86

ORF OCCASIONAL PAPER

FEBRUARY 2016

Elephants in the Room: Challenges for India as an Emerging Development Partner

Urvashi Aneja and Tanoubi Ngangom

ORF OBSERVER RESEARCH FOUNDATION

Elephants in the Room:

Challenges for India as an Emerging Development Partner

Urvashi Aneja and Tanoubi Ngangom

ORF OBSERVER RESEARCH FOUNDATION

ABOUT THE AUTHORS

Dr. Urvashi Aneja is a Fellow at ORF, working on the organisation's Global Governance and Climate & Development Initiatives. Her research focuses on southern partnerships for humanitarian and development assistance, India's role in global development processes, the politics of refugees and forced migration, and normative contestation in global governance institutions. Urvashi regularly consults for the United Nations and other international organisations, and is a member of the World Humanitarian Summit thematic and regional working groups. She is also Associate Professor in International Relations at the Jindal School of International Affairs, where she heads the Center for Global Governance & Policy. Urvashi has a PhD and MPhil in International Relations from the University of Oxford, UK.

Tanoubi Ngangom is a Junior Fellow with ORF's Economy and Development Programme. Her work focuses on India's development cooperation, India's role in global processes, and domestic development policies. Tanoubi is also involved with India DataLabs, ORF's in-house quantitative analysis unit. She holds a BA (H) in Economics from the Shri Ram College of Commerce, Delhi, and an MSc in Development Studies from the London School of Economics and Political Science, UK.

Elephants in the Room: Challenges for India as an Emerging Development Partner

ABSTRACT

Emerging powers are re-shaping the norms and practices of international development. As the Indian economy continues to grow and the country bids for a seat at the great power table, the ambitions of India's development partnerships are likely to expand in scale, scope, and geographical reach. This paper examines the challenges for India as a developing country and emerging economy building development partnerships with other southern states. It argues that India faces three main sets of challenges: an emerging-power challenge, a development challenge, and a partnership challenge. The manner in which these challenges are negotiated will influence the extent to which India's development partnerships meet their economic and strategic goals as well as the development priorities of its partners.

INTRODUCTION

Emerging powers are increasingly contesting the norms and practices of international development, set historically by the old hegemons.[1] India, for example, currently contributes approximately $1.16 billion in grants, loans, and training programs towards development cooperation—representing a four-fold jump in just a decade.[2] As the Indian economy continues to grow and as the country bids for a seat at the great power table, the ambitions of India's development partnerships are likely to grow in scale, scope, and geographical reach. Most recently, at the Third India-Africa Forum Summit held in New Delhi in October 2015, India made a pledge of concessional credit worth $10 billion to Africa in the next five years – a doubling of its existing commitment – and grant assistance of $600 million, which includes an India-Africa Development Fund of $100 million and a Health Fund of $10 million.[3]

The scholarship on India's development partnerships has largely focused on documenting the quantity and scope of India's development partnerships,[4] its defining features and legitimising discourses,[5] and issues around project implementation and management.[6] Building on this scholarship, this paper examines the challenges for India as a developing country building and expanding development partnerships with other southern states. It also seeks to highlight the key issue areas that can inform evaluation and monitoring of Indian development partnerships. The need for such evaluation has been frequently noted in the academic literature, as well as policy and practitioner circles. At the Third India-Africa Forum, for example, African leaders welcomed the newly promised lines of credit but emphasised that these must be accompanied by rigorous analyses to ensure mutual gain for India and its African partners.[7]

India faces three main sets of challenges: an *emerging-power* challenge; a *development* challenge; and a *partnership* challenge. Over the past two decades, the imperative of economic growth has made economic diplomacy a central pillar of Indian foreign policy. Yet, India's great-power aspirations and reputational concerns require the nation to frame its economic diplomacy in terms of a development partnership. The imperatives of economic diplomacy and development partnership might be complementary, but also conflictive; how such tension is managed will depend at least in part on the robustness of the institutional structures charged with the management of India's development partnerships. At the same time, however, using existing definitions and evaluative frameworks for aid-effectiveness based on an OECD-DAC model will be unproductive as India's development partnerships are organised around a different set of criteria, and India rejects the term 'aid' altogether in defining its development partnerships. The idea of 'development effectiveness' is more in line with how India conceives its development partnerships and negotiating position in international development forums. The challenge for India is how to build policy coherence between its various non-aid instruments and institutional mechanisms, while ensuring that such policy coherence does not undermine national ownership by partner states. Finally, India's development partnerships are framed in the language of south-south cooperation – particularly, the principles of demand-driven aid and non-interference. While these are meant to establish a mutually beneficial development partnership, and distinguish Indian development partnerships from the OECD model of aid, employing these principles as programmatic guidelines can compromise equitable development outcomes where the partner state has contested and unrepresentative leadership or institutions. Yet, as emerging powers are expanding the menu of development partners available to southern states, the latter can be seen as exercising new forms of ownership and agency. The development gains to India's partners will depend on their capacity to manage the partnership, to ensure the equitable spread of development gains across their peoples and institutions.

The manner in which these challenges are managed and negotiated will influence the extent to which India's development partnerships meet their economic and strategic goals as well as the development priorities of the country's partners. Section I provides an overview of India's development partnerships; Section II unpacks the three challenges confronting India; and Section III concludes the paper by outlining specific policy recommendations and research areas to guide evaluations of Indian development partnerships.

I. INDIA'S DEVELOPMENT PARTNERSHIPS: AN OVERVIEW[8]

India has been engaged in development partnerships since the time of its independence.[9] Early partnerships were a conscious attempt by India to establish solidarity and partnership with other post-colonial states. Development partnerships 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. India's development partnerships were further influenced by the principles of Panchsheel and Non Alignment; non-interference and sovereign equality were thus integral components of India's early development initiatives.[10]

Despite this long engagement, development cooperation has only recently become an important foreign policy tool for India. Since the liberalisation of India's economy in the 1990s, there has been a spurt in the volume and diversity of India's development partnerships. In terms of amounts allocated by India for grants, loans, and training programs, the volume has grown four-fold from 2003-04 to 2013-2014, with the latest budget amounting to $1.6 billion.[11] In the early 2000s, reflecting India's growing economic interests, India began to use Lines of Credit (LOC) or export credits as one of its key development partnership instruments. Including the LoCs significantly raises the total amount that India pledges towards development partnerships. As of 23 December 2015, India's EXIM Bank had 194 operational LOCs covering 75 countries for a total amount of $ 12.05 billion.[12] Today India's development partnerships are primarily about the achievement of economic and strategic goals, rather than ideological preoccupations or the political solidarity that shaped the early years.

India has also become extremely selective in accepting aid: it no longer takes tied aid and accepts from only a few donors such as the G8, European Union, World Bank, IMF and DFID.[13] 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 not only assist partner states but also bring concrete benefits to itself.

Calculating the exact amount allocated by India towards development partnerships is made complicated by the difficulty in defining the boundaries around the kind of activities that should be counted as 'development cooperation'. Some scholars define the concept of 'development cooperation' broadly, to include peacekeeping, engagement in global and regional institutions, and contributions towards global migrations. Others include trade and investment in their analyses.[14] Broadly speaking, India's development partnerships are carried out through three main instruments:

1) Project-based grants: Grants are provided in areas of education, information technology and other cross sectors, and mainly in India's neighbourhood. These are given as per the specific requests of partners and without any political conditionalities.

