Shifting Currents: India’s Rise as a Development Partner

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A gradual revolution is underway in global development. Emerging economies like India are evolving new financial instruments and institutional arrangements to facilitate development cooperation.¹ This paper examines India’s development partnership programmes, its key features and instruments, and how these might challenge conventional development norms and practices.

Development partnerships can be considered to be one aspect of India’s overall development cooperation. Development cooperation is however a broader term which includes trade and investments as well as engagement in global and regional institutions; some analysts also include contributions towards peacekeeping and global migration in their analysis.² The scope of this paper is more limited, focusing primarily on India’s development partnerships as manifested through the grants, loans, and lines of credit it extends to other southern nations, administered primarily by the Development Partnership Administration housed within the Indian Ministry of External Affairs, and the Export Import Bank. The final part of this paper situates Indian development partnerships in the broader context of the changing architecture for global development.

India’s development partnerships are shaped by its economic and security interests, such as securing access to energy sources and natural resources, establishing regional security and stability, and balancing against the rise of China. Yet, Indian development partnerships also need to be situated in the context of India’s attempt to reform the broader architecture for international development and global security, as it bids for great power status with agenda-setting power.

Rising India

India has been engaged in development partnerships (DPs) since independence.³ Early partnerships were a conscious attempt by India to establish solidarity and partnership with other post-colonial states.⁴ DPs were also shaped by political and strategic concerns such as establishing goodwill in South Asia, building buffer states between India and China, and cementing the Non-Aligned bloc during the Cold War. Many of these themes continue to inform DPs today, challenging the narrative in which India is seen as a new or emerging donor.⁵

The 1990s marked a turning point in India’s partnerships. Liberalization of the Indian economy contributed to a significant growth in foreign exchange reserves from $5.8bn in 1991 to $297bn in 2010.⁶ Indian foreign policy also became more pragmatic, abandoning some of the anti-west and third world solidarity rhetoric for a more proactive focus on economic and strategic goals.⁷ The change in DP policies through the mid-90s to the 2000s reflected this capital accumulation, a new self-confidence fuelled by rapid economic growth, and the desire to play a more active role on the global stage. By 2003, India was ready for an image make over – from a poor recipient country to a development partner with global interests and ambitions. It thus began providing relief assistance to bilateral partners, cancelled debts from heavily indebted countries, and launched an ‘India Development Initiative’ to provide grants, loans, and project assistance to developing countries in Asia, Africa and Latin America. India also decided that it would only accept aid from the G8, European Union, World Bank, IMF and a few select donors such as DFID, and that it would no longer accept any tied aid.⁸ Plans were made to set up a new agency to manage DPs, though it was not until 2012 that the government established the Development Partnership Administration (DPA) housed within the Ministry of External Affairs (MEA). Over the last decade, as geostrategic and commercial goals have become more prominent, the Ministry of Finance and the Export Import Bank have also taken on a more prominent role. However, India is yet to issue an official policy document that outlines the strategic framework for its development partnerships.

Similar to other middle-income countries, India has a dual role in development partnerships – as a provider and a recipient. Its own development needs necessitate a form of development partnership based on mutually beneficial outcomes that assist not only partner states but which also bring concrete benefits to India itself.

Defining and Counting Development Partnerships

Calculating the exact amount that India allocates towards development partnerships is complicated by the difficulty in defining the boundaries around the kind of activities that should be counted as development cooperation. In terms of amounts allocated by India for grants, loans, and training programs, DPs in 2013 were counted as development cooperation. In terms of amounts allocated by India for grants, loans, and training programs, DPs in 2013 were comparable to those of a smaller developing country such as Austria.⁹ Since the early 2000s, reflecting India’s growing economic interests, India has also begun to use Lines of Credit (LOC) or export credits as one its key development partnership

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instruments. Including the LOC significantly raises the total amount India pledges towards development partnerships. The figures for development cooperation would be significantly higher if we go by the broader definition – what some have called a ‘development compact’ - which includes not only LOC but also trade and investment, technology, skills upgrade, and grants.

