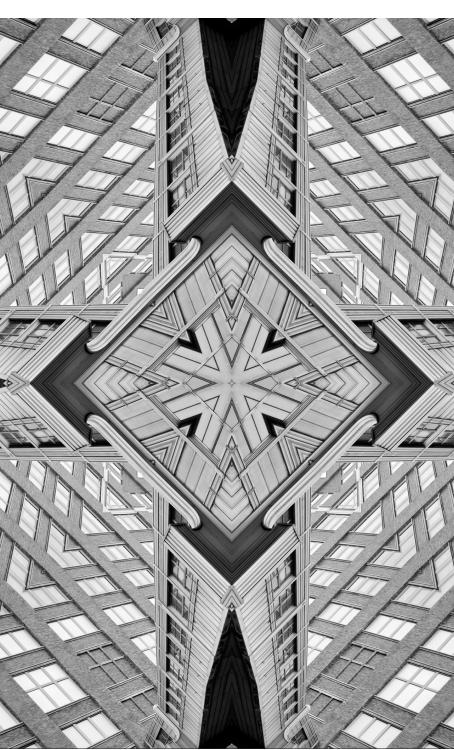


Issue Brief

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Recommendations for India-US Development Cooperation in the Indo-Pacific

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Abstract

Defence cooperation is the dominant component of the India-US bilateral relationship. India seeks to leverage this aspect in the Indo-Pacific to diversify the scope of nascent plurilaterals, integrate with US frameworks to expand cooperation with regional nations, and consolidate its position as the preeminent partner for extra-regional players. This brief recommends that India take advantage of ongoing development initiatives with the US and identify areas of strength under existing US Development Finance Corporation investments to expand bilateral development cooperation in the Indo-Pacific. These could include clean energy, frameworks like the Blue Dot Network, and agribusiness training and innovation.



s the Indo-Pacific construct is internationalised through bilateral and plurilateral arrangements between regional and extra-regional powers, critics say the overt securitisation of the region has spurred the return of a "Cold War mentality". In such an environment, joint development initiatives offer the means to underscore shared normative goals² and not just common threat perceptions as primary motivations for nascent partnerships.

India and the European Union (EU) have chosen to precede security cooperation with the India-EU Connectivity Partnership, even as India promotes maritime cooperation with individual EU member states, such as France.³ Similarly, the scope for collaboration on shared development aims is being identified among like-minded partners, including Japan, India and France. For instance, the slow-brewing (yet widely anticipated) partnership between the three countries could soon include joint development investments in Africa, given the convergence of interests on the importance of East Africa in the Indo-Pacific. Moreover, a trilateral arrangement is already being advocated,⁴ given France's regional investments (such as the €2-billion transport contract in Kenya) as part of its effort to alter the post-colonial "Françafrique" approach, and the planned 'Platform for Japan-India Business Cooperation in Asia-Africa' between Japan's External Trade Organisation and India's Confederation of Indian Industry.⁵

At the same time, the defence component continues to dominate the India-US agenda for cooperation. However, the ground for development cooperation has been set long before the recent prioritisation of defence collaboration, which informed a lateral expansion with security plurilaterals like the Quadrilateral Security Dialogue (Quad) and the finalisation of interoperability agreements. For instance, the 2016 India-US joint statement affirmed the two sides' commitment to expanding global development cooperation in agriculture, health, energy, women's empowerment, and sanitation.⁶ In 2019, India and the US also signed the First Amendment to the Statement of Guiding Principles (SGP) on Triangular Cooperation for Global Development, extending its validity to 2021 and institutionalising this aspect of bilateral cooperation.⁷ Despite this early consolidation of the intent to pool resources and expertise for shared development aims in third countries and regions of mutual interest, India-US development cooperation has remained focused on few sectors and is mainly limited to Africa, Afghanistan and South Asia. The success of India-US defence cooperation offers lessons for bolstering bilateral development cooperation in the Indo-Pacific.



