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India-Africa Development Partnership Dynamics

Gulshan Sachdeva

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India-Africa Development Partnership Dynamics

Gulshan Sachdeva*

Abstract: India and Africa are bound by history, common development experiences and similar aspirations. While India and Africa have changed significantly in the last three decades, importance of both for each other has not declined. Despite recent economic changes, they are committed to work within the framework of South-South Cooperation. To connect with resurgent Africa, evolving Indian strategy can be explained within the context of India-Africa Forum Summits and ten guiding principles of Prime Minister Narendra Modi's Africa policy. The paper looks at changing political economy dynamics and describes how a new architecture of India-Africa development partnership is being developed. The partnership is being built through increasing trade, investments and development cooperation. Indian development activities through Lines of Credit projects and capacity building training programmes have already become a strong pillar of engagement. Still, there seems to be a limited linkage between Indian trade and investment profile and development cooperation projects.

Keywords: Africa, Development Cooperation, India, India-Africa Forum Summit, Lines of Credit, South-South Cooperation

Introduction

Historical, cultural, economic and political linkages between India and Africa are well documented. India's historical role against colonialism, neo-colonialism and apartheid also strengthened these bonds. Over decades, both have shared a common understanding on large number of crucial global issues (see Sharma, 2007; Taylor, 2012; Dubey and Biswas, 2020; Trigunayat, 2020). In most cases, both have been on the same side in global negotiations to make the international economic order more equitable and friendly to the countries from the South.

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To a large extent, India-Africa economic developments in the last few decades could be incorporated within the broader concept of South-South Cooperation (SSC)¹. The idea of SSC emerged as a principle of solidarity among developing countries (OECD, 2012). As a result, India played an important role in its development within the Non-Aligned Movement (NAM), Group of 77 (G77), and the UN system. The establishment of UN Conference on Trade and Development (UNCTAD) in 1964 and declaration of New International Economic Order (NIEO) in 1974 supplied clear manifestations of these aspirations. Similarly, as larger numbers of developing countries participate in the globalization process (along with moving towards democratic systems), sharing common experiences has become an important theme within SSC (UNCTAD, 2012).

In the last three decades, particularly after the end of the Cold War, both India and Africa have changed significantly. Still, importance of both for each other has not declined. Both have young populations, growing economies and lot of development experiences to share. The paper looks at these dynamics and describes how a new architecture of India-Africa development partnership is being developed in the last few years.

The Indian Context

In the last thirty years, India's economic engagements with a large number of countries have seen serious transformation. As a result of comprehensive economic reforms initiated in 1991, which have been further accelerated by successive governments, the Indian economy has emerged as one of the fastest growing economies in Asia and the world. Since the early 1990s, the average economic growth in India has been close to 7 per cent per year.² Although health and economic impacts of COVID-19 have seriously affected this growth performance in 2020, projections indicate that the economy may again grow at 8.8 per in 2021 (IMF, 2020: 9). Earlier, the Indian economy was mainly dependent on the markets in the European Union and the US. As a result of economic

diversification, however, more than 50 per cent trade is now with countries in Asia. Now a resurgent Africa is also becoming crucial for natural resources and developing new markets (Beri, 2014; Brookings India, 2015).