The number of India’s DPs have increased substantially since 2003/4, growing four-fold by 2013/14. In comparison, foreign aid from DAC countries, fell by almost 2 percent in real terms in 2011 and by 4 percent in 2012. It is also worth noting that one dollar of Indian assistance has greater purchasing power than one dollar in foreign assistance from any DAC country.

Principles and Instruments

India’s development partnerships are demand-driven, politically non-conditional, and based on the ideal of a mutually beneficial partnership for joint development gains. The idea of mutually beneficial partnerships reflects India’s needs as a developing country. However, it is also a means to distinguish Indian DPs from the development assistance offered by western states to developing countries. While the latter is assumed to be based on a hierarchical relationship between donor and recipient, the former is based on the idea of equal relations between sovereign partners. It is for these reasons that India frames its programs in the language of ‘partnership’, deliberately avoiding the terms ‘donor’ and ‘aid’.

Indian DPs employ three main instruments: International Technical and Economic Cooperation (ITEC), project based grants, and LOC:

1. International Technical Cooperation: During the 1950s and the early 1960s, partnerships consisted of grants and loans administered primarily through the MEA. In 1964, India launched ITEC to provide skills training to Asian and African nationals as well support the deputation of Indian experts abroad. The ITEC programme was a good example of a demand driven approach as programs were based on the developmental needs identified by partner states, with the aim to enhance technical cooperation and capacity building for the partner country. Since its establishment, India has spent over $2bn on ITEC and currently spends approximately $11 m annually on this program.

2. Project based grants: India also provides project-based grants, mostly in South Asia, focused on education, information technology and other cross sector projects. Again, these are in response to specific requests made by partner state for particular projects and are free of political conditionality.

3. Lines of Credit: Since 2004, LOC have been increasingly employed as a development partnership instrument, extended primarily towards infrastructure, energy, and agricultural needs of those countries. LOC are Government of India (GoI) backed and Export Import (EXIM) Bank of India managed credit lines under which export credits are extended to partner states, which then must use the export credits to purchase goods and services from Indian suppliers. This development partnership instrument enables the Indian government to use the significantly greater resources available to the EXIM bank raised on the private markets.

Based on these principles and instruments, four key features can be identified as defining India’s current development partnership model. First, DPs blend development instruments such as grants and technical assistance with commercial instruments such as export credits, trade and investment. The blending of instruments is sometimes referred to as a ‘development compact’ in which trade, investment, technology transfer, and market access, are conceptualized as forming a comprehensive approach towards addressing the development needs of partner states. For example, India has begun to provide unilateral market access to exports from Least Developed Countries (LDCs), covering 92.55% of their total global exports.

Second, DPs are based on the principle and expectation of mutual benefit. Development cooperation is thus seen as a form of mutually beneficial partnership that can enhance economic growth in India and partner countries. This is most clearly visible in the dramatic increase in the use of LOCs as a development partnership tool. Export credits offer an alternative financing mechanism for developing countries while creating opportunities for India’s public and private sector to enter new markets. The use of LoC has been criticized for promoting a form of tied aid but as a developing country itself, India needs to keep an eye on how it can maximize these partnerships to secure its own development needs.
Third, DPs promote a model of ‘development through growth’, rather than one focused on poverty reduction directly. There is a strong emphasis on economic productivity, with most assistance concentrated in the infrastructure, agriculture, energy, and increasingly the science and technology-related sectors. Development partners are able to benefit more directly and immediately from infrastructure and economic investment, and Indian firms can be contracted to supply technical expertise, materials, and even labor.18

Fourth, following on from the ‘development through growth’ model, the Indian private sector plays a central role, particularly in DPs in Africa. Since 2003, private and state-owned Indian companies have invested $35 billion in LDCs, and extended $4.3 billion in credit lines, while importing goods worth $10 billion from them. DPA is also exploring innovative public-private partnership models with Indian business and industry so that it can combine development partnership with commercial perspectives to create assets that have an enhanced development importance. 19