nder former US President Donald Trump, India was recognised as a central player in the US's Indo-Pacific strategy, evident in the Hawaii-based US Pacific Command's renaming to the Indo-Pacific Command and a policy focus on cultivating India's rise as a regional security provider in the Indian Ocean region. This resulted in increased attention on India's naval capabilities in bilateral defence trade,8 with Trump yielding to long-standing Indian requests for specific platforms (such as the MH-60 Romeo Seahawk maritime helicopters) and overturning the Obama administration's freeze on India's acquisition of US-made unmanned systems (to offer India the Sea Guardian maritime UAV). Furthermore, the Trump administration proactively cleared crucial ancillary naval equipment for India's fleet of US-made P8I Poseidon maritime surveillance aircraft (see Table 1), such as MK 54 Torpedoes and AGM-84L Harpoon missiles.9 Trump also accepted Indian requests for procuring MK 45 5-inch/62 calibre naval guns. The Trump administration also leased two unarmed Sea Guardian drones to aid India's reconnaissance efforts amid border tensions with China.¹⁰

Table 1: US Arms Sales to India (as cleared by the US Defence Security Cooperation Agency)

Year of clearance	US administration	Platform/Equipment	Number	Reported cost
2021	Biden	P8I Poseidon Maritime Surveillance Aircraft	6	US\$2.42 billion
2020	Trump	AGM-84L Harpoon Block II Missiles	10	US\$92 million
2020	Trump	MK 54 All Up Round Lightweight Torpedoes	16	US\$63 million
2020	Trump	Integrated Air Defense Weapon System (IADWS)	1	US\$1.86 billion
2019	Trump	MK 45 5 inch/62 caliber (MOD 4) Naval Guns	13	US\$1.02 billion

Source: Collated from US Defence Security Cooperation Agency press releases between 2019-2111



Continuity on this aspect is expected under US President Joe Biden, given his previous involvement in bilateral ties, including overseeing the passage of the US-India Civil Nuclear Agreement as chair of the Senate Foreign Relations Committee and co-sponsoring a 2005 legislation on India's acquisition of its first US-built warship, which set the foundation for contemporary India-US defence trade.¹² Furthermore, as the US continues to support India's role in the Indian Ocean,¹³ Biden officials have commended the establishment of the Information Fusion Centre for the Indian Ocean Region (IFC-IOR)¹⁴ and underscored that China's "lack of transparency and duplicitous actions in the Indian Ocean region threaten stability and security in the region."15 In addition, US Secretary of Defence Lloyd Austin visited New Delhi as part of his first overseas trip in March 2021, during which he called the India-US partnership "a stronghold of a free and open Indo-Pacific region" and committed to advancing the "comprehensive and forward-looking defense partnership" with "regional security cooperation and military-to-military interactions and defense trade."16

Lending credence to this commitment, in April 2021, the Biden administration cleared the sale of six P8I maritime surveillance aircraft to India¹⁷ after the Indian Defence Acquisition Council approved this procurement in November 2019.¹⁸ This clearance by the US came amid speculation that the Biden administration will impose secondary sanctions on India for its purchase of Russian weaponry.¹⁹ Most importantly, the US Defence Security Cooperation Agency notification on the clearance noted that the additional P8I aircraft will "allow the Indian Navy to expand its maritime surveillance aircraft capability for the next 30 years," underscoring the Biden administration's continuity on the Trump precedent of focusing on India's maritime surveillance capabilities.

In India, an enduring focus on developing its maritime role is evident even amid concerns that New Delhi's fiscal constraints may impede defence acquisitions in the future and tensions along the border with China may shift "Indian senior-level attention and resource planning to the continental domain." The continuity is apparent with the Indian Navy's participation in recent maritime exercises with like-minded partners (in bilateral and plurilateral formats) and the inter-service exercises that enhance interoperability between India's armed forces (see Table 2). In addition, alongside plans to procure equipment for the navy, the Indian armed forces have reportedly also agreed to procure 30 armed versions of the US-made MQ-9/Predator B drones, following the navy's experience with the leased Sea Guardian drones.