2) International Technical and Economic Cooperation (ITEC): Through the ITEC programme under DPA-II, India provides training and skill development to policymakers and civil servants from African and Asian countries. Skilling takes place either in Indian institutes or by deputising Indian experts to the partner countries. As training is provided in areas identified by partner countries themselves, ITEC embodies the principle of non-prescriptive, demand-driven cooperation. In 2013-14, ITEC had a budget of $23 million and offered 8,280 training slots.[15]

3) Concessional Lines of Credit (LoC): India also extends concessional credit through the Export-Import Bank of India (EXIM Bank), and supported by the Government of India, primarily for infrastructure development. By adding a condition of obtaining goods and services from Indian companies, this instrument is intended to lead to mutual gains. LoCs also complement India's demand-driven approach as they are typically extended in response to a specific request expressed by a partner state during bilateral discussions.

India's development partnerships are framed in the language of south-south cooperation. Accordingly, the key principles driving India's development partnerships are sovereign equality and non-interference; mutual benefit for win-win outcomes; demand-driven partnerships, based on requests by recipient states; and the absence of any political conditionalities. The main function of this framework is to build ties of political solidarity and economic partnership based on common development challenges, and distinguish Indian development partnerships from the North-South model of aid that mostly takes the form of doleouts from the donor to the recipient. The philosophies underpinning DAC donorship and South-South cooperation are distinct in so far as the former typically envisions 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 framed as a form of partnership aimed at mutual growth to create a higher level of capability and economic opportunity for both parties.[16] Some scholars also contrast the two in terms of the different economic model employed. DAC donors use a 'framework approach' in which the focus is on the broader framework and rules of an economic system – conditionality is used as a way to bring about changes to this broader system. The South-South Cooperation model, on the other hand, is based on an 'ingredient approach' that focuses investments on the various components or ingredients of an economy and is thus about making tangible investments in specific productive sectors of the economy, such as infrastructure.[17]

This progress in India's role as a development partner has also led to the establishment in 2012 of the Development Partnership Administration (DPA) under the Ministry of External Affairs (MEA). DPA is an umbrella body in charge of all of the country's international development cooperation activities. The majority of India's development partnerships are extended to neighbouring countries such as Afghanistan, Bhutan, Nepal and Myanmar, and typically in the form of technical assistance, grants, and concessional loans. In Africa, partnerships are channelled primarily through lines of credit, reflecting the economic opportunity India sees on the continent. Current trends indicate that India's development partnership arm will continue extending its reach. However, the future contours and effectiveness of India's development partnerships will depend upon the country's ability to effectively navigate three important challenges, all of which are discussed in turn in the following sections.

II. CHALLENGES

THE EMERGING-POWER CHALLENGE

Economic diplomacy for domestic growth

The immense development challenges confronting India are well documented. Despite high growth rates recorded over the past two decades, millions still live below the poverty line and lack access to the most basic social services. Sustaining high economic growth is seen as the pathway from underdevelopment to prosperity. For India to even attempt to achieve such growth—and sustain it—the country needs access to energy and other natural resources, favourable terms of global trade and finance, access to new markets, and regional stability and security. Recognising this, India has for the past decade amplified its economic diplomacy efforts. (Economic diplomacy refers to the use of trade, investments, and other economic tools to further the national interest.) This new pragmatism has replaced the earlier idealism of Indian foreign policy. As foreign-policy expert, C.Raja Mohan argues, "Negotiation of liberal trading arrangements with key nations, large scale national investments in the hydrocarbon sectors of other countries, focus on developing transport infrastructure in the neighbourhood, India's new role as an economic donor, and the focus on mega projects such as natural gas pipelines cutting across our borders have significantly transformed our foreign policy template".[18]

Development partnerships are one of the tools through which India engages in economic diplomacy. Grants or concessional loans are offered on the premise that this will open up new markets for Indian firms, provide India access to critical natural resources, and create stability and goodwill. Realists or neo-realists would argue that the idea of 'development partnerships' is a misnomer as states are not motivated by altruism, and neither should they be.[19] Foreign aid is thus nothing more than a foreign policy tool and it is legitimate—necessary, in fact—for a state to prioritise its national interest. Neo-liberal institutionalists similarly assign centrality to the national interest as the legitimate goal of foreign policy. However, they argue that the national interest can at times be best achieved through collaboration rather than competition. States are concerned with not only relative gains but also absolute ones, and this creates opportunities for cooperation through international institutions.[20]

South Asia provides plenty of examples of how development partnerships are intended to serve primarily Indian national interests. For example, India has pledged over $2 billion to Afghanistan for development projects. This move is a reflection of its security interests vis-à-vis Pakistan and its interest in accessing the abundant natural resources of the Central Asian region.[21] Similarly, it is no mere coincidence that the majority of India's development partnership programs for Bangladesh are focused on the transport sector—14 of the 15 projects under the $800-million LOC were extended to the transport sector to upgrade the railway system.[22] Given Bangladesh's strategic location, improved connectivity would not only provide India with access to the ASEAN region—and thereby offsetting Chinese presence—but it would also mean easier movement within India's own northeastern states. Development partnerships with the Maldives are also a response to increasing Chinese presence in the Indian Ocean Rim as well as a move to safeguard India's resource imports through the region, such as oil and coal.[23]

The Development Partnership imperative

What is striking then from a realist or institutionalist point of view is the fact that India frames this economic diplomacy in the language of development partnerships. In the context of the India-Africa summit, India was clear to emphasise that 'mutual development is at the heart of the burgeoning India-Africa relationship'.[24] Similarly, the government-sponsored lines of credit are marketed by the EXIM Bank as sharing India's 'development experience' aimed at the 'creation of socio-economic benefits in recipient countries and infrastructure development'.[25] One might argue that India uses the language of development partnerships to help obscure the underlying strategic and economic interests driving its programs or as a 'soft power tool' to win favour among partner states. It is thus still motivated by Indian national interests rather than the development priorities of partner states. This explanation, however, is incomplete; it does not reveal why the idea of a development partnership is a valid legitimating tool in the first place that could help augment India's soft power. Here it is helpful to turn to the constructivist view of international relations in which foreign aid can be understood as a (contested) norm of 'proper' state behaviour.[26]

India seeks to be recognised as a 'great power' as observed, for example, in its bid for permanent membership to the UN Security Council. A great power, however, is not defined only in terms of the material resources and capacities that it possesses but also the extent to which it can be considered a responsible stakeholder in the international system and conforms to the dominant norms of international society, albeit contested.[27] It is for this reason that North Korea, for example, is typically considered a 'rogue' state rather than a great power. The idea of a great power is thus a normative concept and as states bid for great-power status, they also seek to define their national interest in terms of a legitimising framework that speaks to the dominant norms of the time. As an aspirant to great-power status, India is expected to not only pursue its narrow national interests at the expense of other actors, but also contribute to global development and pick up its share of global responsibility. It is this bid for great-power status that thus explains why India employs the language of development partnership to frame its economic diplomacy with southern states. As analyst, D. Chanana argues, “If there is anything new [in India's development cooperation profile] it is the hope that through aid India can gain recognition as a world power and advance certain strategic interests”.[28]