Geographical Scope

The majority of DPs are extended to neighboring countries such as Afghanistan, Bhutan, Nepal and Myanmar. This is typically in the form of technical assistance, grants and concessional loans. Bhutan is India’s largest partner - in 2014, for example, India and Bhutan agreed to develop a joint venture hydropower project. For India, this is classic example of a partnership for mutual benefit as it generates export revenues for Bhutan, cements India’s economic partnership with Bhutan, and also provides India with low-cost electricity. 20 In August 2014, the EXIM bank announced that it would extend a $1bn credit line to the Nepalese Government to finance hydropower, irrigation, and infrastructure development projects. This coincided with Prime Minister Narendra Modi’s trip to Nepal, the first trip by an Indian prime minister to that country in 17 years. India also engages strategically with its partners. For example, India’s approach to Afghanistan links security and development objectives, 21 with India being the country’s largest development partner in the region and the fifth largest bilateral donor overall.22 Indian development cooperation in South Asia is thus shaped by a combination of political, strategic, and economic factors including a concern about the spillover effects of insecurity in Afghanistan, balancing Chinese influence in South Asia, creating regional good will, and improving connectivity and access within the region to enhance Indian energy security.23

In Africa, partnerships are increasingly channeled through LOC, reflecting the economic opportunity India sees on that continent. Of 187 LOC, 133 have been given to 48 African countries.24 Indian development cooperation has also expanded to regions of Africa with which India previously had little cooperation, such as West Africa. This can be linked to issues of resource security, with a specific focus on oil and gas. In 2009, India launched the Pan Africa e-network in order to help foster digital connections between African countries and India and support development in Africa.25 In October 2015, India hosted the Third India-Africa summit, the largest and most ambitious one yet with participation from all 54 African countries including 40 heads of state. Although India’s partnerships on the African continent are still well behind those of China, it is able to fill a gap between Western donor projects and Chinese investments by focusing on small infrastructure projects and human resource training activities. Other elements – such as running programmes in English – also give India a particular added value. 26

Comparing Development Assistance Committee (DAC) donorship and India’s South-South Cooperation

The principles of South-South Cooperation (SSC) are all clearly reflected in India’s development cooperation framework. The philosophies underpinning DAC donorship and SSC are distinct in so far as the former envisages a flow of goods and resources for poverty reduction from the developed world to the developing world rooted in moral obligation, whilst the latter is seen as a form of partnership aimed at mutual growth to create a higher level of capability and economic opportunity for both parties. 27 Some scholars also contrast the two in terms of the different economic model employed: DAC donors are seen to use a ‘framework approach’ in which the focus is on the framework of an economic system and its management, while the South-South Cooperation model is based on an ‘ingredient approach’ that focuses investments on the various components or ingredients of an economy. 28

India’s model for development partnership is arguably at odds with mainstream aid norms and practices as it blurs the lines between aid and economic diplomacy, as well as blending mul-
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For example, India’s donation of $2.2 million to Bangladesh following floods in 2004 was tied to the procurement of food grains, medical supplies, and building materials from India. However, ‘foreign aid’ and ‘development’ are deeply contested terms with no fixed or enduring definition. Judging Indian cooperation on the basis of mainstream terms can thus lead to problematic expectations, conclusions, and comparisons with ODA. Certain OECD-DAC definitions of ODA, for instance, are not relevant in the case of Indian concessional loans and export credits. The DAC also does not count tied aid – i.e. aid in which the procurement of goods and services by the partner country is restricted to the donor country – as part of ODA. However, the whole point of southern development partnerships is the idea of mutual gain, and India’s extension of export credits for the procurement of Indian goods and services builds upon this. Conventional definitions of ODA thus are not helpful in ‘calculating’ or ‘evaluating’ Indian development partnerships.