Table 2: Naval Exercises in 2021 with the Indian Navy as Participant

Month	Exercise	Location	Conducted with
June	Integrated bilateral exercise	Indian Ocean	Indian Air Force, United States Navy
May	PASSEX	Southern Arabian Sea	Indonesian Navy
April	Varuna	Arabian Sea	French Navy
April	La Pérouse	Eastern Indian Ocean	French Navy, Royal Australian Navy, Japan Maritime Self Defence Force, United States Navy
March	PASSEX	Eastern Indian Ocean	United States Navy
March	PASSEX	Persian Gulf	Royal Bahrain Naval Force
February	PASSEX	Arabian Sea	Indonesian Navy
February	TROPEX	Indian Ocean	Indian Army, Indian Air Force, Coast Guard
January	AMPHEX	Andaman Sea	Indian Army, Indian Air Force
January	KAVACH	Andaman Sea	Indian Army, Indian Air Force, Coast Guard
January	Sea Vigil	Coastline & EEZ	Coast Guard

Source: Collated from Press Information Bureau press releases between January-June 2021²⁴

India has leveraged its close defence ties with the US towards diversifying the scope of nascent plurilaterals, integrating with US frameworks to expand cooperation with regional players, and consolidating its position as the preeminent partner for extra-regional players in the Indian Ocean.



For instance, over the past five years—as India and the US finalised the three remaining interoperability agreements: Logistics Exchange Memorandum of Agreement, or LEMOA, in 2016, Communications Compatibility and Security Agreement in 2018, and Basic Exchange and Cooperation Agreement in 2020—the operationalisation of the Quad largely depended on the pace of India-US defence ties since Japan and Australia (the other two Quad members) already had formal alliance partnerships with the US. India's agency over the grouping was apparent through its hold-out (until 2020) on including Australia as a permanent participant in the India-US-Japan Malabar naval exercise given its apprehensions over the Quad gaining operational heft akin to a formal military alliance.²⁵ Furthermore, India pushed the Quad to identify convergences beyond maritime security to avoid appearing as an explicit anti-China cobbling. This was apparent in its efforts to sustain the group's focus on humanitarian assistance and disaster relief efforts, given the Quad's early origins as the 'Tsunami Core Group' in 2004.26 In 2019, India also organised the first counter-terrorism tabletop exercise for Quad members to "provide opportunities to share best practices and to explore areas for enhanced cooperation amongst participating countries."27 This subsequently led to the Quad deliberating common positions and initiatives over vaccine diplomacy, climate change, and critical technologies.²⁸

In addition, India's integration with US interoperability frameworks expanded New Delhi's scope for instituting similar cooperation mechanisms with like-minded partners in the Indo-Pacific. Consider, for instance, the finalisation of the LEMOA to institute "basic terms, conditions, and procedures for reciprocal provision of logistic support, supplies, and services between the armed forces of India and the United States."29 The LEMOA is a customised, India-specific version of the Acquisition and Cross-Servicing Agreement, which the US shares with over 75 nations. Notably, the LEMOA does not institute "any obligation on either party to carry out any joint activity," does not provide for the "establishment of any bases or basing arrangements," 30 and mandates 'prior permission' before using each other's facilities.³¹ This customised agreement led to the institutionalisation of standard operating procedures within India's armed forces on interactions with foreign forces, such as each service setting up a designated LEMOA office with points of contact for the US military and a shared account for payments.³² This system and the consideration over avoiding entanglements was replicated to finalise similar agreements with Australia³³ and Japan³⁴ in 2020.



