world of traditional OECD-DAC actors. While preferring an organic approach to development cooperation, certain developing countries have moved towards articulating a flexible policy, case in point Mexico, which allows for better channelling of resources along with public scrutiny of both resources and results.

Different Indian institutions such as the Development Partnership Administration (DPA), under the Ministry of External Affairs, the Indian Technical and Economic Cooperation programme (ITECH), the National Research Development Cooperation (NRDC) define India’s cooperation efforts. In lack of a clear working definition, the need for terminology alignment is recognized, wherein ‘cooperation’ is seen as a prerequisite to understanding India’s embedded approach of creating ‘partnerships’. The Development Partnership Administration (DPA) set up in January 2012, emphasises India’s vision of going forward with the terminology of ‘partnership’ as opposed to ‘cooperation’. Cooperation, a broader term, is adopted in understanding India’s efforts while partnership is the vision and guiding principles it moves towards.

2. VISION FOR INDIA’S DEVELOPMENT COOPERATION

India must move towards a vision of development partnerships, which is essentially guided by principles of ‘non-conditionality’, ‘partnership among equals’ and ‘mutual accountability’.

Non-Conditionality

The principle of “non-conditionality” is often seen as an important distinguishing factor between SSC and the traditional North-South Cooperation. The Buenos Aires Plan of Action, 1978 specifies in
paragraph 13 that “TCDC as well as other forms of cooperation among all countries must be based on strict observance of national sovereignty, economic interdependence, equal rights and non-interference in domestic affairs of nations, irrespective of their size, level of development and social and economic systems. This principle has been reiterated in the later conferences on South-South cooperation including in the Yamoussoukro Declaration (Group of 77 2008) and the Nairobi Outcome Document (2016). Having been at the receiving end of conditionalities that came along with the aid provided by northern donors, India has sought to differentiate itself by stressing the principle of “non-conditionality” as stated above.

The official position taken by the MEA is that India’s development cooperation is not in the ‘aid’ framework of OECD-DAC and is devoid of conditionalities. However, there are certain gaps that have been spotted in the actual practice of development cooperation by India. Various analyses of trajectories in the financing of large scale infrastructure and other projects through Lines of Credit (LoC) point out that in the case of most LoCs or soft-loans development assistance is tied aid, with the pre-condition to purchase 75 percent of services and goods from Indian companies (Samuel & George 2016). In Africa, for instance, where the bulk of LOCs are allocated, LOCs have been used as a means to ensure that the majority of the contractors that are engaged in activities pertaining to projects funded by such LOCs are from India (Mangalmurty, Chowdhary& Singh).

Going forward, India must practice what it preaches and ensure that the development cooperation it provides to partner countries is truly free of any “conditionalities”. The framework agreements/Memorandum of Understandings (MOUs) that typically capture the terms of India’s development partnership with its partner countries are essentially contracts and must accordingly be guided by the fundamental principles of the law of contracts. Accordingly, mutual consent, free from any form of coercion or undue influence exercised by either party, must always form the basis of the terms incorporated in these framework agreements and MOUs. Once agreed upon mutually, the terms must be strictly implemented while ensuring that they must never degenerate into conditionalities for the country receiving development cooperation.

**Partnership among equals**

South-South Cooperation, since its inception, has been conceived of as a partnership among equals based on solidarity. Article 3 of “Declaration
on the Right to Development” adopted in a resolution of the United Nations General Assembly which India voted in favour of, visualizes a new international economic order based on sovereign equality. A number of subsequent conferences/documents have emphasised that equality among partners is central to the concept of South-South Cooperation. (United Nations General Assembly 2010).

India’s development cooperation has embraced the principle of “partnership among equals” from within the broader realm of South-South cooperation. The respect for sovereign equality of its development partners is embedded in the text of the framework agreements and MOUs on development cooperation that India enters into with partners. Further, it may be observed that statements made by officials of various ministries of the Government of India at a multitude of forums and events have consistently re-emphasized equality between itself and its partners as being among the fundamental principles that underlie India’s development cooperation (Bhasin 2013). It is recommended that India builds upon this approach and continues to reinforce its commitment to equality among partners in all its existing as well as future development partnerships.

**Mutual Accountability**

India’s development cooperation initiatives have been criticised for lack of adequate transparency and accountability. A key criticism has been the lack of consolidated estimates of India’s development cooperation. Some of the important measures that have been suggested to ensure greater transparency and accountability are generating public awareness and discussions, promoting more discussion in Parliament, larger involvement of civil society organisations, better availability of disaggregated data, availability of more resources, and better monitoring and evaluation. It has also been suggested that a comprehensive database on India’s development cooperation be developed to boost this process (Samuel & George 2016). Conferences on South-South Cooperation have emphasised the principle of mutual accountability of partner countries. India’s Development Cooperation envisages a ‘partnership among equals’, hence accountability between India and its development cooperation partners must be mutual rather than unilateral, as is the case in traditional cooperation, following a donor-recipient approach.

In view of the above, India must, in its development partnerships, work towards building a greater degree of mutual accountability between itself and the development partner, as highlighted in the Nairobi
Outcome Document.

3. PRINCIPLES OF INDIA’S DEVELOPMENT COOPERATION

“Let us help ourselves” encapsulates the vision that India had for ‘what it wants to be’ and ‘what it wants the world to become’.

(Jawaharlal Nehru, Constituent Assembly Address, 15 August 1947)

India’s development cooperation vision is rooted in the foreign policy paradigm of non-alignment and South-South solidarity. Its approach is principled towards an aim to cultivate peaceful coexistence, associated with the values of the emerging SSC framework, such as respect for equality, sovereignty and justice to overcome development deficits. Upon Independence, India committed itself to contribute to social and economic development, particularly realizing the need for skills-development and institution building. The earliest instances of India assisting fellow developing countries dates back to September 1946, when Jawaharlal Nehru, the then Prime Minister of the interim government, announced India’s first assistance in a fellowship programme for trainees from China and Indonesia, making capacity building a vision from the start (Chaturvedi 2016).

In 1948, India financed loans to Burma (now Myanmar). In 1951, India provided assistance to Nepal across various sectors of development – health, disaster relief and infrastructure-development. Indian engagement strengthened its relations with its neighbours and laid the foundation for what was referred to as ‘Asian Solidarity’. India shifted its focus to identifying resources and capabilities to promote projects of mutual interest by expanding trade arrangements. It also formulated the ‘Panchsheel’ agreement in the year 1954 stating the five principles (‘mutual respect’, ‘non-aggression’, ‘non-interference’, ‘equality’ and ‘mutual-benefit’, and ‘peaceful co-existence’) to conduct peaceful trade relations between India and China (Ministry of External Affairs, 2004).