The SSC development partnership model also departs from the Paris criteria on aid effectiveness. As Kang-Ho Park argues, since southern actors tend to subscribe to a different cooperation model from that of traditional donors, their approach to how these principles should be implemented varies accordingly. For example, while both traditional donors and southern partners recognize the importance of national ownership, traditional donors tend to define their priority areas through technical discussions in reference to a national development strategy or Poverty Reduction Strategy Papers. Southern development partners, on the other hand, identify projects based on direct interactions with government officials. ‘Tied aid’, as mentioned earlier, is also considered legitimate and is widely used.

The legitimacy of the Paris Principles – and that of the DAC more generally – is undermined in the eyes of southern actors by the fact that the former were initially conceived and driven by traditional donors, with developing countries brought into the process much later on. Moreover, it must be noted that DAC donors themselves have performed poorly on the Paris indicators and there is thus little appetite in countries like India to be forcefully socialized into a system of which the rule makers are themselves in violation. The difference between DAC donors and India could also be argued to be one of degree rather than kind, as most contracts from DAC countries are awarded to donor countries’ own firms.

In some ways, north-south assistance is also trying to catch up with south-south cooperation. Some traditional donors have begun to use the language of development partnership and demand-driven assistance, and traditional ODA has come under increasing scrutiny for making inadequate progress on development indicators. The Fourth High Level Forum for Aid Effectiveness held in Busan in 2011 could be considered a landmark event that marked a growing global consensus around the need to shift from ‘aid effectiveness’ to ‘development effectiveness’ more broadly, where hybrid instruments are used to promote development. ‘Aid’, in this view, should not operate as an isolated flow of goods and services but should be used to catalyze economic growth, poverty reduction, and social welfare, and be integrated with, and benefit from, wider processes such as trade, investment, banking, ICTs, mobile technologies, and research and development. There is also growing support for a move away from the very circumscribed notion of ODA to a broader notion of global public financing, including financing for climate change, export credits, and other forms of non-concessional public funds, and private sector funds.

However, it is also important to interrogate whether the rhetoric of SSC matches the practice or whether it creates new hierarchies between southern states. Rajamohan questions, for example, the claim that India practices non-interference in Nepal; many of India’s South Asia neighbors would share this sentiment. Others have argued that India practices a version of the Monroe doctrine in South Asia, using its economic and military muscle to shape the domestic affairs of neighboring states. A senior DPA official himself recognized that sometimes, ‘we are not addressing the needs of the recipients’. The rhetoric of SSC serves a number of important functions, but it is not unreasonable to assert that ‘idealistc’ articulations of SSC are mostly reserved for the international community, whereas more pragmatic interpretations that link assistance to economic and geopolitical reciprocity are used for strategic decision making at the bilateral level. Development cooperation and foreign policy are age-old bedfellows and, just as western governments use the language of charity and altruism to legitimize their aid interventions and further their political and economic goals, so India uses the language of southern cooperation and solidarity to do the same.
Emerging Priorities and Challenges

The general claim made by proponents of South-South cooperation, including India, is that their development partnerships are preferable because they are based on common development experiences and capacities and are thus more appropriate to the needs of partners. They are also cheaper, less bureaucratic, and with lower transaction costs. Indian technology innovations are also claimed to be triple A - affordable, available, and adaptable. It would thus seem that India’s new economic strength is providing the material base for elevating SSC beyond the criticisms above, to a more substantive engagement with tangible benefits for southern partners. Moreover, it is becoming increasingly clear that India’s partnerships, similar to those of other southern states, have expanded the menu of development partners available to developing countries. This reduces the leverage of traditional donors, while arguably also increasing the agency of recipient countries in choosing the development offers that best suits their needs.