Furthermore, US support for India's naval capacity-building has been crucial to New Delhi's effort to consolidate its position as the preeminent partner for extra-regional players in the Indian Ocean. For instance, India is the largest international operator of the US-made P8I maritime surveillance aircraft, which serves as the backbone of India's IFC-IOR. The IFC-IOR seeks to "engage with partner nations and multi-national maritime constructs to develop comprehensive maritime domain awareness and share information on vessels of interest." Given France's sovereignty considerations in the Indian Ocean, it became the first country to post a liaison officer at the IFC-IOR. Moreover, the US-made P8I aircraft also play a direct role in India-France interoperability; the two nations conducted their first joint patrol from France's Reunion Island, with French Navy personnel aboard the Indian Navy's P-8I aircraft. The indian Navy's P-8I aircraft.

Apart from the indirect outcome of furthering India's strategic engagements in the Indian Ocean and the Indo-Pacific, India-US defence cooperation has also focused on aiding third-party security forces. The US has been keen to expand peacekeeping cooperation with India, which consistently ranks among the top global contributors of security personnel to UN peacekeeping operations.³⁸ Indian and American forces have jointly taught the UN Peacekeeping Course for African Partners between 2016-19.³⁹ India and the US are also expected to expand such joint defence training for like-minded partners in the Indo-Pacific. Going forward, the success of India-US defence ties—in terms of its utility towards India diversifying the scope of the Quad, integrating with US frameworks to expand cooperation with partners like Japan and Australia, and consolidating its position as the preeminent partner in the Indian Ocean for countries like France—offers lessons for similarly expanding India-US development partnership, which currently remains limited in scope and ambition.

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o ascertain the scope to expand India-US development cooperation, it is important to first assess the scale of existing programmes following the 2016 joint statement on expanding global development cooperation and the 2019 finalisation of the SGP on Triangular Cooperation for Global Development. Furthermore, recent US International Development Finance Corporation (DFC) investments in India offer nascent avenues for enhanced bilateral development cooperation in the context of joint aims in the Indo-Pacific.

India-US triangular cooperation

Joint development assistance and training programmes are underway in Africa, primarily in the health and agriculture domains, under the India-US SGP on Triangular Cooperation for Global Development (see Table 3).⁴⁰ Following the finalisation of the SGP on Triangular Cooperation for Global Development in 2014, the emphasis on Africa as a key destination for joint efforts was underscored in the 2015 US-India joint statement during former US President Barack Obama's visit to India.⁴¹ The turn to Africa as a destination for India-US Triangular Cooperation was long overdue given India's focus on the continent through the India–Africa Forum Summit (dating back to 2008), whereas, the US's comprehensive foreign policy outlook on Africa only came in 2014 with the initiation of the US-Africa Leaders Summit. Subsequently, drawing on the Obama administration's focus on US-India agricultural cooperation—which sought to reinvigorate the sharing of expertise based on historic bilateral cooperation on dwarf seeds⁴²—the two sides partnered with the Feed the Future India Triangular Training (FTF-ITT) programme in Africa.⁴³





Table 3: Key India-US Joint Development Assistance and Training Programmes in Africa

Programme	American partner	Indian partner	Aim
Feed the Future India Triangular Training Program	US Agency for International Development	National Institute of Agricultural Extension Management (Ministry of Agriculture)	Train 1,500 agricultural practitioners on specialised farming practices to improve productivity and income
India- Kenya Dairy Development Project	US Agency for International Development	Infrastructure Leasing & Financial Services Limited	Transfer and pilot India's smallholder dairy production and business model to Kenya
Bullet Santi and Seed Dibbler transfers	US Agency for International Development	Society for Research and Initiatives for Sustainable Technologies and Institutions	Transfer two- and three-wheel tractor "Bullet Santi," Seed Dibblers, and food processors to Kenyan farmers
Global Linkages Project -Reproductive, Maternal, Newborn and Child Health + Adolescents	US Agency for International Development	Ministry of Health & Family Welfare	Facilitate the transfer and adoption of Indian innovations and best practices in family planning, child, and maternal health care to African nations