India’s early entry into development assistance can be identified as driven by the need for energy, which took the form of investing in hydropower projects; geo-strategic buffer zone between itself and China, leading to infrastructure development in Nepal and balancing itself as an international player with the inception of the Non-Alignment Movement (NAM) (Mawdsley 2012, 72; Chaturvedi, 2014). Although
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the ‘Look East’ policy marked a strategic shift in India’s perspective in 1991, however the focus remained its neighbourhood. In 2003, Yashwant Sinha, the finance minister acknowledged this ongoing role of India as a development partner despite dependence on traditional aid. Sinha articulated the need to further ‘India’s Development Initiative for providing grants and project assistance to developing countries’ extending Indian efforts to the Global South. (Government of India 2003: 22–3, paragraph 126).

Today, under the leadership of Prime Minister Modi, regional focus has evolved from ‘Look East’ to ‘Act East’ to strengthen relations with East Asian neighbours while India is more actively engaging with countries in the Indian Ocean Rim, Pacific Island, Latin America and the Caribbean and Africa. Today, India’s development cooperation embodies the values of a ‘demand driven solidarity based approach’ not attaching conditionality and respects the sovereignty of its partners, evident in the ‘diversity of forms and flows’ (SubramanyamJaishankar-


India and South-South Cooperation

Historically, India placed emphasis on solidarity and supported struggles for independence of other colonized states. India realized that progress for non-aligned nations was hampered by an unequal and inequitable world order (which NAM aspired to change). India continued its efforts in a North-South engagement while critiquing some aspects of the DAC approach. Particularly, India has been critical of the conditions attached with assistance being provided by OECD-DAC, highlighting the risk of dependency on the developed countries for assistance, capacity building and technology transfer.

Inspired by the ‘One World’ philosophy of Mahatma Gandhi, India values a world free of domination, oppression, discrimination, marginalization and exploitation. This vision brought crucial implications for development which cannot be defined and measured in terms of economic growth alone. Embedding this philosophy in its development partnerships, India respects the broader principles of South-South Cooperation, mainly, mutual gain, non-interference, collective growth opportunities and the absence of conditionality. India moves forward to form partnerships based on equality and respect in regard to project selection, consultation and implementation, in order to incorporate the national priorities of the partner country in India’s efforts (Chaturvedi 2016). Operating principles of India build
on the principles of South-South Cooperation, focusing on peaceful co-existence, inclusivity, respect for sovereignty, demand driven, mutual benefit and needs focused.

**Questioning and Applying The Principles**

India’s development cooperation is considered demand-driven because its efforts are not viewed as imposing on the partner country. The partner country can follow its own laws and national priorities while implementing the cooperation project funded by India. India’s approach has two distinct features: development of the partner country and to strengthen country-to-country power relations (Vazquez, Xiaojin & Yao 2016). Within the ‘demand-driven’ approach, the need to trace the origin of this ‘demand’ becomes important. This however, becomes a challenge given the information gap in tracing the actual demand of the project or initiative. The idea of demand-driven in identifying and meeting the prioritized needs of countries is also crucial. India’s capacity building initiatives through vocational and educational training across Africa have been sensitive to African interests, social realities and circumstances by tailoring India’s development cooperation programmes for the target population.

As India realizes the country’s increasing geopolitical influence and advantage among other countries of the South, its development cooperation approach is significantly towards a more need-based approach, both the needs of the partner country and India’s own needs. India so far, has not stated criteria for the assessment of potential needs and demands, but there are clear efforts of engagement towards improving bilateral relations and a renewed focus on SDG’s in its own and global interests. The India-UN Development Partnership, a triangular engagement with other developing countries, will focus on Least Developed Countries and Small Island Developing States (United Nations Development Programme 2017). This recent partnership is an example of India’s notable leadership and drive towards ensuring that no one is left behind, observed Antonio Guterres, the UN Secretary-General. The fund’s first project, Climate Early Warning System in Pacific Island Countries (CEWSPIC), is a fine example of India’s demand-driven approach, as the small island nations deal with climate change (The Hans India 2017).

The idea of mutual benefit incorporates the demand-driven nature of India’s efforts as well as India’s own needs-directed efforts towards developing stronger ties with different countries, creating a win-win
dynamic. India also benefits from increased development cooperation given the terms of lines of credit that generate growth for the Indian economy internally and externally. The mutual benefit approach recognizes the comparative advantages of countries and within countries the comparative advantages between the private and public entities. The Development Partnership Administration (DPA) is exploring innovative public-private partnership models with Indian businesses and industry houses for an enhanced development impact. Evidently, the Indian private sector has a comparative advantage in job training and technical expertise that creates space for private sector engagement in development cooperation.

Mutual benefit is considered the ethos behind India’s approach to foster ‘development partnerships’, underlining India’s exclusive stance as different from traditional approaches (Mayilvaganan 2017). The principles of India’s cooperation and partnership are predicated on the vision of independence and capability of nations, driven by the values of justice, equality amongst nations and individuals, solidarity, sovereignty and respect. India directs its role in South-South Cooperation through the two main principles of mutual benefit and demand driven approach. This further helps strengthen India’s negotiating position in international fora, diversifies its partnerships, and strengthens regional security, while moving along its own development trajectory.

4. GOALS OF INDIA’S DEVELOPMENT COOPERATION

India’s Development Cooperation suggests two main goals, capacity building and technology transfer, that works towards capacity development. Capacity development, a broader term suggests the goals of a partnership that aims; towards knowledge, skill, technology and resource exchange among countries of the South to build their human, institutional and systemic capacities. As countries grow these capacities, they can better devise solutions for their self-development (Vazquez & Lucey 2016). Capacity and skill building have been India’s goal from the inception of its development cooperation efforts while technology transfer and knowledge sharing have been more of an outcome of India’s critical response to traditional cooperation of the Organization for Economic Cooperation and Development (OECD). India has been critical about the ‘technological dependency’ perpetuated by traditional cooperation efforts of the OECD/Development Assistance Committee (DAC) and hence to have a more horizontal partnership, incorporates technology transfer as one of its goals.
India’s approach to capacity development emphasises three aspects: human, institutional and systemic, which is evident in the capacity building and technology transfer efforts of India. There has been emphasis on the human aspect through the Indian Technical and Economic Cooperation (ITEC) and Special Commonwealth Assistance for Africa Programme (SCAAP), demanding a broader approach towards holistic capacity development in institution building and systems.