Recent studies on Indian DPs do however note that bureaucratic delays and poor implementation and project management are undermining the effectiveness of Indian partnerships in achieving mutually beneficial outcomes. Demand-driven projects might also reflect elite interests and could create new opportunities for rent seeking. However, the challenge here in some sense extends beyond what is in India’s scope – a number of southern states, particularly in Africa, battle weak leadership and institutions and this can contribute to the inequitable distribution of development gains from Indian partnerships. Recent studies suggest for example that African states with clear national development strategies and strong institutional structures have gained more from southern development partnerships. This issue is particularly significant in fragile contexts and conflict-affected states. Sudan, for example, is a key partner for India. Indian state owned engineering companies are helping build road infrastructure in Sudan, but these projects tend to be geographically clustered and therefore risk of exacerbating the development gap between the center and the periphery, which is regarded as a key cause of Sudan’s conflicts.

Other improvements are needed in both the articulation and practice of Indian development partnerships. India needs to share a clearly enunciated policy statement stating its vision and goal for development partnerships, to systematize and share data, and to make decision-making processes more open for improved transparency and accountability. It also needs to ensure that development priorities are appropriately selected and the views of various stakeholders from partner countries are adequately considered. India should work with Indian civil society organizations to capitalize on their valuable experiences working in the domestic development context. Clear rules and guidelines are also required for the Indian private sector to ensure pro-labor standards and good practices.

In a sense, the jury is still out on the long-term development gains accrued to India and its partners. Currently, very few studies empirically evaluate the impact of Indian development partnerships, particularly vis-à-vis the DAC model and other southern donors. Only once more of these studies are undertaken and adequate data collected will it be possible to have a more definitive evaluation of India’s development partnerships.

Changing Global Architecture

India’s DPs must also be placed in the broader context of how emerging powers are reforming the architecture of international development, marked most recently by the establishment of the Chinese led Asian Infrastructure Investment Bank (AIIB) and the BRICS New Development Bank (NBD). India holds the presidency of the NBD for the next six years and is a member of the AIIB. These two banks reflect not only a shift from a unipolar to a multipolar world, but also a decline in the dominance of western powers defining the terms and instruments of development cooperation. The focus on economic productivity, win-win partnerships, and the blending of commercial and development instruments more closely reflect the development priorities and capacities of developing countries. While these banks might end up doing ‘business as usual’, it is too early to comment on the kind of development and banking norms that they will adhere to in practice; advisors to the NDB are however clearly advocating that the bank needs to become a key knowledge hub based on the development experiences of southern actors.

The rhetoric and practice of India’s development cooperation also complements its position on the post-2015 development agenda and the sustainable development goals (SDGs). Similar to its focus on development partnerships for economic
productivity and growth, India’s negotiating position around the SDGs has been clear that poverty alleviation through economic growth must remain the primary objective. Social welfare goals are unattainable without robust economic growth, creation of infrastructure, promotion of industrialization and full and productive employment. India views the SDGs more favorably than the MDGs because they do away with the donor-recipient distinction and are universally applicable to all nation states. However, India also argues that states should have differentiated responsibilities for the achievement of the goals dependent on their national capacities and challenges, and the GoI has thus emphasized that the focus of the SDG discussion must be on the means of implementation, where developed countries have a greater responsibility to facilitate the financial and technology transfers necessary for the developing world to achieve the twin imperatives of high economic growth and sustainable development. A more just political and economic order will also depend on the reform of key global governance issues such as the United Nations Security Council and the Bretton Woods Institutions – without this, issues of peace and security cannot be adequately addressed at the global level. India saw the SDG negotiations as an opportunity to establish itself as a rule-maker on the global stage, and it has indicated that much of its advocacy around the SDGs is an attempt to lobby on behalf its southern partners.

The message that is emerging from India’s engagement with international development processes is clear: aid alone cannot be a solution for development, and new financing instruments and technology transfers are required to meet developing country challenges. The recent conference on Financing for Development (FfD) in Addis Ababa was a disappointment in this regard as it did not resolve the issue of multinational tax avoidance. India, along with Brazil, has been actively advocating for replacing the UN committee on tax experts with an intergovernmental body that could include representation from all countries and contribute to enhancing international tax cooperation, stopping illicit financial flows and tax evasion. Despite this, the proposal was blocked by the United States and European countries. Neither did developed states make binding ODA commitments. Indian negotiations at the summit did, however, help establish a technology facilitation mechanism to allow the dissemination of scientific and technological innovation through a global public process.