Constructivists also suggest that states intentionally or unintentionally project particular identities through their international development cooperation discourses and policies. In the case of India, the rhetoric of south-south cooperation and development partnerships is a means through which India defines its development cooperation in contrast to the 'aid'-based model of western donors. As Emma Mawdsley argues, the rhetoric and performance of South-South cooperation is a means to symbolise a particular type of social relationship: equal partners pursing mutually beneficial interactions based on shared affinities, identities, and experiences. Indian identity is thus constructed in opposition to that of western states and it is this 'othering' that also gives it legitimacy among other southern states. India also uses the rhetoric of southern solidarity to distinguish its identity—in this case, as a development partner—from that of its rival, China. Particularly in the context of Africa, India seeks to distinguish itself from China by emphasising its long-standing historical association with the continent that makes it a 'true friend'.[29] Sujata Mehta, the head of India's DPA, recently stated, for example, that India's development partnerships with Africa are "unlike [China's] state-centric model" based on 'resource extraction'; rather it is based on solidarity and "because we feel we have something to share with other developing countries like us".[30]

The emerging-power challenge for India is thus, that as a developing country itself it is necessary for its economic diplomacy to serve national interests. This would mean that its economic diplomacy efforts grant it access to resources, markets, and investments necessary for economic growth. Moreover, it will be increasingly difficult to justify to a domestic audience why India allocates resources for global development even while the country faces critical development challenges of its own. At the same time, its bid for great-power status requires it to frame its economic interests in terms of a development partnership. Its identity as a southern state also necessitates that it distinguishes its programs (for the better) from western states (and increasingly, China). India's projected identity and reputation as a development partner is thus intertwined with establishing difference from western powers and policies and constructing win-win relationships that will bring development gains to India and its partners. Maintaining this identity and reputation is at the same time critical for retaining influence and authority in its global economic diplomacy.

Negotiating contradictions and complementarities

It is important to recognise that the imperatives of economic diplomacy and development partnerships can be both contradictory and complementary.

India's growing engagement with Africa provides an illustrative example. The growing centrality of Africa in India's economic diplomacy efforts is primarily driven by a concern with securing energy supplies and minerals. Africa currently supplies one-fifth of India's crude oil imports; this figure was zero in 2005.[31] In 2012, mineral products, precious stones, and metal imports from Africa constituted 86 percent of all Indian commodity imports from the continent.[32] A history of African development, however, demonstrates that countries with an abundance of non-renewable resources have performed poorly on economic and development indicators, often contributing to creating cycles of conflict and structural violence. This 'resource curse' can also lead to a decline in the competitiveness of other sectors of the economy, and result in a volatility of revenues from the natural resource sector due to exposure to global commodity market swings. Moreover, resource-rich economies are prone to rent seeking and extraversion by state elites and local authority structures to the detriment of broader development gains.[33] Emerging studies suggest that at present, India's (and China's) growing demand for energy is bringing revenue gains to Africa, though in the long run an Indian 'resource grab' in Africa could perpetuate the structural conditions contributing to poverty and conflict.[34] While this might serve the objectives of economic diplomacy, it is contradictory to the development partnership imperative. In another example, a recent study on Indian investments in phosphoric acid in Senegal argues that Indian companies now own 85 percent of Senegal's flagship industrial company, Industries Chimiques du Senegal (ICS) and, as a result, the bulk of phosphoric acid production is intended for export to India. The remainder is allocated for boosting agricultural productivity in Senegal, but domestic fertiliser production remains weak, as Indian investments do not include upgrading the necessary factories in Senegal for fertiliser production. Interestingly, the Indian Farmers Fertilizer Cooperative (IFFCO) leads the management of ICS and at the same time, it is ICS's main client – IFFCO is the world's largest fertiliser cooperative federation and 58 percent of phosphoric acid that IFFCO needs is sourced from Senegal.[35]

Examples of complementarities can be seen in India-Africa collaboration in science and technology, particularly in the health and renewable energy sector. Indian institutions such as The Energy and Resource Institute (TERI) are promoting the use of solar lanterns and clean cooking options in many African countries—the promotion of such decentralised solar energy options and improved cook stoves can provide much needed energy for poor rural households in Africa.[36] Indian engagement has also been growing at an accelerated pace in the healthcare sector in Africa through the export of high quality but low priced Indian pharmaceutical products, setting up business partnerships with hospitals in Africa, and medical tourism of Africans to India. Cipla, the largest generic-drug Indian firm, has brought down the cost of Antiretrovirals (ARVs) for HIV, to one dollar per day and in 2011, this initiative was established in Cameroon, Kenya, Lesotho, and Zambia.[37] Mutual benefit can also be built into existing relationships by for example, diversifying India-Africa trade or building forward and backward linkages around Indian LoC-funded projects to help build local capacity and shift some value addition processes to Africa itself.

Strengthened institutional mechanisms and structures

The imperatives of economic diplomacy and development partnership can thus be both contradictory and complementary. The challenge is how to move from a zero-sum game built on relative gains to one in which opportunities for absolute gain are created and developed. Realists would argue that this in itself is an unproductive exercise, and India must prioritise its national interests and thus the imperatives of economic diplomacy. However, drawing on constructivist social theories of international politics, it becomes clear that the pursuit of development partnerships is a corollary to India's global identity and its aspiration for great-power status. Liberal Institutionalists argue that opportunities for collaboration around absolute gains can be created through the creation of institutions. Institutions can play a critical role in creating mutual benefit through the clustering of issues, the provision of reliable information, monitoring of state action, and allowing decentralised enforcement through reciprocity strategies. As American analyst, Robert Keohane argues, while cooperation in anarchy relies on reciprocity, more cooperation can be sustained if the reciprocity does not rest on simultaneous and perfectly balanced exchanges. International institutions can thus be thought of as “as arrangements that facilitate non-simultaneous exchange”.[38]

Following on this institutionalist argument, India might be better placed to manage these two imperatives by creating internally, or committing externally, to an institutional structure that can assist with such issue linkage, information management, and non-simultaneous exchange. This could take the form of an India-Africa or India-South Asia working group (perhaps similar to the China-DAC working group).What is perhaps more conceivable and critical is strengthening the existing Development Partnership Administration so that it grows from being an administrative agency to a knowledge and coordination hub. Some of its key activities could include conducting research and evaluation on existing partnerships, coordinating information and operations between various line ministries, maintaining a roster of approved contracting firms and developing a framework for private sector regulation, and coordinating peer-review mechanisms with partner states. It is also a case for strengthening and developing linkages between policy think tanks, private sector, and civil society actors in India and partner states to develop multi-pronged engagement for analysis, monitoring, and building continuity.