Source: US Agency for International Development⁴⁴



India-US Developmental

The FTF-ITT was piloted in 2016 with the aim to train 1,500 agricultural practitioners from 17 nations (11 African and six Asian) on specialised farming practices to improve productivity and income. As part of FTF-ITT's Phase 1 programme in Kenya, Liberia and Malawi, over 200 participants were trained in best practices to prevent post-harvest losses and ideas on agricultural marketing, dairy management, and food processing. By September 2017, ten such programmes were completed, and by May 2018, 622 executives from 15 countries had been trained. Beyond expanding the US's focus on Africa, such initiatives reinforce the perception in Africa of India as a development partner. In contrast to the view of China in Africa, which is often seen as an external power engaging in resource extraction and offering predatory lending, India is perceived benignly, given its focus on expanding productive capacity, skills diversification, and investments in Africa's small and medium-sized enterprises (SMEs).

Since 2001, India has been at the forefront of reconstruction efforts in Afghanistan on ventures cumulatively worth over US\$3 billion, including major infrastructure projects like the Delaram-Zaranj highway, Salma dam (the India–Afghanistan friendship dam), and the Afghan parliament building. Given India's policy convergence with the US's interest to strengthen the democratically elected civilian dispensation in Kabul, New Delhi is seen—alongside Washington—as an integral partner of the Afghan government. As per a 2016 poll, 62 percent of Afghans view India favourably, as compared to only 3.7 percent for Pakistan.⁵⁰

India and the US have sought to harness private sector investment to foster trade with Afghanistan. This chiefly included the organisation of the 'Passage to Prosperity: India-Afghanistan Trade and Investment Show', with the participation of over 1,000 Indian and 200 Afghan businesses.⁵¹ Afghanistan is also a beneficiary of the FTF-ITT programme, and the US Agency for International Development (USAID) has partnered with the Self-Employed Women's Association (SEWA) to train "200 Afghan women to be Master Trainers and 3,000 Afghan women across five Afghan provinces in vocational skills such as embroidery, garment stitching, food processing, and jewellery making, as well as in leadership and marketing". India and the US have also organised grants under the Millennium Alliance programme, which identifies and pilots early-stage innovations in Afghanistan and invests further in those that reflect "the potential to deliver effective results at scale." ⁵²



Table 4: Key India-US Joint Development Assistance and Training Programmes in Afghanistan

Programme	Notable Development
Feed the Future India Triangular Training Program	Following FTF-ITT training, the Afghan Ministry of Agriculture, Irrigation and Livestock (MAIL) and the National Institute of Agricultural Extension Management (MANAGE-India) initiated distance learning courses to share agricultural best practices.
The Millennium Alliance program	Paved the way for the Mobile Lifeline Channel (MIRA), which provides critical information and services to semiliterate women on maternal and child health through mobile phones.
USAID-SEWA programme on skills training	The initiative is expected to be expanded to five additional Afghan provinces to further develop Afghan women's vocational and marketing skills

Source: US Agency for International Development⁵³

India and the US have sought to promote cross-border electricity trade in South Asia, where inter-region trade is around 2,500MG⁵⁴ (less than 1 percent of South Asia's estimated capacity of 350GW).⁵⁵ Supported by USAID and the Integrated Research and Action for Development, the India-led South Asia Regional Initiative for Energy Integration (SARI/EI) has facilitated the 500 MW India-Bangladesh transmission link; a memorandum of understanding between India and Sri Lanka for a high capacity energy transmission interconnection;⁵⁶ the Power Trade Agreement between India and Nepal; and the SAARC Framework Agreement for Energy Cooperation (Electricity).⁵⁷ SARI/EI's initiatives are reportedly instrumental in avoiding 848,738 tonnes of carbon emissions.⁵⁸