**Capacity Building**

Capacity building reflects the realisation that people of a country are bestowed with the ability to realise their full capacity and growth. Capacity building is not limited to only a single area or sector. Capacity building, a pillar to ensure the ‘quality and effectiveness of South-South Cooperation’ (Vazquez & Lucey 2016) can be understood as an effort to make people competent in administration, finance and management skills. Capacity building further contributes towards the empowerment of marginalised sections, particularly women. Indian NGO’s such as SEWA in collaboration with the Ministry of Women Affairs (Afghanistan) have made strides towards the skill and capacity building of women, particularly in Afghanistan, through training programs that aim to ensure economic security and poverty alleviation (PRIA 2016).

The ITEC forms the flagship government body of India’s development partnership for capacity development efforts under the Development Partnership Administration (DPA). Along with its sister program SCAAP, ITEC works at a regional and inter-regional level, partnering with over 161 countries and forty-seven empanelled institutions to conduct around 280 courses annually.

ITEC administers most of the efforts made towards skill and knowledge sharing, and has been conducting capacity building programmes aimed at training personnel from developing countries. The ITEC has expanded its scope from training to providing scholarships to students, government and private personnel to boost capacity building (Vazquez & Lucey, 2016). Indian neighbours particularly Bhutan, Afghanistan and Nepal and African countries have been the major beneficiaries of ITEC programmes (The Hindu, 2016). The ITEC has provided scholarships in courses ranging from environment and sustainability to telecommunication, rural development, language (English), financing along with specialised courses for institutional
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Towards a ‘White Paper’ on policy building (Indian Technical and Economic Cooperation 2017). ITEC partners with multilateral organizations and Indian NGOs (SEWA and Barefoot College) along with bilateral partnerships with countries to boost capacity building efforts. MEA (2009), coordinating the efforts of ITEC, highlighted the role of SEWA (Afghanistan) and Barefoot College (Africa) as creating models for capacity development assistance that helps seep India’s efforts to the grassroots level. The focus areas for ITEC along with scholarships are transfer of technology and the development of projects such as the Pan-African e-Network project. ITEC continues to provide extensive opportunities for human resource development and personnel training.

India is working on a development model that has engaged with stakeholders including government, civil society, non-governmental organisations, academia, and private individuals. However, the model should be in a position to stand through variables which are often programme and country specific. Countries, such as Thailand and Mexico who are greatly involved in volunteering programs for other countries, can stand as models to learn for boosting capacity development. In order to be effective in implementation, the capacity should be effectively applied. It is important to understand what capacities are relevant for development cooperation and whom it should mainly target.

In this context, developing a monitoring framework for both the state and non-state actors could be explored in the ITEC. By simply, identifying and analysing the independent feedback from the participants, ITEC could strengthen institutional responsiveness to the loopholes. Moreover, acknowledging the diversity among the South-South Countries, the E-Training online platform is a positive effort to overcome the geographical divides as well as ensure that the knowledge-sharing efforts of the past are accessible to future trainees. Such efforts allow for continuity, yet provide scope for change with continuous monitoring and evaluation. Outcome-based evaluation will further strengthen India’s efforts in upholding the principles of mutual benefit and demand driven capacity development.

Overall, capacity building as a goal in India’s development cooperation has been through training and education programmes with active engagement as one essential ingredient to ensure effective practical application and sustainability of efforts. Capacity building projects are undertaken to bring in change and true success can be found when India sees its partner countries accomplishing their goals both, in the
short term, as well as in the long run. According to a leading proponent of South-South Cooperation (SSC), Nobel Laureate Amartya Sen, “development [is] about developing human capabilities to make choices as to their livelihoods” (Clifton, 2013). Thus, capacity development is both an end and a means in SSC strategy for development.

**Technology Transfer**

*Give a man a fish and you feed him for a day.*

*Give a man a fishing rod, and he feeds himself and his family for as long as the rod lasts.*

*Help a man develop the knowledge and means to improve the fishing rod and to design and produce new ones, and he may feed himself and his society for years to come.*

– A new take on an old proverb (Cannady 2006)

Technology transfer is the process of sharing knowledge and technical know-how that aims to skill and educate individuals and societies to move along the path of self-empowerment with the use of technology and scientific advancement. The National Research Development Cooperation (NRDC) defines technology transfer as the process of ‘transferring scientific findings, knowledge, manufacturing processes, technologies […] from one organization to another for the purpose of development and commercialization’ (National Research Development Corporation, n.d.). The NRDC, established in 1953, had been working towards technology development in India ensuring a seamless communication from Lab to Land. Embodying India’s approach on technology transfer in SSC, the NRDC has exported domestic innovations in technologies, machines and services to other developing countries and engaged in knowledge sharing exercise. Technology transfer has meant not just the sharing of innovation but also allowing developing countries to become innovators with the sharing of knowledge and know-how. Technology transfer has become more of a need than an advantage of development cooperation given its role in mitigating climate change, while ensuring grassroots development and empowerment of small communities. South-South Technology Transfer (SSTT) allows for technology transfer to local communities, evident from the above case, allowing capacity development. In South-South Cooperation, technology transfer done through Foreign Direct Investment or through Intellectual Property Rights Agreements, aim to operate in a free market creating avenues for local innovators.
These innovations lead to efficiency in utilization of resources available to a developing country and thus can more easily be adapted by other developing countries without undergoing too much change and added expenditure. A challenge to technology transfer in South-South Cooperation comes in respect of property rights under the World Trade Organization’s (WTO) Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement, given the emphasis on property rights, licencing and patents. However, South-South technology transfer aims to overcome capacity gaps as opposed to the traditional development cooperation focus on governance gaps and is working towards streamlining efforts to boost technology transfer while acknowledging global agreements such as TRIPS.

Indian Institutions like the Energy and Research Institute (TERI) and the International Crops Research Institute for Semi-Arid Tropics (ICRISAT) have been front-runners in Indian technology cooperation with neighbouring countries, particularly in mitigating climate change (Saxena 2014). In Nepal, India has assisted in technology sharing with respect to conversion of waste agricultural biomass into energy, and drought and flood resistant seeds (Saxena 2014). Small scale efforts towards clean energy such as knowledge sharing with the use of ‘Jatropha’ fuels reflect a case of India engaging with the region, Nepal, Bangladesh and China, while efforts like the international solar alliance and solar projects initiated by India in African countries like Kenya reflect India’s role in technology transfer for larger cooperation and development efforts (Saxena 2014).