III. THE DEVELOPMENT CHALLENGE

Shifting understandings of 'Development'

As argued earlier, India frames its economic diplomacy in terms of a development partnership because it seeks to construct a particular identity or role for itself on the global stage. This identity will depend at least partly on perceptions of India's contributions towards global development. The challenge, however, is that there is no fixed definition of what constitutes 'proper development'. The goals and scope of ODA have shifted from budgetary support for industrialisation with governments considered as the ultimate arbiter of resource allocation in the 1960-70s, to the rise in the

1980s of neoliberal thinking and *laissez faire* economics in which excessive government involvement was seen as main obstacle to growth, to a form of poverty reduction through social sector interventions from the 1990s onwards. By the early 2000s, responding to growing critique of ODA, donors put in place principles of 'aid effectiveness' to ensure that development assistance promoted national ownership, alignment between external aid and national structures, and the harmonisation of donor policies.[39] What constitutes good or proper development is thus a shifting goal post and this complicates India's attempts to project itself as a legitimate development partner. Moreover, frameworks for assessing development in terms of aid effectiveness cannot be readily applied as India rejects the term 'aid' altogether; moreover, some scholars suggest that 'tied aid' and the blending of commercial and development instruments means that India's development partnership preclude it from being counted as ODA.[40]

The debate around development also seems to be shifting again from 'aid effectiveness' to 'development effectiveness', as seen most recently at the High Level Panel for Aid Effectiveness in Busan in 2011. While aid effectiveness typically refers to the coherence and performance of aid inputs, the idea of development effectiveness shifts focus to development outcomes of multiple inputs or instruments such as trade, private sector investments, corporate standards, philanthropic activities, technology transfers, and migration. On one hand, this reflects the failings of ODA to contribute to expected development gains and the growing recognition that in the long term, non-ODA flows such trade, investment, and domestic resource mobilisation through taxes are more important than official development assistance.[41] The Financing for Development at Addis in early 2015, for example, took a far broader approach to development finance–from a more restrictive definition of ODA to including export credits, private finance, global tax regulation, and other financing tools. At the same time, the idea of development effectiveness also reflects the growing influence of southern states as development partners – similar to India, a number of southern donors also blend commercial and development instruments, and trade, private investments, debt relief and peacekeeping are all seen as contributions towards development effectiveness. Moreover, the development effectiveness paradigm encapsulates some of the frequently raised concerns of southern states around trade and technology transfer.[42]

The problem, however, is the inherent vagueness and expansive scope of the term 'development effectiveness', which complicates evaluating the contributions of specific interventions. Still, there seems to be some convergence around the idea that 'policy coherence for development' is a central pillar. For the OECD, for example,"policy coherence means different policy communities working together in ways that result in more powerful tools and products for all concerned. It means looking for synergies and complementarities and filling gaps among different policy areas so as to meet common and shared objectives".[43] Policy coherence is thus fundamentally about considering the trade-offs and potential synergies across areas such as trade, investment, agriculture, health, education, and the environment, among others, to facilitate development effectiveness.

Interestingly, recent publications by the Regional Information Systems (RIS), a New Delhi-based think tank that is sponsored by the Indian Ministry of External Affairs (MEA) and charged with considering issues around south-south cooperation, also makes a case for policy coherence for India's development partnerships. Sachin Chaturvedi, Director-General of RIS, in his latest book describes India's development partnerships, and South-South Cooperation more generally, in terms of a 'development compact' encompassing trade, investments, grants, technology, lines of credit and capacity building.[44] Development compact modalities, Chaturvedi argues, "need to be policy coherent so that they do not adversely affect any sectors such as health, nutrition, education or even macro-economic variables such as income and employment".[45] Policy coherence is thus seen as "a way to achieve all-round development in partner countries, without resorting simply to disbursements through aid".[46]

Building policy coherence for development effectiveness

The challenge for India is how to build a coherence between its development partnerships, private sector investments, and trade. The nature of India-

Africa trade, for example, is such that most African countries run a trade surplus with India largely driven by exports of oil, gas, ores and gold. Moreover, little value addition takes place in Africa at present – Africa for example, supplies a large portion of crude oil to India and India exports refined petroleum to the continent. Some African analysts have thus argued that their country's current economic relationship with India parallels colonial trade patterns.[47] Such issues also arise in the context of India's bilateral trade relations with its neighbours; studying major items in India-Myanmar trade highlights this issue. According to the EXIM Bank of India, Myanmar is India's largest import source for two primary commodities: wood articles and charcoal, and edible vegetables. On the other hand, chief Indian items exported to Myanmar include higher-end products such as pharmaceutical products, machinery and instruments, and electrical and electronic equipment. Trade with Lao PDR follows a similar pattern: India imports ores, slag and ash, while its main exports are aluminium and metal articles and pharmaceutical products.[48]

India's private sector also plays a critical role in India's development partnerships, though the government currently has no stringent conditions or regulations for private sector investments. In Africa, for example, private sector investments have contributed to improved agricultural productivity. Africa expert, Renu Modi, shows how Indian companies engaged in the agricultural sector in Africa provide customised agricultural equipment that is appropriate and affordable for small holdings in that continent.[49] However, private sector investments can also have adverse development outcomes. In Africa, in particular, private sector investors have been accused of landgrabbing, where huge swaths of land are cultivated principally to meet the requirements of an export market, globally as well as in India, and as a result threatening domestic food security.[50] In Ethiopia, the biggest agricultural holdings are held by an Indian investor, Bangalore-based Karuturi Global, hugely engaged in agro-business. Karuturi has been accused of tax evasion, failure to pay local wages, and human rights violations. Studies also suggest that their officials and employees are prone to corruption and insensitive to local customs, aside from promoting unsustainable farming practices.[51] Similarly, a recent study on Indian investments in Senegal argues that the Indo-Senegalese cooperation framework does not make a significant difference in terms of linking private investments with development outcomes.[52]

Further, development gains can also be compromised by poor project guidelines and implementation by the private sector. Senior officials from Bangladesh Railways have stated, for example, that inflated prices offered by Indian companies have not only led to the rise in project costs of LoCs, but have also caused a two-year delay in project implementation.[53] Moreover, private sector capacities are sometimes not in line with commitments made through the LoC. For instance, the $800-million LoC to Bangladesh was extended mainly to upgrade the rail system. Because India does not manufacture metre-gauge carriages and engines, Bangladesh had to seek additional assistance from the Asian Development Bank in order to effectively carry out the infrastructure upgrade that was earlier envisioned under the Indian LOC.[54]

Policy coherence would also imply improving the synergy between various Indian ministries engaged in development partnerships. Recent studies indicate that there is little integration or collaboration between the various ministries at present. For instance, the ministries of health and agriculture do not have in place a common framework or set of objectives and guidelines for engaging with development partners, even as investments in the agriculture and health sectors are critical pillars of India's engagement with other developing countries.[55] Equally important is the need to improve the coherence between its various projects in partner countries. A case in point is the grant of Indian loans and small development grants in Nepal. A study of these grants has found that these projects are not interlinked and are carried out independently. Interlinking projects could have positive spillover for projects under both categories. A grant of ambulances, for example, should be linked to broader investments in the health sector to create maximum impact; conversely, building a school in an area with minimal access to transport will have limited impact.[56] Similarly, a study on India's development partnership in Kenya, argues that the ITEC program would better serve the interests of both countries if it was coordinated with parts of India's development assistance – for example, if training was directed at the long-term local management of turnkey projects specifically designed to support the pan-Africa e-network.[57]

Measuring for the impact of such policy coherence will also require a clearer articulation of objectives, indicators, policy linkages, and an overall framework linking these together. Data collection and analysis mechanisms are currently weak or absent, and there is a deficit of strategic oversight and direction. The framework most often cited is one of south-south cooperation, though this is mostly a political framework that provides little guidance for specific projects and how they should be carried out. There is tension between policy coherence and national ownership – one of the defining features of India's programs is that they are demand-driven and thus can be claimed to be 'nationally owned' by the partner state, but the principle of policy coherence would result in greater input from the Indian side than is currently the case. The issue of national ownership, as the next section argues, is complicated by the agency and effectiveness of institutions in partner states.