What role for the UN?

A not-so-silent revolution in the field of development is underway and the UN needs to adapt to retain influence and leverage. The recent BRICS conference in July, 2015 in Ufa, Russia, clearly expressed the centrality accorded to the UN by the BRICS to create a just, rule-based international order. The UN is thus of key relevance to emerging economies, though it now needs to take a firm stand on the roles and responsibilities of various actors in terms of facilitating global development and issues such as technology transfer, terms of trade and investment, and financial instruments for sustainable development. The UN response to the FfD conference, for example, was woefully inadequate – rather than criticizing the failure to come to an agreement on multinational tax avoidance, it hailed the conference as a landmark victory for global development.

The UN must support new innovative development financing instruments such as lines of credit, even where they depart from the typical OECD-DAC model. UNCTAD has done a good job of collecting South-South trade and investment statistics and it could continue this work by also mapping development cooperation in the form of bilateral assistance, LOC, and trade and investment flows. It could also assist with developing methodologies for measuring the impact of south-south cooperation.

A key area that needs attention is building capacity at the recipient country level for more effective development cooperation spending – with bilateral grant assistance for infrastructure projects, for example, the UN could help with skill development at the local level. It could also support strengthening of aid management systems in partner countries to manage the increasing diversity of aid flows. While there is little appetite in India for the UN to play the role of a watch-dog, the UN could help to improve the quality of win-win partnerships by facilitating a process where non-elite demands and perceptions are factored into lines of credit or sharing knowledge and experiences on how to operate in conflict sensitive areas.

The UN could also further its efforts to support triangular cooperation between northern and southern donors to scale up development interventions, leveraging northern donor expertise in policy formulation and the cost effectiveness of southern donor partnerships. The UN can help with ensuring that that projects are complementa-
ry and not duplicated, by assessing broad based needs that can be plugged into either the DAC or SSC approach, mapping aid and financial flows, and by improving the capacity of recipient country spending and aid management.

**Conclusion**

Despite the various challenges outlined previously, Indian DPs are contributing to a broader shift in the international development architecture and the dominant norms and language of development. The growing volume, scope, and ambitions of southern development partnerships is leading to a shift in focus from aid effectiveness to development effectiveness, along with a stronger focus on an economic productivity fueled model of development. In this new era, aid or ODA is seen as a necessary – but not a sufficient – instrument for global development. It must be accompanied by a consideration of trade and investment issues, technology transfer, innovative new financial instruments, multinational tax management, and broader reform of global governance institutions. Herein lies the main contribution of SSC – in expanding the terms of the global development negotiations and offering new possibilities and solutions for aid that replace the broken system of charity with the promise of mutually beneficial partnerships for development.

India, like other BRIC countries, has a global project. It opposes the implicit and explicit hierarchies of international institutions and privileges enjoyed by great powers in international deliberations. It seeks reform in the existing global governance architecture to reflect more clearly its new economic strength and global reach and status. India’s development cooperation is representative of India’s attempt to become a rule-maker on the international stage, supported by the language and rhetoric of southern cooperation and solidarity.
In 2013, the Indian government reported that approximately US $1.16 billion were budgeted for development assistance for the fiscal year.


In 1949, India established seventy scholarships to provide higher education facilities and promote cultural ties with Asian and African states; 12 super specialty hospitals and 5 universities in India with 40 patient end hospitals and 45 learning centers across Africa. Most of the participating countries are currently connected to the network and the project is operational. See: Vincent Duclos (2012) “Building Capacities: The Resurgence of Indo-African Technoeconomic cooperation”, India review, 84 (6).