An Indian initiative led by TERI (The Energy and Resources Institute 2016), ‘Lighting a Billion Lives: Developing Pathways for Energy Access’ is focused on solar technology to ensure community-based lighting with mobile lanterns and setting up of Solar Charging Stations. This effort was initiated to provide sustainable energy to rural households in India, given the lack of access to reliable and efficient electricity supply and reliance on kerosene to meet one’s lighting needs. This TERI-led initiative involved a model with the creation of a Solar Micro Grid, Solar Home Light Systems and Solar Multi Utility Units. The Grid allows for low voltage electricity to be distributed over a short distance; the light systems give individual ownership as each system provides a household with a facility of two light points and a point for mobile charging. The Solar Multi Utility Units which incorporate the ability of taking up a productive load so that village level micro enterprises such as spices grinding unit, rice/wheat mill, and an artisan cottage industry can run on a clean, reliable, and affordable source of energy supply
(Lighting a Billion Lives). This technological advancement towards sustainable energy and rural electrification has had spill-over effects in India’s development efforts with presence in 13 countries across South Asia and Africa, which include Kenya, Ethiopia, Nigeria, Uganda, Mali, Mozambique, Republic of Congo, Sierra Leone, Afghanistan, Pakistan, Nepal and Myanmar.

In all of these countries, TERI has worked to build capacities, facilitate the creation of robust value chains and generate opportunities for technology transfer and the exchange of knowledge and expertise in energy service delivery. Such efforts further boost partnerships between civil society, as in the case of Department of International Development (DFID)-TERI partnership for Clean Energy Access in Africa; TERI-BUKSH Foundation partnership in Pakistan and TERI-International Centre for Integrated Mountain Development (ICIMOD) partnership for disaster relief in 2015 in Nepal.

Through capacity development, with its two pillars of capacity building and technology transfer, India’s partnership efforts strive to achieve goals that fill the capacity gaps of developing countries. Civil Society organizations, along with governmental and multilateral institutions, can play a key role through more collaborative efforts, especially in respect to technology transfer, to enable man to feed not just himself, but feed society for the coming years.

5. DETERMINING DEVELOPMENT PRIORITIES

Gender Empowerment

Goal 5 of the Sustainable Development Goals (Agenda 2030) articulates the need for a stand-alone-goal for gender equality, viewing women in leadership positions, overcoming all forms of gender discrimination and recognizing their role in sustainable development. While this is the gender-specific goal, all other goals, from poverty to literacy, require strong gender-balanced participation. India too views the role of women crucial to economic development, wherein it is taking measures to address issues that limit women’s participation in the workforce and development initiatives through self-help groups, co-operatives and schemes like MGNREGA (Gudipati 2017). Such domestic efforts are having a spill-over effect, along with specialised gender focused schemes, in India’s role as a South-South Partner.

The role of women in development is crucial, since women form more
than half the workforce and education and empowerment of women is linked to the education and empowerment of families. Women have a strong influence on the society with regard to their role in transfer of cultures and values, from one generation to another and thus their skills and training, education and capabilities need to be taken into account as a country moves on the development trajectory (Gudipati 2017). In 2013-2014, the OECD highlighted that the traditional aid, targeted at economic empowerment of women is significantly lower, at only 2%. (GENDERNET 2016). Further an OECD report highlighted that the infrastructure sector, particularly energy and transport, witnesses the largest gender gap. Women residing in rural areas in developing countries, further witness the lack of access to facilities, power, credit and basic human rights, such as sanitation. Women’s access to quality infrastructure, training, education and skills-building is crucial for economic growth, development and advancing gender equality in all spheres of human interactions.

Development cooperation is about creating opportunities. The Ministry of External Affairs along with Indian Civil Society Organizations have been working towards extending Indian knowledge and experience towards gender development in South-South Cooperation. In 2006, the Ministry of External Affairs established a Gender Budget Cell, imbedding a gender focus through women empowerment and gender budgeting within the schemes and working of the ministry. Gender mainstreaming is to be done through ‘allocation of resources for women-oriented schemes and programmes (Lok Sabha Secretariat 2016).’ Gender development goes hand in hand with poverty reduction and thus gender mainstreaming becomes imperative for development programmes.

The Indian Technical and Economic Cooperation (ITEC) programme and the Special Commonwealth African Assistance programme (SCAAP) have provided ‘scholarships and courses exclusively for women from developing countries (Lok Sabha Secretariat 2016). In 2015-16, 2400 foreign nationals were awarded different scholarships out of which 36.79% (883) were women (Lok Sabha Secretariat 2016). Moreover, certain schemes under the MEA focus solely on gender empowerment, such as craft training in Ethiopia and Ghana, capacity building efforts, microfinance, health related projects in Pan-Africa, building maternity wards and girl hostels in Nepal. In 2016, the Standing Committee on External Affairs noted that the MEA allocated an amount of INR308.37 crores towards schemes for women’s empowerment. The Government of India, ahead of the first Indian Ocean Rim Association (IORA)
summit in 2017, announced women’s empowerment as a specific sector for initiatives and programmes (MEA 2017). A declaration on ‘Gender Equality and Women’s Economic Empowerment’ was also co-sponsored by India and Australia, under the IORA summit auspices in 2016, with specific workshops on Women Entrepreneurship and Skill Development (MEA 2017).

The MEA Annual Report 2017 highlights the efforts made towards women’s empowerment via gender specific initiatives and non-gender specific efforts. The Quick Impact Project Scheme in Cambodia aims to focus on women’s empowerment along with health, agriculture, sanitation and skill development. Afghanistan has been another focus point for pushing for efforts that work towards gender development, where a gender specific Memorandum of Understanding (MoU) was signed between Federation of Indian Chambers of Commerce & Industry (FICCI) Ladies Organization, India Art Investment Company and Afghanistan Women Business Federation (MEA 2017). The aim of this MoU is to push for entrepreneurship development among Afghan women. In 2016, India signed a MoU with Sri Lanka to set up a Women’s Community Learning Centre in Ampara.

Women’s empowerment is always considered as a sector amongst projects and schemes put forth, with limited gender specific programs, by the Indian government. A more direct gender-focused involvement is seen coming from the role of Indian Civil Society Organizations (CSOs), which is then supported in money, kind or infrastructure by the Government of India, adding to India’s development cooperation. Bhandyopadhyay (2013) defines the role of CSOs as the elements promoting services to the excluded and unreached, more specifically the economic and political empowerment along with the realization of rights and entitlements of the marginalised. It is here that Indian CSOs take upon themselves to work towards gender empowerment as a part of a broader narrative of cooperation.

Indian CSOs initiatives include the Barefoot College, conducting Solar Training Program for Women in Guatemala (PRIA 2016); Self-Employed Women’s Association’s (SEWA) Vimo-SEWA project aimed at empowering informal women workers in South Africa, Ethiopia, Ghana, Tanzania and Senegal; SEWA and Food and Agricultural Organization collaboration on rural development and reduction of poverty in Asia and Africa, with a keen focus on access to financial resources for rural women (Food and Agriculture Organization 2016); TERI’s practice of Energy Provisioning through Inclusive Collaboration
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(EPIC), to develop localized energy service delivery models, identifying the specific roles of women to facilitate last-mile disseminations in countries such as Kenya, Ethiopia and Pakistan. Most CSOs extend development initiatives made in India towards women’s empowerment that can benefit other developing countries as well. TERI’s Lighting a Billion Lives Initiative has reached out to over 800 such women since 2012, making them local level entrepreneurs in India and had spillover effects in most developing countries. Similar spillovers from other countries can benefit India’s efforts at a local level, allowing for a two-way gender focused approach.