IV. THE PARTNERSHIP CHALLENGE

One of the main criticisms of the foreign aid programs of western states is that they establish a hierarchical relationship between donors and recipients in which developing countries have had little agency and ownership over determining their development trajectories. Framing its economic diplomacy as a 'partnership' instead, India seeks to distinguish its programs from the foreign aid practices of western states. For this rhetoric to translate to practice, it is important that partner states remain in the lead and are able to claim ownership over their domestic policies. India operationalises this idea of partnership by its emphasis on demand-driven programming that is free of any political conditionalities.

Demand-driven aid and weak states

Studies indicate that many of India's development partnerships are signed at the highest level of government, with little consultation from lower-level ministries that might be better placed to grasp the technical requirements and challenges.[58] The problem with demand-driven partnerships is thus that they might reflect elite interests and not necessarily the broader national interest. Moreover, the requested programs might contribute to bolstering the power of elites rather than contributing to development effectiveness. This tension underscores the inadequacy of using a political framework like South-South cooperation to make programmatic decisions – the principle of demand-driven aid might only pay lip service to the idea of national ownership, while at the same time undermining development effectiveness. In Eritrea for example, India provides support for education programs in line with the principle of demand-driven aid, even while Eritrea is considered to be ruled by a repressive regime that uses the public education system as a form of societal control.

The partnership challenge is further compounded by the fact that a number of southern states that India partners with are in fact fragile contexts characterised by contested domestic leadership and weak institutions. Two of India's top development partners – Sudan and Afghanistan – occupy the 5th and 8th positions, respectively, on the global fragility index; Nigeria is at number 14, Ethiopia at 20 and Myanmar, 27.[59] In a sense then, this makes them weak partners and places structural limitations on the extent to which India can contribute to development gains. At the same time, in so far as India is engaged in development partnerships with states in which there is ongoing conflict, India's development partnerships can be perceived as contributing to perpetuating existing conflict fault lines. The case of Afghanistan provides an illustration where New Delhi is supporting the ruling government, even while the Taliban has assumed state-like functions in large parts of the country. In another example, Sudan is one of India's key development partners and Indian state-owned engineering companies are helping build road infrastructure there. However, these projects tend to be geographically clustered and therefore risk exacerbating the development gap between the centre and the periphery that is regarded as a key cause of Sudan's conflicts.[60]

Quasi-sovereignty and extraversion: Problematising national ownership

Robert Jackson's thesis of quasi-sovereignty developed in the context of African states is also useful in this analysis. Jackson distinguishes between judicial and empirical sovereignty, arguing that while a number of African states have judicial sovereignty by virtue of the legal recognition of statehood by the international community, they often lack the conditions to qualify for empirical sovereignty.[61] This leads to what Christopher Clapham has termed 'the gap between the myth and reality of statehood'. Recognition by the outside world affords political elites access to state monopoly on economic rents such as international trade, establishment of official exchange rates and import licenses; this monopoly of access to external actors is used by state elites to then maintain domestic control.[62]

This problematises the extent to which Indian investments can be criticised for not contributing to equitable development gains. As Clapham argues, while multinationals and external powers are often painted as villains in this relationship, they are in fact the mechanism through which political elites extract economic rents from the country's internal resources and forge a clientelistic relationship with the outside world.[63] Returning to the example of Indian private investments in Ethiopia, this line of analysis shifts attention to the failures of the Ethiopian government in not regulating foreign investments in a manner that the local people affected by large-scale sale of land are duly compensated and provided alternative means of livelihood. Currently, investors are not obliged to supply the local or national markets nor are there provisions in the contract for meeting the food security needs of the country.[64] This corroborates arguments that foreign investors in Ethiopia cannot be accused of landgrabbing because the land acquired, mainly on long lease, has been by the invitation and with the facilitation of the host country.[65] If this qualifies as neo-colonialism, then it is a form of neo-colonialism by invitation. In contrast, states with strong national strategies such as Mauritius have performed better in engaging with, and choosing between, different partners.[66]

Re-thinking State agency

The relationship between State elites and external actors discussed above also problematises what should be seen as an expression of state agency in the context of development partnerships. Bayart, Clapham, and most recently Lucy Corkin, argue that this dependence on external actors does not imply a submissive role for political elites but demonstrates their agency in manipulating the external environment to suit their needs. Corkin, in her study on Chinese investments in Angola, argues that the elites of that country have been able to leverage their relationship with China to also secure lines of credit from a number of other partners. Compared with the situation immediately following the end of the Cold War, Angolan elites have thus been able to construct a successful strategy of diversification of financial resources.[67]

Considering agency in these terms might therefore suggest that the growing menu of development partners available to political elites in developing countries has enhanced their agency in negotiating and choosing between the development offers best suited to their needs. Recent studies corroborate this, arguing that there is now a general tendency in Africa to adopt a 'multiple strategy' vis-à-vis different partners based on what they can offer.[68] As Corkin argues, one of the consequences of the growing influence of southern donors like China and India is that they have in fact given southern elites a greater amount of agency in choosing development partners according to their needs.[69]

In the long run, for this *choice* to translate to *agency* it will also be important that partners have access to adequate information and able to make informed choices. Recent media reports indicate that there is an information asymmetry between India and its development partners regarding the Indian firms who are supposed to be implementing the various projects. As a result, contracts are often awarded to Indian firms with little experience or capacity in the sector; this is then often sub-contracted to another Indian firm with few known credentials. Project implementation suffers as a result and there are already indications that this is damaging the reputation of Indian firms abroad.[70] The termination of the

Rahugh at hydropower contract in Nepal is a classic example of information asymmetry. IVCRL, a major Indian infrastructure company, had won the contract to build the LoC financed power plant. However, the Nepal Electricity Authority was forced to annul the contract due to the company's inability to carry out the construction.[71]

Reaching out to multi-stakeholders

The partnership challenge for India is how to construct development partnerships with States with weak or contested domestic leadership and institutions, where State elites often use external dependence to retain domestic control and in which development projects can themselves be seen as bolstering an illegitimate regime or contributing to structural violence. In these cases, the principles of demand-driven aid and national ownership could undermine development effectiveness. For the time being, however, it seems unlikely that India will sacrifice its strategic and economic diplomacy goals for development effectiveness in partner states. In the few instances in which India has intervened in the domestic affairs of another state, breaking with its commitment to the principles of non-interference and sovereign equality, this has tended to be framed in the language of regional security and stability, rather than humanitarian reasons, and motivated by Indian national interests.[72]

As the volume and scale of its programs grow, India will find it increasingly challenging to ignore any perverse development outcomes that result from its demand-driven approach. In order to manage such situations, India would do well to reach out to civil society organisations and other stakeholders from partner countries to assist in the equitable distribution of development outcomes. It had already begun to do this with some success in Nepal, Bhutan, and Sri Lanka through the implementation of 'Small Development Programs' that provide finance for specific development projects requested and managed by local communities and organisations.[73]

V. POLICY AND RESEARCH: NEXT STEPS

Most of the existing literature on India's development partnerships document the motivations, policies, and scope of Indian development partnerships. Building on this literature, this paper has unpacked the three main sets of challenges that confront India as an emerging development partner. These three challenges require policy responses by relevant Indian ministries along with empirical research on the context and impact of Indian development partnerships. On the policy front, there is a clear and urgent need to develop and strengthen Indian institutional mechanisms for negotiating and managing development partnerships. As argued earlier, it is important that the DPA evolves from being an administrative agency to a knowledge and coordination hub for research, evaluation, monitoring, and the recording of best practices. A strengthened DPA can facilitate the creation of complementarities between the objectives of economic diplomacy and development partnership through non-simultaneous exchange, information sharing, and knowledge creation.