US Development Finance Corporation projects in India

India-US development cooperation has also deepened bilaterally in the context of the Indo-Pacific, with investments by the US DFC in India. After Trump signed the Better Utilization of Investments Leading to Development Act of 2018, the DFC was set up to subsume and expand the functions of the Overseas Private Investment Corporation (OPIC). With twice the budget as the OPIC, the DFC sought to bolster US influence in critical regions like the Indo-Pacific, by "incentivizing private investment as an alternative to a state-directed investment model." In India, the DFC assumed control of existing OPIC projects that were operational since 2009 and announced a slew of investments in crucial sectors like financial services, health infrastructure and food security. As of 31 December 2020, the DFC holds the purview of nearly 80 old and new projects in India, amounting to a cumulative US\$2.6 billion.⁶⁰

Table 5: Key US DFC Investments in Clean Energy in India (2019-21)

Project	Туре	Sector	Commitment	Aim
Paryapt Solar Energy Private Limited	Debt Finance	Clean Energy	US\$27.3 million	Support construction and operation of a 50 MW solar PV plant in Gujarat
RENEW1 - ReNew Sun Waves Private Limited	Debt Finance	Clean Energy	US\$140 million	Support development, construction, and operation of a 300 MW solar PV project in Rajasthan
RENEW2 - ReNew Sun Energy Pvt Ltd	Debt Finance	Clean Energy	US\$53.5 million	Support 105 MW Solar PV project in Gujarat
Sitara Solar Energy Private Limited	Debt Finance	Clean Energy	US\$50 million	Support construction and operation of a 100 MW solar PV plant in Rajasthan

Source: Collated from US International Development Finance Corporation 2019-21 records⁶¹



India-US Developmental

Since its establishment, the DFC has announced substantial investments in India's clean energy sector (see Table 5), with loans worth over US\$200 million to ReNew Power (India's leading independent power producer) and to Sitara Solar Energy to build and operationalise solar power plants. This was followed by the DFC earmarking around US\$350 million for projects in the country⁶² and substantial investments in Indian SMEs, catering to an array of development needs like gender inclusivity, agri-tech supply chain initiatives, healthcare and financial services (see Table 6).

Table 6: Key US DFC Investments in Indian SMEs (2019-21)

Project	Туре	Sector	Commitment	Aim
Sabre Partners Fund - SP Fund 2019	Investment Fund	Finance/ Insurance for SMEs	US\$15 million	Support investments in small and medium size companies operating in the healthcare and financial service sectors
Milk Mantra Dairy Private Limited	Debt Finance	Small-scale Agriculture/ Fishing business	US\$10 million (followed US\$370,000 for digital financial services for dairy farmers)	Support expansion of the company's sourcing from smallholder farmers in northeast India
Northern Arc Capital Limited	Debt Finance	Gender Inclusivity in SMEs	US\$50 million	Support towards a non-bank financial institution's portfolio with loans for women owned businesses, food security and water, sanitation, hygiene



India-US Developmental Cooperation

Project	Туре	Sector	Commitment	Aim
Samunnati Financial Intermediation & Services	Debt Finance	Small-scale Agriculture/ Fishing business	US\$20 million	Support Samunnati's agriculture value chain financing and advisory services
SCALE-MSME- Stellapps Technologies Private Limited	Debt Finance + Partnership Framework	Small-scale Agriculture/ Fishing business	US\$2.69 million	Support working capital line to Stellapps' innovative solutions to the dairy value chain
FreshtoHome	Investment Fund + Equity Co- Investment	Wholesale trade	US\$15 million	Support expansion of E-marketplace that supplies fresh fish, poultry and meat
GIFF-INCL- Victoria Foods Pvt Ltd.	Debt Finance + Partnership Framework	Agro trade/ Manufacturing	US\$5.63 million	Support manufacturing of flour-based products and sourcing of wheat inputs from local local farmers
Waycool Foods and Products Private Limited	Debt Finance	Agro trade/ Wholesale trade	US\$5.50 million	Support expansion of food distribution company for staples, fruit and vegetables and dairy products