CSOs and Government Schemes mainly take on the handholding roles, understanding the abilities of the individuals towards self-empowerment. A gender perspective in various policies and schemes, both that incorporate women participation in non-gender specific projects as well as those that focus solely on gender projects, is the way forward for countries of the Global South. The Indian government has focused on gender specific programs mainly in its neighbourhood and more recently also extended efforts towards the African Continent. There is a need for gender mainstreaming to be done on a conscious basis in all projects, with a need for clarity on gender-equality goals and women-specific projects to make gender more visible in India’s development efforts.

Sustainable Development Goals

The Sustainable Development goals (SDGs), also known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity (UNDP). There are 17 goals with 169 targets. In many cases, working towards one of the goals gives additional incidental benefits in addressing other goals towards realizing the Agenda 2030. The global goal of ‘Partnerships for the Goals’ wants to strengthen the means of implementation and revitalize the global partnership for sustainable development. Among its targets, the importance of SSC has been taken into account to achieve the global goals. SSC has embraced SDGs within its ambit and accordingly seeks to serve as a means to achieving these ends.

The Corporate Social Responsibility (CSR) movement within corporations wants to achieve environmental and social well-being, which can very well be used to achieve the SDGs as well. Therefore, Indian corporations involved in SSC can integrate SDGs while setting targets for their CSR initiatives every year. Another important point
under the global goal of ‘Partnership for the Goals’ in SDGs is to enhance policy coherence for sustainable development. This goal should be expanded to the principles of SSC, including IDC, whereby all the countries take into account the full range of policies that can contribute to sustainable development in all its dimensions.

There are a number of projects that India has been engaged in, as a providing and a receiving partner, in bilateral and triangular cooperation in SSC that address the SDGs. As a providing partner, Indian projects include: India, Brazil and South Africa Facility for Poverty and Hunger Alleviation: Partnering with Rural Communities, Solar Lantern Project, Pan-African e-Network Project and Saudi Youth Exchange Programme. As a receiving partner, Indian projects include: - Global transfer, Regional Fit for School Programme and Making Biogas Portable: Renewable Energy Technologies for a Greener Future can serve as some good practices (UNOSSC 2016).

6. FINANCING INDIA’S DEVELOPMENT PARTNERSHIP

The philosophical underpinnings of grants and loans come from India’s principles and vision of empowering countries to realize their capabilities and potential for their own development needs. Grants take on India’s ‘big brother’ magnanimity, which started out within its neighbourhood, while loans entail an element of reciprocity amongst the partners. Lines of Credit (LoC) bring with them the element of opportunity embedded in their nature of long term credit pipelines and work towards the Indian vision and acknowledge the mutual benefit principle. LoCs tend to have economic conditionalities, as opposed to governance conditionalities of traditional aid, which requires the borrowing country to finance 75% of the required goods and services from India. This not only boosts India’s exports but also provides goods and services to the borrowing country at a much cheaper rate, due to the higher purchasing power. Thus, the very structure of LoCs facilitates the promotion of Indian exports to partner countries.

Grants, in comparison, are a more untied form of development cooperation and do not necessarily, foster a market for Indian goods and services (Taraporevala & Mullen 2014). They help to build goodwill for India among the developing and underdeveloped countries and their support to India in international institutions. LoCs tap into the comparative advantage of countries creating market opportunities for both especially in sectors such as energy exploration and development, agricultural training, and developing of the transport sector (Prasad, Shivakumar & Mullen 2015.).
The advantages of Indian LoCs to the Indian economy as well as the partner countries are increasingly being recognized. This is evident in the increasing share of LoCs in India’s financing pie which has moved from US$ 210 million, in 2003, to US$ 601 million, in 2013, peaking around 2009-10.

**Grants and Loans**

Grants and loans were the main modality of India’s development cooperation since independence in 1947 and have contributed extensively towards India’s role as a development provider. More recently however, allocation of grants and loans has decreased with increasing role of other modalities such as Lines of Credit extended by the Indian Exim Bank. A decrease in grants and extension of lines of credit also indicates a focus on India’s own development needs, the challenge to narrow the budget deficit and internal justification for the grants extended. Moreover, grants and loans are changing not only in volume but also in terms of geographical focus reflecting upon an increasing Indian engagement with Africa and Latin American countries.

**Change In Volume And Geographical Focus**

Between 1997 and 2013, India provided US$6965 million as grants and loans (Samuel & George 2016). The Ministry of External Affairs Demand for Grants under the 2017-2018 Union Budget of India indicates a total budget demand of US$1036.26 million (INR 6894.03 crore), which is a decrease from the total actual assistance of approximately US$1227.32 million (INR 8165.06 crore) by the MEA in 2015-2016 (GOI 2017).

The 10th Report of the Standing Committee on External Affairs 2015-2016, headed by Mr. Shashi Tharoor, noted the underfunding of the MEA with decreasing allocations of funds (Lok Sabha Secretariat 2015). 2016-17 Union Budget committed overall funding for the MEA for an amount of INR 146.63 billion (US$ 2.13 billion). This is a decrease of about 2.5% as compared to the sum of INR 150.41 billion allocated to the MEA in 2015-2016 (Mullen & Arora 2016). Consequently, within the MEA there has been a decrease in fund allocation towards development cooperation efforts, mainly indicated by a decrease in grant allocation by the DPA.

Similarly, loan allocations by the MEA have always been far lesser in number as opposed to grants. Since 2015, loans allocated towards
Bhutan have been decreasing in amount. Actual 2015-2016 allocation of loan towards Bhutan stood at INR 3240.80 crore complemented by INR 2127.66 crore grant allocation. Comparatively, the 2017-2018 budget estimates the allocation of INR 1630.26 crore as loan and a greater amount of INR 2083.87 crore as grant to Bhutan (GOI 2017). The loan component of India’s financing modes is decreasing, along with a decrease in grants. Maldives becomes an outlier to the loan allocation over the last 3 years, with a proposed loan of INR 170 crore along with a grant of INR 75 crore in the pipeline (GOI 2017).

A change in the geographical spread of grants and loans along with change in volume is also evident. 2017-2018 budgetary demand for grants by the MEA reflects a decrease in grants allocated towards SAARC countries, mainly Bhutan, Bangladesh, Afghanistan, Nepal and Sri Lanka as opposed to actual allocations made in 2015-2016. In the past, India’s neighbourhood has been the prime focus for grants and loans and with the coming in of the Modi Government and its ‘Neighbourhood First’ policy, an increase in grants towards SAARC was assumed.