The DPA can also play a critical role in creating policy coherence for development effectiveness by facilitating knowledge sharing and coordination between Indian line ministries, the EXIM bank, and the private sector. Policy coherence could also be facilitated by the creation of a roster of approved contracting firms and a framework for private sector regulation. Measuring the impact of such policy coherence, however, will first require a much clearer articulation of goals, objectives, benchmarks, and a framework linking them together. This is currently missing or not yet adequately consolidated. Now that DPA has been created, it would make sense to let it take the lead in articulating such a framework, situating it more broadly within the context of India's approach to the post-2015 development agenda. This will enable India to articulate more systematically how its partnerships contribute to development effectiveness, and identify areas where they are falling short.

The DPA could also take the lead in creating a system of peer review for its development programs. This will enable partner States to assess the quality and impact of Indian-supported development programs, preserving the lead and agency of partner States in determining their national development priorities. The challenge remains that the principle of demand-driven aid can undermine development effectiveness or contribute to exacerbating existing conflict fault lines. This paper has argued that it is unlikely that India will take a more interventionist stand. One of the defining characteristics of India's development partnership is the absence of political conditionality; this helps India distinguish its programs from those of western donors and is a source of both access and legitimacy. In cases where it is blatantly obvious that Indian development partnerships are contributing to broad-based negative development outcomes, India might use its preferred channel of backdoor diplomacy or suspend programs altogether. In other cases, where the evidence of development effectiveness is mixed, India would do well to strengthen and develop linkages between policy think tanks, the private sector, and civil society actors in India and partner States to develop multi-pronged engagement for improved contextual understanding and evaluation. Some of these challenges could also be navigated by drawing on the expertise of India's own development professionals.

The challenge will be to build an institutional structure that is able to build and monitor policy coherence for development and manage this with India's economic diplomacy goals, while creating enough flexibility and dynamism in its institutional workings so as to give partner states the lead in determining their development trajectories. On the research front, an important avenue for future research might involve considering different models of institutional design for managing these multiple goals. Here, India might learn lessons from other aid bureaucracies in developed countries, both of their successes and failures. Empirical studies are also needed to interrogate the nature and extent of mutual benefit, keeping in mind the criteria of economic diplomacy for domestic growth and development partnership for soft power and identity construction.

Assessing mutual benefit will also require looking at the development gains made in partner states. Development effectiveness could be a useful lens that then opens up critical research agendas around the role of the Indian private sector investments, the impact and nature of trade, the complementarity between various non-aid instruments such as technology transfers, and the quality and impact of capacity building and training programs. Empirical studies and evaluations also need to take into account the nature of sovereignty and agency in partner countries. Studies on India's development partnerships might thus also be organised around the qualities of partner states – looking for example, at the specific implications of building development partnerships in fragile states or in states with ongoing armed conflict. Evaluations might also assess the comparative advantage of India vis-à-vis other DAC and Southern donors, with a view both towards the agency of partner states and development outcomes.

Unlike western foreign aid practices, India's development partnerships are not driven by a particular development ideology or a well-defined doctrine of how poverty and prosperity should be managed outside its borders. India's development partnerships are much more transactional in nature, motivated by specific economic and strategic interests. Yet, even transactions for the national interest can aspire to be responsible, efficient, and balanced. For this, India needs to consider how the challenges discussed in this paper can be negotiated in the long run. This will be particularly important as the scale, scope, and reach of India's economic diplomacy and development partnerships expand. The downside of being a great power is that any action comes under closer scrutiny on the global stage. Finally, India should aspire to be a norm entrepreneur that re-negotiates the global rules of the game – whether on international taxation, intellectual property, or global trade. In so far as India shares common development challenges with a number of other southern states, it is such thought leadership that can be India's long-lasting contribution to global development.

ENDNOTES:

1. See for example: Ngaire Woods, "Whose Aid? Whose Influence? China, Emerging Donors, and the Silent Revolution in Development Assistance," *International Affairs*, 84 (6): 2008; Emma Mawdsley, *From Recipients to Donors: Emerging Powers and the Changing Development Landscape* (London: Zed Books, 2012); Sachin Chaturvedi, Thomas Fues and Elizabeth Sidiropoulos, *Development Cooperation and Emerging Powers: New Partners or Old Patterns?* (London: Zed Books, 2012).

2. Indian Development Corporation Research, "IDCR Report: The State of Indian Development Cooperation," *Centre for Policy Research*, 2014, p.2.

3. Ministry of External Affairs, Government of India, "India Africa Forum Summit-III New Hopes, New Horizons,"2015,http://mea.gov.in/india-africa-forum-summit-2015/index.html#

4. See for example: the Indian Development Cooperation Research project hosted by the Centre for Policy Research, New Delhi - http://idcr.cprindia.org/; Andreas Fuchs and Krishna Chaitanya Vadlamannati, "The Needy Donor: An Empirical Analysis of India's Aid Motives," Discussion Paper no. 532, Department of Economics, University of Heidelberg, July 2012, http://www.gu.se/digitalAssets/1373/1373566_chaitanya.pdf

5. Sachin Chaturvedi, Anuradha Chenoy, Deepta Joshi, Anuradha Joshi and Khush Hal Lagdhiyan, "Indian Development Cooperation; The state of the debate," *IDS Evidence Report*, Brighton, IDS (2014), http://www.ids.ac.uk/publication/ indian-development-cooperation-the-state-of-the-debate;SachinChaturvedi, "India and Development Cooperation: Expressing Southern Solidarity," in Sachin Chaturvedi, Thomas Fues, and Elizabeth Sidiropoulos, *Development Cooperation and Emerging Powers: New Partners or Old Patterns?* (London: Zed Books, 2012); Manmohan Aggarwal, "South-South Economic Cooperation for a better Future," in Sachin Chaturvedi, Thomas Fues, and Elizabeth Sidiropoulos, *Development Cooperation and Emerging Powers: New Partners or Old Patterns?* (London: Zed Books, 2012).

6. See for example: Asgar Qadri and Rajrishi Singhal, "Development and Diplomacy through Lines of Credit: Achievements and Lessons Learned," *ORF Occasional Papers*, No. 53 (2014), http://www.orfonline.org/

cms/export/orfonline/modules/occasionalpaper/attachments/op_53_1411638542827.pdf; Sushil Kumar, "India's Development Cooperation with Ethiopia in Sugar Production: An Assessment," RIS Discussion Paper 198 (2015), http://www.ris.org.in/images/RIS_images/pdf/DP%20198%20Mr%20Sushil%20Kumar.pdf.