In 1949, India established seventy scholarships to provide higher education facilities and promote cultural ties with Asian and African states; in 1954, India provided $10,000 dollars of flood relief to Bhutan; and, in 1960, India supported Nepal’s second five-year plan with an aid package of $36 million.


As of March 31, 2012, India’s EXIM Bank had 157 operational LOCs covering 75 countries for a total amount of US $ 8.16 billion and by the beginning of 2013 open LOCs reached nearly US $ 10 billion. See Rani Mullen (2013) ‘Lines of Credit’, IDCR Blog, 28 April, available at http://idcr.cprindia.org/blog/lines-credit


India has 187 operative lines of credit across Asia, Africa and Latin America, amounting to a total of $10.21 billion. In 2012, Sub-Saharan Africa received almost 50 percent of the EXIM bank's credit line, followed by South Asia receiving 39 percent, and the rest of Asia receiving 9 percent. Currently, the top 5 recipients of Indian LoCs are the Sudanese government ($350 million), Ceylon Petroleum ($150 million), Bank Mellat ($200 million), Ethiopian government ($122 million) and the ECOWAS Bank for Investment and Development ($250 million).


Ibid.


In Afghanistan, India is helping to develop infrastructure, as well provide training for Afghan civil servants, and support smaller scale community development projects. See Mullen (2014) “The State of Indian Development Cooperation”, op cit.


These include power generation and farm mechanization projects in Burundi, Lesotho, and Tanzania; power transmission, rural electrification and irrigation in Mozambique; a cement project in Djibouti; sugar factories and railway lines in Ethiopia; and a power transmission project in Kenya. See Qadri and Singhal (2014), “Development and Diplomacy”, op cit.

India ITEC programs are run in English. The Pan-African e-network was officially inaugurated on 26 February 2009, and at present connects 12 super specialty hospitals and 5 universities in India with 40 patient end hospitals and 45 learning centers across Africa. Most of the participating countries are currently connected to the network and the project is operational. See: Vincent Duclos (2012) “Building Capacities: The Resurgence of Indo-African Technoeconomic cooperation”, India review, 11 (4).

The ‘framework approach’ represents rules according to which economic agents make decisions and take actions, while the ‘ingredient approach’ refers to tangible organizational units and their visions of quantitative expansion and qualitative upgrading of components. Chaturvedi (2012) “India and Development Cooperation, op cit.


Mawdsley (2012) From Recipients to Donors, op cit.

For instance, the OECD-DAC defines ODA in terms of grants and loans geared towards the promotion of economic development and social welfare. Concessional loans are only considered to be a part of ODA if at least 25% takes the form of a grant. This grant component does not apply to Indian partnerships. See Mawdsley (2012) From Recipients to Donors, op cit.

This idea (of ’tied aid’) is distinct from applying political conditionalities to aid provision that can undermine the sovereignty of the beneficiary. India, similar to other southern donors, is clear that even while its LOC is tied to the procurements of Indian goods and services, these are not conditional on partner countries adjusting domestic laws or priorities. In this way, India emphasizes that it is respectful of the principles of state sovereignty and non-interference.


For further comparison, see: Park (2011) “New Development Partners”, op cit.

Mawdsley (2012) From Recipients to Donors, op cit.


PS Raghavan (2012) Notes from presentation at the RIS–World Bank Workshop on Learning from National Experiences and Building Global Partnerships, Research and Information System (RIS) for Developing Countries, New Delhi, 22–23 June.


Mawdsley (2012) From Recipients to Donors, op cit. Renu Modi shows how Indian companies engaged in the agricultural sector in Africa provide customized agricultural equipment that are appropriate and affordable for smallholdings in Africa (see Modi (2010) “The Role of India’s private sector”, op cit).


Mawdsley (2012) From Recipients to Donors, op cit.


As per IMF figures, developing countries allegedly lose about $212 billion from base erosion and profit shifting by multinationals.