However, this decrease questions the strategic interests and big brother role of India in the region, especially in the light of increase in Chinese ties with Nepal and Bangladesh. Bhutan remains the foremost receiver of grant assistance, followed by Afghanistan, with a 2017-18 budgetary demand of INR 3714.13 crore despite a decrease from the actual allocation of INR 5368.46 in 2015-16. Afghanistan has seen an approximate 24% decrease in fund allocation from 2015-16 to 2016-17 (Mullen 2013), and further the demand in 2017-18 budget stood at only INR 350 crore as opposed to INR 880.44 crore in 2015-16. With the extension of Lines of Credit towards Nepal and Bangladesh, grants focus has moved towards more geostrategic projects such as the Chabahar Port in Iran. Moreover, as Mullen and Arora et al (2016) noted, MEA’s commitment towards SAARC has declined by about 29% from 2015-16 to 2016-17.

Grants and loans allocations to Myanmar have seen an increase with projects focusing on the development needs of the country, as well as the connectivity needs with India’s North-east. Projects such as the Kaladhan Multi-modal Transit Transport Project initiated in 2010, Trilateral Highway between India-Myanmar-Thailand, road project in Myanmar’s Chin State along the border of the State of Mizoram all aim at opening India up to Myanmar and Southeast Asia. While several Lines of Credit have been previously extended towards Myanmar,
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The allocation of grants has not been in big numbers. The budget for 2017-18 however shows a considerable increase with the MEA’s goal of increasing engagement with Myanmar with a proposed demand of INR 225 crore as allocation towards the country. Numbers also tell a new story, one where India’s grant allocations are moving along with India’s Foreign Policy interests from the near abroad of its neighbourhood to the far abroad reaching out to African and Latin American countries. Grants towards Africa have been increasing since 2015-16 (INR 283.83 crore) and more recently in the 2017-18 budgetary demands (INR 330 crore) after a decade of low allocations, between 2003 and 2013 (GOI 2017). Similarly grants towards Latin America have seen a slight, yet noticeable, increase of approximately INR 5 crore from 2015-16 to 2017-18 (GOI 2017). Grants towards Africa are mainly in the field of Defence, Health with a focus on hospital equipment, medicines, ambulances, Science and Technology, Agriculture and agricultural equipment and development work (MEA 2017).

Grants to Mauritius, with India committing to a US$353 million grant package for priority infrastructure, and Seychelles, US$25 million grant for medical and police equipment’s, has been on the rise since 2016 (MEA 2017). Along with renewed partnership with Maldives, the trio indicates a step towards increasing Indian interest in the Indian Ocean Region.

In a response to the questioning of the 10th Standing Committee on the reduction in grants and loans to neighbouring countries, the MEA noted that, a simple linear correlation that quantum of aid determines political relations cannot be presumed given the […] multifaceted’ relations between India and her neighbours’ (Lok Sabha Secretariat 2015:57). The committee noted that an undercutting of funds to the MEA as well as a decrease in allocation has the potential to jeopardize bilateral relations.

While grants and loans were India’s preferred modality in the 20th century, newer forms of engagement have decreased the reliance on this mode. This however does not render them obsolete. Grants continue to play a crucial role in India’s development cooperation especially with the need to convert overestimated loans into grants-in-aid, which can negatively affect the partner countries.

In 2012, India converted approximate US$200 million out of the total US$1 billion lines of credit into grants (MEA 2013). While writing-off of loans is not considered a good practice, understanding the development pressures of a country, it has been noted that such a move reduces pressure on the borrower at minimal costs (Chaturvedi 2016; Vazquez, Xiaojing & Yao 2016).
Becoming Needs Directed?

The Chabahar Port in Iran holds strategic and geopolitical significance for India, indicative of a need directed approach to development cooperation under the umbrella principle of mutual benefit. The trilateral agreement between India, Iran and Afghanistan aims to establish an international transport and transit corridor. The revised budget for 2016-17 (INR100 crore) and the Budget 2017-18 (INR 150 crore), under demand for grants by the MEA, highlight the allocation of funds to this project as a special mention along with country allocations. In its Annual Report 2016-2017, the MEA highlights that the trilateral agreement with Iran and Afghanistan for the port holds significance and implications for Indian connectivity with Afghanistan, Central Asia and beyond (MEA 2017). The port is the gateway to the North South transport and transit corridor, accessing landlocked Afghanistan via Iran, bypassing Pakistan. A 135-mile highway connects Afghanistan to the proposed Chabahar–Zahedan Railway (INR 3000 crore), leading to the Port (Mullen, 2013).

Along with development of infrastructure in Afghanistan, it gives India reliable access to iron mines and natural resource, along with the setting up of a Free Trade Zone (FTZ) in Iran. The FTZ would create space for Indian fertilizer, petrochemicals and metallurgy plants, which is mutually beneficial for concerned countries (MEA 2017). Afghanistan further leads to the oil-rich Central Asia, where India, unlike China, has not yet established a strong development cooperation footprint. The view of grants becoming need-directed is often put forward as opposed to grants under the ‘Gift’ narrative of the OECD countries. In India’s case however, as is the case with most South-South Cooperation countries, it seeks to meet an element of mutual benefit in all modalities understanding the development needs of each. Thus, grants now reflect a more transparent mutual benefit narrative as opposed to an indebted gift narrative.

Lines of Credit (LOCs)

A Line of Credit (LoC) is in essence a long-term loan provided at a concessional rate where the money is disbursed as well as repaid in a phased manner. In its first phase of extending LoCs (1966-2003), the Government of India signed agreements with the borrowing countries and the LoCs were directly charged to the budget and disbursed through the State Bank of India. In 2003, India opened the second phase of the LoC programme followed by a policy shift that led to a stop in
direct budgetary assistance from the Ministry of Finance.

The Government of India launched the Indian Development and Economic Assistance Scheme (IDEAS) in 2004 and since then, the Exim Bank of India has been handling India’s LoCs that are extended to overseas financial institutions, regional development banks, sovereign governments and other entities overseas to enable buyers in those countries to import developmental and infrastructure projects, equipments, goods and services from India on deferred credit terms (Exim Bank of India 2016). The interest rate differentials, on these concessional loans are borne by the Government of India.

The administration of IDEAS came under the guidelines issued by the DEA in 2007, which were revised and updated in July 2010 and September 2011. These guidelines separately specify the operational guidelines and the bidding and procurement procedures. They sorted partner countries into 3 broad categories: heavily indebted poor countries (HIPC), low-income countries (LIC)/ least developed countries (LDC) and middle-income countries (MIC), in accordance with United Nations definitions (Exim Bank of India 2016).