7. Valentine Rugwabiza, Minister of the MINEAC, Rwanda, "India-Africa Common Futures Conference,"(Keynote Address, Conference by Observer Research Foundation, New Delhi, October 29, 2015).

8. This paper is primarily about the challenges confronting India as an emerging development partner. For a detailed overview of the scope, scale, and principles of Indian development partnerships, see: Urvashi Aneja, "Shifting currents: India's Rise as a Development Partner" in Rahul Chandran and Hannah Cooper eds. *South-South Development Cooperation*, New York: UNU Press, 2015

9. Indian Development Corporation Research, "IDCR Report: The State of Indian Development Cooperation," *Centre for Policy Research*, 2014

10. Indian Development Corporation Research, "Indian Development Cooperation,"http://idcr.cprindia.org/indian-development-cooperation.

11. Indian Development Corporation Research, "IDCR Report: The State of Indian Development Cooperation," *Centre for Policy Research*, 2014, 2

12. Export Import Bank of India, "Exim Bank's Operative Lines Of Credit as on December 23, 2015,"http://www.eximbankindia.in/lines-of-credit#

13. Government of India "Budget 2003–04: Speech of J. Singh, Minister of Finance," New Delhi, 28 February, 2003.

14. See for example: Sachin Chaturvedi, Anuradha Chenoy, Deepta Joshi, Anuradha Joshi and Khush Hal Lagdhiyan (2014) "Indian Development Cooperation; The state of the debate", IDS Evidence Report (Institute of Development Studies: Brighton), http://www.ids.ac.uk/ publication/indian-development-cooperation-the-state-of-the-debate; Shubh Soni and Parajit Lal, "India's Economic Footprint in the Developing World," *ORF Issue Brief No.100*, (2015), http://www.observerindia.com/cms/export/orfonline/modules/issuebrief/attachments/ Issuebrief_100_1439183500928.pdf.

15. Indian Development Corporation Research, “IDCR Report,”4.

16. The differences between OECD-DAC model and South-South Cooperation are well covered in the literature – see for example: Emma Mawdsley, *From Recipients to Donors: Emerging Powers and the Changing Development Landscape* (London: Zed Books, 2012); Sachin Chaturvedi, Thomas Fues, and Elizabeth Sidiropoulos, *Development Cooperation and Emerging Powers: New Partners or Old Patterns?* (London: Zed Books, 2012).

17. Manmohan Aggarwal, “South-South Economic Cooperation for a better Future” in Chaturvedi et al., *Development Cooperation and Emerging Powers*,2012.

18. C. RajaMohan, “India's Economic Diplomacy,” *The Hindu*, Aug. 14, 2003,http://www.thehindu.com/thehindu/2003/08/14/stor ies/2003081401251000.htm.

19. Hans Morgenthau, “A Political Theory of Foreign Aid,” *American Political Science Review*, 56 (2): 1962.

20. Daniel Deudney and J. John Ikenberry, “The Nature and Sources of a Liberal International Order,”*Review of International Studies*, 25 (1999).

21. C. Christine Fair, “Securing Indian Interests in Afghanistan Beyond 2014,” *Asia Policy* 17, no. 1 (2014): 27-32.

22. High Commission of India, Dhaka, Bangladesh, “List of Projects under the US$ 800 Million Indian LOC to Bangladesh,” March 25, 2014, http://www.hcidhaka.gov.in/pages.php?id=1239

23. Indian Development Corporation Research, “IDCR Report: The State of Indian Development Cooperation,” *Centre for Policy Research*, 2014

24. Third India-Africa Forum Summit Brochure, Ministry of External Affairs, 2015, http://mea.gov.in/india-africa-forum-summit-2015/index.html#.

25. Export-Import Bank of India, “Lines of Credit,” http://www.eximbankindia.in/lines-of-credit.

26. David Halloran Lumsdaine, *Moral Vision in International Politics: The Foreign Aid Regime*, (Princeton: Princeton University Press,1993).

27. See for example: Ted Hopf, *Social Construction of International Politics: Identities and Foreign Policies*, (Ithaca and London: Cornell University Press, 2002).

28. Dweep Chanana, "India as an Emerging Donor," *Economic and Political Weekly*, XLIV, March 2009; p.13

29. Mawdsley, 2012

30. Sujata Mehta quoted in "India's Partnership with Africa Multifaceted," *Business Standard*, Oct. 20, 2015, http://www.business-standard.com/article/news-ians/india-s-development-partnership-with-africa-multi-faceted-115102001098_1.html.

31. Mohammad Amir Anwar, "Indian Foreign Direct Investments in Africa: A Geographical Perspective," in CM Rogerson and D. Syzmankskaeds. Bulletin of Geography: Socio-Economic Series, No.26 (2014).

32. H. Van Niekerk, "Africa-India trading relationship," TRALAC, 2013.

33. J. Bayart, "Africa in the World: A history of extraversion," *African Affairs*, 99 (2000).

34. Fantu Cheru and Cyril Obi, *The Rise of China and India in Africa*, (London: Zed Books, 2010); Fantu Cheru, "Emerging Economies and Africa's natural resources: Avoiding the Resource Curse and Building more Resilient Societies," North-South Institute (2014).

35. Gemma Cairó-i-Céspedesa & Artur Colom-Jaén, "A Political Economy approach to India in Africa: A win-win Partnership," *Canadian Journal of Development Studies*, 35 (3):2014.

36. Samir Saran and Malancha Chakrabaty, "India –Africa cooperation in science, technology goes a gear up," *In Focus – Ministry of External Affairs*, 19 October 2015, http://www.mea.gov.in/in-focus-article.htm?25947/IndiaAfrica+cooperation+in+science+and+Technology++Capacity+Building.

37. TC James, Prativa Shaw, Payel Chatterjee, Deepti Bhatia, "India Africa Partnership in Health Care," RIS New Delhi 2015, http://ris.org.in/pdf/India_Africa_Partnership_in_Healthcare.pdf.

38. RO Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy*, (Princeton: Princeton University Press,1984); p.129.

39. For an excellent history see: Gilbert Gist, *The History of Development: From Western Origins to Global Faith*, (London: Zed Books, 2014).

40. P. Sinha, "Indian Development Cooperation with Africa," in F. Cheru and C. Obi (eds.), *The Rise of China and India in Africa*, (London and Uppsala: Zed Books, 2010).

41. Shannon Kindornay and Bill Morton, "Development Effectiveness: Towards New Understandings," North South Institute, Issue Brief, September 2009, http://www.nsi-ins.ca/wp-content/uploads/ 2012/10/2009-Development-effectiveness-towards-new-understandings.pdf; S Bilal, and F. Rampa "Emerging economies in Africa and the development effectiveness debate," Discussion Paper 107, Maastricht: ECDPM, 2011;Kang-Ho Park, "New Development Partners and a Global Development Partnership," in HomiKharas, Koji Makino, and Woojin Jung, *Catalyzing Development: A New Vision for Aid*, (Washington DC :Brookings Institution Press, 2011).