 $Source: Collated from 2019-21\ records\ released\ by\ the\ US\ International\ Development\ Finance\ Corporation\ ^{63}$



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Subsequently, in late 2020, the DFC announced an investment of US\$54 million as equity in India's National Investment and Infrastructure Fund for "the long term sustainable growth of the Indian economy, supporting development and U.S. foreign policy." Furthermore, amidst the COVID-19 pandemic, the DFC stepped-up commitments towards plurilaterals involving India and the US. The Quad, for instance, held its first-ever leader-level summit in March 2021, which culminated in a joint agreement between Japan, India, Australia and the US to lead the manufacturing and distribution of COVID-19 vaccines across the Indo-Pacific, ⁶⁵ and the DFC was announced as the nodal agency to finance the expansion of Indian biopharmaceutical company Biological E to produce one billion doses of COVID-19 vaccines by the end of 2022. Subsequently, the DFC also announced additional commitments towards strengthening India's agriculture sector (US\$27.5 million) and increasing gender inclusivity in SMEs (US\$50 million).

Among other triangular cooperation projects, India and the US have been working to harness private-sector investment to foster trade with Afghanistan.



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he success of India-US defence cooperation has multiplied, in part, due to India's efforts to diversify the scope of nascent plurilateral engagements, integrate with US frameworks to expand cooperation with like-minded regional powers, and consolidate its position as a preeminent partner for extraregional players in the Indian Ocean. Such a maximisation of utility may be replicated in bilateral development cooperation efforts by leveraging the strengths of ongoing triangular initiatives and identifying areas of advantage under existing DFC investments.

Ahead of the renewal of the SGP on Triangular Cooperation for Global Development, India and the US must identify mutually advantageous areas for development cooperation. In the context of the common aim of securing a 'free and open Indo-Pacific', bilateral development cooperation can be enhanced by recognising the Biden administration's climate-conscious agenda in favour of renewable sources of energy, according institutional heft to India's development cooperation with other like-minded countries, and extending the scope of joint training in the agribusiness domain.

Diversify: Joint focus on Clean Energy under the Asia EDGE initiative in the Indo-Pacific

Under the Trump administration's policy of "unleashing American energy dominance" and identifying "new export opportunities" for American energy producers in the long-term,⁶⁸ the US announced financial and technical support for growing "sustainable and secure energy markets throughout the Indo-Pacific" under the US Asia Enhancing Development and Growth through Energy (Asia EDGE) initiative. In India, this translated into the establishment of the India-US Strategic Energy Partnership (SEP), which oversaw a ten-fold increase in US oil exports to India (making it India's sixth largest oil supplier).⁶⁹

The Biden administration is more environmentally conscious, seeking renewed US-led global action against climate change. At the March 2021 introductory meeting between India's former Minister of Petroleum Dharmendra Pradhan and US Secretary of Energy Jennifer Granholm, the two sides agreed to "revamp the India-US SEP to reflect the new priorities of Prime Minister Narendra Modi and President Joe Biden with focus on promoting clean energy with low-carbon pathways and accelerating green energy cooperation." Under Trump, the two countries did cultivate a focus



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on clean energy under Asia EDGE with the launch of the Flexible Resources Initiative under the US-India Clean Energy Finance Task Force,⁷¹ but the focus was mainly on ensuring India had the required flexibility to integrate renewable energy, and on gas pricing and gas-fired generation assets.⁷²

Going forward, the necessary push for India and the US to adopt joint development initiatives catering to the Indo-Pacific's clean energy needs could stem from Biden's vigour for cooperation in the sector and India being on the path to exceed its green energy commitments.⁷⁸ For instance, in the Indo-Pacific, the two sides could share administrative lessons and technical expertise from DFC initiatives in India (see Table 5) that have pioneered long-term and low-cost power purchase agreements (such as those with state-run Gujarat Urja Vikas Nigam and Solar Energy Corporation of India) at competitive tariffs.⁷⁴

Integrate: Consider alignment with US development frameworks in the Indo-Pacific

Just as India's integration with US defence frameworks led to expanded cooperation with like-minded partners, an alignment with US frameworks for development cooperation could help institute common standards between India and other nations.