The Indian LoCs have evolved as a quasi-strategic financial product that has gained popularity over the last decade. Considering the dynamic nature of the way in which they operate, there has been a sufficiently high level of responsiveness by the government to step forth and address the emerging socio-economic conditions. By the end of the 2016-17 financial year, the Exim bank has signed 214 Line of Credits with credit commitments aggregating to US$ 16110.85 million. Additionally, 23 LoCs amounting to US$ 2530.9 million are in the pipeline and once signed, the total commitment will rise to 237 LoCs of US$ 18641.75 million. The total line of credit given from the period 2002-03 to 2016-17 has no consistent increasing or decreasing trend in the amount given. The trend has not always been stable and has varied as per the budget and financial conditions of the nation.

In 2015, the DEA superseded the guidelines that existed before and made some new guidelines. These guidelines have made significant changes to the LoC way of life. Since 2005, four Indian companies were cornering many projects in countries of Africa. Hence, one of the aims was to come out of the previous system, which gave contracts to only a handful of Indian firms. Moreover, many cases faced challenges for an effective delivery due to the country’s procurement system. The reason why procurement and delivery were getting affected was due to the absence of Detailed Project Reports (DPRs) and effective Project
Management Consultant (PMC). The countries have been classified into 3 categories, which differ from each other in terms of the rate of interest, maturity, and moratorium.

As per the 2015 guidelines, project details are to be fully developed to gain an approval for a LoC. They also state that in case a country is unable to prepare a DPR on its own, it should provide whatever details it can, by initiating Project Outlines and Feasibility Studies. The LoCs approval is subject to the condition that the money should be utilised first to prepare a DPR. The cost of such DPR should not exceed 1 percent of the LoC value (Saxena 2016). Further funds will be subjected to the DPR appraisal, findings and approval thereof.

With regard to the Monitoring mechanism, the guidelines state that the status reports on project execution shall be submitted on a quarterly basis till completion of the project and the Lending Bank can appoint an Engineer at its own cost for the satisfactory monitoring of the project. With reference to projects worth more than US$50 million, the guidelines go on to state that the projects, upon completion, shall be subject to evaluation by the Lending Bank or an Independent Agency employed by it. The evaluation is meant to be based on the net export/benefit accruing to the Indian economy as well as how effective the projects will be in their target areas (Saxena 2016b).

A major criticism of India’s LoC scheme has been handled effectively by the 2015 guidelines, which provide for the appointment of an Indian PMC as also Consultant, through fair and transparent bidding. It includes design, bidding, monitoring of implementation, evaluation of operations and maintenance, and post commissioning stages of a project. PMCs can be appointed in order to prepare a DPR. The government that borrows has the liberty to select a PMC on a nomination basis with the provision that it bears the cost. The borrowing government may also ask the MEA or the Lending Bank to appoint a PMC on its behalf. The MEA / Lending Bank may oblige but in accordance with the prevailing procedures lay down by the Government of India. The implications can be either way as far as project implementation is concerned in the eventuality of a non-Indian being selected by the borrowing Government (Saxena 2016b).
Regional Distribution of LoCs

As stated above, 237 LoCs have been approved, aggregating to US$18641.75 million that have been extended to different countries in different regions in various sectors. From the period of 2002-03 to 2016-17, Africa has been provided with 166 approved LoCs in 43 countries and the total allocation stands at US$ 9133.14 million. Asia has been provided with 46 approved LoCs in 12 countries and the total allocation stands at US$ 8947.51 million, LAC been provided with has 20 approved LoCs in 6 countries and the total allocation stands at US$ 279.72 million.

Oceania has been provided with 4 approved LoCs in 2 countries and the total allocation stands at US$ 225.78 million, and CIS has been provided with 1 approved LoC for the amount US$ 55.6 million.

Data from the Exim Bank shows us that the same amount of money goes to Africa as well as Asia but the average LoC disbursement for every project in Asia is US$194.51 million as compared to a mere US$55.02 million in Africa (total amount of LoCs/total number of LoCs). Whereas, the average Line of Credits disbursement for every project is 22.44 million in LAC, Oceania and CIS.

As India moves forward certain challenges need to be addressed with regard to LoCs. Standardizing the LoC protocol with a formalization of continuous, interactive dialogue and a comprehensive system of monitoring and evaluation into the structure at all levels from pre-approval through post-evaluation would go a long way towards improving efficiency and effectiveness of procedures and processes, predictability and reliability; along with minimizing indiscriminate discretionary actions that harm the transparency and credibility of guidelines.

7. INSTITUTIONAL FRAMEWORK

Institutions in development cooperation put forth two mandates, one for the funding of projects and the second to streamline efforts in a coherent structure. A model institution would thus be one that is guided by the modes of financing and development efforts. Different institutions focus on different approaches which can be centralised or de-centralised, structured bureaucratically or working with civil society organizations, having a specialised mandate or a general one where
they work with specialised ministries. The focus however should be on development cooperation with the aim of furthering partnerships. An ideal institution will seek to find a balance between all of these approaches.

**Current Institutional Framework**

The Ministry of External Affairs (MEA) is the key agency for extending bilateral and technical assistance, through its various country missions. The Ministry of External Affairs normally approaches the Department of Economic Affairs, Ministry of Finance, with country-specific requests for loan-related disbursements. India does not have a well-designated institutional framework for its developmental partnership, despite the establishment of the Development Partnership Administration under the MEA.

All Government ministries operate in line with the needs-based requests from partner countries, while the Ministry of External Affairs consolidates these efforts of development partnership. For issue-specific and specialised development needs of the partner country, the different ministries of Agriculture, Science and Technology, Health and family Welfare, Environment and Forest, Human Resource Development and related agencies come to the fore, attempting to coordinate development efforts.

While theoretically all efforts sound aligned, practically several challenges face India’s institutional setup. For instance, when analysing development cooperation data, both Ministry of External Affairs and Ministry of Finance need to be studied as often there are differences between recommendations from the former and disbursements by the latter. This is often due to miscommunication within the organisations given the lack of a well-defined partnership strategy. It is suggested therefore, that a single, go-to organisation be created or the DPA empowered, to coordinate development partnership and operate from within the government keeping avenues open for Civil Society Organisations and Private Institutions to come for collaborations but channelizing through only one organisation.

What Has Been the Nature of Demands And How Are They Responded to?
Partner countries often demand from India financial resources (in terms of grants, loans, lines of credit) and technical assistance. India mainly uses three tools in development partnership, which are managed by different bureaucratic actors:

- Grants are managed by the Development Partnership Administration (DPA) within MEA. DPA also coordinates all other assistance related to loans.

- Training: technical assistance is managed through Indian Technical and Economic Cooperation (ITEC), within DPA, MEA.