42. See for example: Statement delivered by Counselor Amit Narang on "Indian priorities in the post-2015 Development Agenda," at an event organised by Observer Research Foundation, NYU Center for International Cooperation and Saferworld in New York, May 15, 2015, https://www.pminewyork.org/ adminpart/uploadpdf/ 61644can_15may.pdf.

43. OECD, "Policy Framework: Policy Coherence for Development," *Working Paper No. 1 (2012)*, http://www.oecd.org/pcd/50461952.pdf.

44. The idea of a development compact is not new – in 2003 for example, UNDP used the concept to highlight a system of shared responsibility whereby all countries could orientate their efforts towards helping poor countries to achieve their development goals. India's model, as Chaturvedi argues, is distinct from earlier understandings of the development compact as it ' is no longer about the imposition of conditionalities for recipient countries, but more on the principles that govern south-south cooperation such as mutual gain, non-interference, collective growth opportunities, and an absence of conditionalities.' (Sachin Chaturvedi, The Logic of Sharing, CUP 2015; p.49)

45. Sachin Chaturvedi, *The Logic of Sharing: Indian Approach to South-South Cooperation*, (Delhi: Cambridge University Press, 2015); p.50

46. Ibid; p.8

47. See for example: FantuCheru, "Emerging Economies and Africa's natural resources: Avoiding the Resource Curse and Building more Resilient Societies," North-South Institute, 2014; Gemma Cairó-i-Céspedesa & Artur Colom-Jaén, "A Political Economy approach to India in Senegal: A win-win Partnership," *Canadian Journal of Development Studies*, 35 (3):2014.

48. Export-Import Bank of India, *Enhancing India's Bilateral Ties with Cambodia, Lao PDR, Myanmar, Vietnam: A Brief Analysis*, by David Sinate, VanlalruataFanai, and Debapriya Chakrabarti, Working Paper No. 34 (2014), 41-42.

49. Renu Modi, "The Role of India's private sector in the Health and Agriculture sectors of Africa," eds. Fantu Cheru and Cyril Obi, *The Rise of China and India in Africa*, (Zed Books: London, 2010).

50. For an in-depth discussion of this, see: Fantu Cheru and Renu Modi eds., *Agricultural Development and Food Security in Africa*, (London: Zed Books, 2013).

51. Dessalegn Rahmato, "Up for grabs: the case of large Indian investments in Ethiopian agriculture," in Fantu Cheru and Renu Modi eds., *Agricultural Development and Food Security in Africa*, (London: Zed Books, 2013); see also: Aman Sethi, "Karuturi debacle prompts Ethiopia to review land development policy," *The Hindu*, Jun., 2013, http://www.thehindu.com/news/international/world/karuturi-debacle-prompts-ethiopia-to-review-land-policy/article4772306.ece.

52. Gemma Cairó-i-Céspedesa & Artur Colom-Jaén, "A Political Economy approach to India in Senegal: A win-win Partnership," *Canadian Journal of Development Studies*, 35 (3):2014.

53. FHM Humayan Kabir, "30pc cost overrun in railway project under Indian LOC," *The Financial Express*, Sep. 6, 2014, http://www.thefinancialexpress-bd.com/2014/09/06/54615/print.

54. "BD to buy rly carriages, engines with ADB finance," *The Daily Observer*, Aug. 3, 2015, http://www.observerbd.com/2015/08/03/102745.php.

55. see for example: Chaturvedi, 2015

56. Sachin Chaturvedi, Sushil Kumar and Shashank Mendiratta, “Balancing State and Community Participation in Development Partnership Projects: Emerging Evidence from SDPs in Nepal,” RIS Discussion Paper No. 183, August 2013.

57. Emma Mawdsley, “Non-DAC donors and the changing landscape of foreign aid: the (in)significance of India's development cooperation with Kenya,” *Journal of Eastern African Studies*, 4 (2): 2010.

58. See for example: Emma Mawdsley and Gerad McCann, *India in Africa: Changing Geographies of Power* (Capetown: Pambazuka Press, 2015).

59. See: Fragile State Index 2015 produced by the Fund for Peace, http://fsi.fundforpeace.org/rankings-2015.

60. “India and Conflict Affected States,” Saferworld Briefing, July 8 2013, http://www.saferworld.org.uk/what/rising-powers-and-post-2015.

61. Robert Jackson, *Quasi States: Sovereignty, International Relations, and the Third World*, (New York: Cambridge University, 1990).

62. Christopher Clapham, *Africa and the State System: The Politics of State Survival*, (London: Cambridge University Press,1996).

63. C Clapham, *Third World Politics: An Introduction*, (London: Croom and Helm, 1985); p.183

64. Dessalegn Rahmato, “Up for grabs: the case of large Indian investments in Ethiopian agriculture,” in Fantu Cheru and Renu Modi eds., *Agricultural Development and Food Security in Africa*, (London: Zed Books, 2013).

65. Renu Modi, “The Role of India's private sector in the Health and Agriculture sectors of Africa,” eds. FantuCheru and Cyril Obi, *The Rise of China and India in Africa*, (Zed Books: London, 2010).

66. S Bilal, and F. Rampa, “Emerging economies in Africa and the development effectiveness debate,”Discussion Paper 107, Maastricht: ECDPM, 2011.

67. Corkin, 2013; p.265

68. See for example: Bilal, and Rampa, ,2011: Lucy Corkin, *Uncovering African Agency: Angola's Management of Africa's Credit Lines*, (London: Ashgate,

2013); Romilly Greenhill, Annalisa Prizzon, and Andrew Rogerson, "The Age of Choice: How are Developing Countries Managing the new aid landscape," ODI, London: 2013.

69. Corkin, 2013

70. See for example: Chaturvedi 2015 & Kumar 2015; see also: "Exim Bank's Red Flag: Why most Africa deals go to so few firms", *Indian Express*, Oct. 20, 2015, http://indianexpress.com/article/india/india-news-india/exim-banks-red-flag-why-most-africa-deals-go-to-so-few-firms/.

71. "Contract of Rahughat Hydroelectricity Project scrapped," *The Rising Nepal*, Jun. 19, 2015, http://therisingnepal.org.np/news/4275.

72. See for example: Kudrat Virk, "India and the Responsibility to Protect: A Tale of Ambiguity," *Global Responsibility to Protect 5 (2013)*.

73. SachinChaturvedi, Sushil Kumar and ShashankMendiratta, "Balancing State and Community Participation in Development Partnership Projects: Emerging Evidence from SDPs in Nepal," RIS Discussion Paper No. 183, August 2013.

Observer Research Foundation (ORF) is a public policy think-tank that aims to influence formulation of policies for building a strong and prosperous India. ORF pursues these goals by providing informed and productive inputs, in-depth research, and stimulating discussions. The Foundation is supported in its mission by a cross-section of India's leading public figures, academics and business leaders.

ORF OBSERVER RESEARCH FOUNDATION

Ideas • Forums • Leadership • Impact

20, Rouse Avenue Institutional Area, New Delhi - 110 002, INDIA
Ph. : +91-11-43520020, 30220020. Fax : +91-11-43520003, 23210773
E-mail: contactus@orfonline.org
Website: www.orfonline.org