The Trump administration played a critical role in countering China's propositions under the Belt and Road Initiative (BRI) by embracing multilateralism.⁷⁵ The US set up the Blue Dot Network (BDN) in a bid to offer "a globally recognized seal of approval signifying adherence to high standards" and geared towards promoting "market-driven, transparent, and financially sustainable infrastructure projects,"⁷⁶ to underscore the high standards of its investments compared to Chinese investments. The BDN built on cooperative agreements signed between the US DFC and its counterpart institutions in Japan, Australia, Singapore, Canada, and the EU. In addition, since the BDN draws on the G20 Principles for Quality Infrastructure Investment, the network's agenda is not entirely US-driven and does not "espouse an outwardly China-containment policy".⁷⁷

Given India's early opposition to the BRI, the Trump administration mooted New Delhi's participation in the BDN,⁷⁸ which signalled its consideration of the invitation.⁷⁹ India has established connectivity partnerships focused on sustainable development with BDN participants like the EU and a Supply Chain



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Resilience Initiative with BDN and Quad members Japan and Australia. With Biden signalling continuity on Trump-era US development finance institutions like the BDN (albeit under the renewed mandate of the recently announced Build Back Better World partnership),⁸⁰ India's alignment with frameworks like the BDN will help accord institutional heft to its initiatives in the Indo-Pacific.

Consolidate: Extend cooperation on agribusiness training and innovation to Southeast Asia

Despite India and the US having long-standing market-access divergences over the trade of agricultural products,⁸¹ the success of the FTF-ITT initiative underscores joint training in the agribusiness domain to be the most vital component of bilateral development cooperation. With the FTF-ITT nearing its final goal of 44 training programmes, a revised iteration of these initiatives must now adopt an Indo-Pacific focus by also including Southeast Asia nations. Although Southeast Asia is a global exporter of commodities like palm oil, rubber, and rice, the region is increasingly vulnerable to post-harvest losses due to climate change and rising pressures, with domestic demand expected to double by 2050.⁸² The sharing of best practices and technologies could "increase yields, reduce the environmental impact of farming, improve the safety, traceability and nutritional value of food, reduce waste, shorten the supply chain and bring food to consumers in their increasingly urban settings." ⁸³

Beyond the prospective expansion of the FTF-ITT initiative, India-US development cooperation can assist Southeast Asia through upstream activities like digitally linking source avenues for producers. Although the region has witnessed a boom in agri-tech startups, these mostly cater to downstream supply-chain issues like connecting producers to consumers. As illustrated by the DFC investments in India (see Table 6), India and the US have graduated beyond the investor-recipient dynamic to equity-based partnerships to fund agri-tech innovations to strengthen supply value chains and e-marketplace platforms and linkages to input providers.

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ies between India and the US will have a significant role in shaping the Indo-Pacific's future, as illustrated by the centrality of their bilateral defence cooperation in nascent bilateral and plurilateral security arrangements.

Drawing on the successes of India-US defence cooperation, a similar focus on diversifying, integrating and consolidating bilateral development cooperation can help upgrade the mandate of India-US Triangular Cooperation for Global Development, which is up for renewal in 2021. Such an upgrade will be a timely effort towards identifying joint development priorities for the Indo-Pacific. Finally, building on the limited yet successful record of India-US development cooperation in Africa, Afghanistan and South Asia, US DFC initiatives in India offer avenues for diversifying cooperation in the critical domain of clean energy under the Asia EDGE initiative and extending India-US cooperation on agribusiness training and innovation to Southeast Asian nations.



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