- Lines of Credit (LoCs) are managed by Exim Bank of India with the Ministry of Finance as the coordinating institution.

**The Development Partnership Administration (DPA)**

The Development Partnership Administration (DPA) was established in 2012, as the primary vehicle for the delivery of India’s development cooperation. The DPA aims to facilitate speedy and efficient implementation of India’s various development cooperation programmes. Though not an agency, it could be considered as a first step towards the establishment of a full-fledged dedicated agency for development partnership. Through the DPA, the MEA attempts to control the concept, execution and completion of cooperation efforts. Currently, the DPA has three divisions, headed by Joint Secretary-level officers.

- DPA-I handles LoCs along with grant projects in the East Africa, Southern Africa and West Africa regions; it also manages grant assistance projects in Bangladesh, and the Sri Lanka Housing project (Vazquez, Xiaojing & Yao 2016).

- DPA-II manages capacity building programmes, including more than 8,500 civilian and 1,500 defence training slots allocated under ITEC (the Indian Technical & Economic Cooperation programme); SCAAP (Special Commonwealth Assistance for Africa Programme); and Technical Cooperation Scheme (TCS) of the Colombo Plan during 2012–13. DPA-II also handled grant assistance projects in South East Asia, Central Asia, West Asia and in Latin American countries, along with humanitarian and disaster relief.

- DPA-III deals with the implementation of grant assistance projects in Afghanistan, Maldives, Myanmar, Nepal and Sri
Lanka. Ministries such as the Department of Science and Technology, Ministry of Agriculture, Ministry of Health, Ministry of New and Renewable energy, work in close coordination with the MEA, Indian Missions abroad, and other relevant departments at bilateral, multilateral and regional levels.

India’s exchange of knowledge and experience with other developing countries is driven by a perceived need in development partners, thus resulting in research cooperation in technologies and mobilizing financial and human resource development (Department of Economic Affairs 2008).

Need for Institutional Autonomy, Accessibility and Responsiveness

India’s development partnership has not yet received the attention it deserves in the Public debate - within Parliament, public opinion or the media, for the following reasons: foreign economic relations with India’s neighbours, especially Pakistan, China, Sri Lanka, Nepal have remained elusive, confined to a small strategic elite that presents a consensus, based on national security; India handles its development partnership through the MEA and Exim bank, which are relatively closed bodies to public, civil society and academia; and have been significantly deficient in information-dissemination regarding partnership efforts over the years.

However, the Indian Development Partnership has been making strides towards increasing cooperation efforts and reaching out to newer regions, such as Africa and Latin America. In 2015-16, INR 9,107 crore was allocated by the Ministry of External Affairs as budgetary support for strengthening cooperation efforts while in the same year, the Ministry for Environment, Forests and Climate Change had a budget of INR 1,682 crore; the Ministry for Skill Development and Entrepreneurship, INR 1,543 crore; the Ministry of Law & Justice, INR 3,759 crore; and the Ministry of Labour and Employment, INR 5,361 crore (Government of India 2015).

One might expect that the Indian public would resent this spending on development partnership, given that almost a third of the Indian population lives below the poverty line. Oddly, these two discourses, one of high levels of domestic poverty and the other of a growing external cooperation budget, do not seem to be strongly connected in public debates. India has benefited from traditional aid in the past, and ought to be helping other countries now through cooperation efforts, given healthy rates of economic growth, foreign exchange and balance.
of payments. There is public resentment of giving assistance to fighting poverty abroad, while it still persists at home. However, often the efforts start at home and have spillover effects in developing countries (Bhogal 2016).

Strengthening Institutions

While it may be argued that the establishment of the DPA is a marked improvement over the fragmented approach followed by the Government of India towards international development partnership. But several key issues have been identified by analysts, that face the DPA, notably: lack of inter-ministerial coordination, rapid rotation of senior staff, and an overall limitation on its autonomy. Ambassador Shyam Saran, while addressing a gathering at Harvard University in 2014, rightly referred to the DPA as falling short of the original proposal to establish an autonomous development partnership agency (Saran 2014). Senior Government officials are known to have repeatedly stated that the establishment of the DPA in 2012 did not represent a shift in India’s development policy, but “merely a new institutional arrangement” (Saran 2014).

Some of India’s southern partners such as Brazil (Brazilian Cooperation Agency), Thailand (Thailand International Cooperation Agency), Egypt (Egyptian Agency of Partnership for Development) and Colombia (Colombian Presidential Agency of International Cooperation) have, in the recent years, created stand alone and specialised agencies for development partnership.

In view of the same, a case may accordingly be made for strengthening the DPA and evolving it into a focused, stand alone Ministry of International Development Partnership (MIDP) to address the issues of autonomy, accountability and responsiveness. A comprehensive policy on international development partnership is then likely to be most effectively implemented if done through a single agency, rather than a subordinate one. A case in point can be the Department for International Development, United Kingdom (DFID). The DFID experience clearly shows that the existence of a stand alone ministry helps to ensure that development remains high on the country’s agenda and informs
public opinion about the same (House of Commons International Development Committee 2014).’

8. APPROACHES TO INDIA’S DEVELOPMENT COOPERATION

Multilateralism versus Bilateralism

Multilateralism, as a concept and practice in development cooperation, has become increasingly frequent in the past years. It is seen as an appropriate way to tackle global issues because of its political legitimacy (OECD 2013). Although India has always been inclined towards bilateral programmes, multilateralism is becoming an increasingly favourable option for IDC. India has been playing a leading role in multilateral fora such as BRICS; engaging with various UN agencies such as Food and Agriculture Organisation, United Nations Office for South-South Cooperation, United Nations Development Program; engaging with regional organisations such as MERCOSUR and African Union and exploring opportunities for triangular cooperation within South-South Cooperation as well as North-South Cooperation.

There are numerous reasons that incentivise engagement in multilateral projects such as relative immunity from capture, specialization leading to higher efficiency, reduced spill-over effect, greater influence for conflict resolution, economies of scale, broader technical base, greater coordination, diversity and breadth of membership, low transaction costs, global presence, and so on (Barder 2012).

However, countries have traditionally preferred bilateral cooperation to multilateral cooperation because the development partners are in complete control of the development projects. This helps with greater visibility in their country as well as the partnering country (Klingebiel 2013). Moreover, by involving in bilateral cooperation, it is easier for the partner countries to determine and pursue mutually beneficial interests with greater flexibility for accommodation of interests (Klingebiel 2013).

In view of the above, the choice between bilateralism and multilateralism should be made on a case-by-case basis, taking into account the context and ground realities. For instance, if the involvement of a third party is likely to bring significant benefits to the development partnership, India must consider multilateral cooperation in such a situation.
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