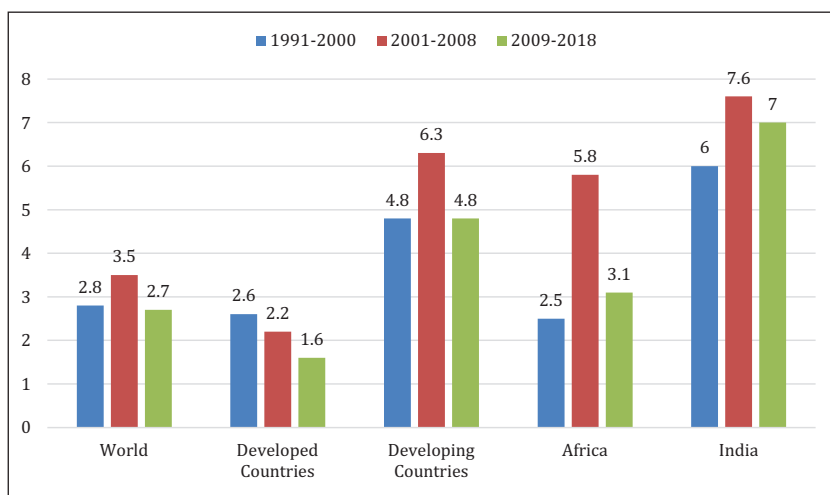
In addition to signing a large number of trading agreements, the Indian ambition is also to play an important role in Group of 20 (G20), Brazil- Russia- India- China-South Africa (BRICS), India-Brazil-South Africa (IBSA), the South Asian Association for Regional Cooperation (SAARC), Indian Ocean Rim Association (IORA) and the Shanghai Cooperation Organisation (SCO). In addition, India is undertaking significant connectivity projects through International North-South Transport Corridor (INSTC) and India –ASEAN connectivity. The Asia-Africa Growth Corridor is being implemented in partnership with Japan. Prime Minister Narendra Modi, who came to power in 2014 is trying to give a new direction to Indian foreign policy. Without compromising traditional features, he is redefining many engagements including with Africa. The former Indian Foreign Secretary Kanwal Sibal believes “Modi has energetically expanded the political, security and economic reach of Indian diplomacy” (Sibal, 2015). Some analysts assert that Modi is “shaping a non-doctrinaire foreign-policy approach powered by ideas”, and taken “some of his domestic ideas (such as ‘Make in India’ and ‘Digital India’) to foreign policy” and overall, “taking India from non-alignment to multi-alignment” (Chellaney, 2015). Many of these features are evident in India’s evolving new Africa policy. The Indian Foreign Minister S Jaishankar believes that “the steady growth of Indian interests in Africa is reflected in an expanded footprint and a deeper engagement” (Jaishankar, 2020: 193).

Changing African Dynamics

Compared to earlier decades, growth performance in Africa in the last two decades has been remarkable. In the 1990s, average economic growth in Africa was slower than global growth and much lower than other

developing countries. For the period between 2001 and 2008, growth in Africa accelerated. It was about 6 per cent per year, which was very close to fast growing developing countries in Asia and elsewhere. As a result of many factors including declining global growth and volatility in primary product prices, African growth for the period since 2009 has come down to about 3 per cent per year (Figure 1).

**Figure 1: Average Output Growth, 1991-2018
(annual percentage change)**



Source: UNCTAD *Trade and Development Report 2019*, p.2.

Although lower than Asian developing countries, this is still slightly higher than the average global growth. Overall, African growth performance in the last twenty years illustrates a huge economic potential in the coming years. To a significant extent, growth in the first decade of the current century was resulted from high prices of primary products. However, many other sectors including wholesale and retail trade, telecommunications, financial services, construction etc. played an important role. The resurgent Africa has expressed its ambition through *Agenda 2063* and its 15 flagship projects.³

As Africa is a huge continent with more than 50 countries, generalisations about trends in Africa can be problematic. Despite some broad trends, economic performance varies significantly across individual countries and sub-regions. Some large economies like South Africa, Nigeria and Angola are struck in sluggish growth. This has affected performance in neighbouring countries as well. Some other countries like Ethiopia, Egypt, Tanzania, Rwanda, Djibouti have witnessed robust growth. At a sub-regional level, some of the East African countries are doing very well. The performance in North and West Africa has been comfortable. Except Botswana, growth in Southern African countries has been sluggish (UNCTAD, 2019).

Therefore, for a serious analysis, it may not be wise to put all African countries together. Many traditional multilateral institutions review them at sub-regional level. Some others have divided them into different categories on the basis of economic diversification (Leke et al., 2010). In this way, most African countries could be divided into four broad clusters - (1) diversified economies (Egypt, Morocco, South Africa, and Tunisia); (2) oil exporters (Algeria, Angola, Chad, Congo, Equatorial Guinea, Gabon, Libya, and Nigeria); (3) transition economies (Cameroon, Ghana, Kenya, Mozambique, Senegal, Tanzania, Uganda, and Zambia) ; and (4) pre-transition economies. Again, the group of pre-transition economies itself is very diversified. Some of them like DR Congo, Ethiopia, Mali, and Sierra Leone have grown fast, while some others are still struggling to build economic and political institutions. Although every methodology to categorize Africa into different clusters will have limitations, it is still wise to analyse and understand them into different categories rather than making broad generalisations about African economy and its prospects.

Despite these limitations, it is safe to say that resurgent Africa with its recent growth history, young population and plenty of success stories in agriculture, telecommunications, consumer markets, banking etc is much more confident today than any time in the recent past. Many of the fastest growing economies of the world are in Africa. When there

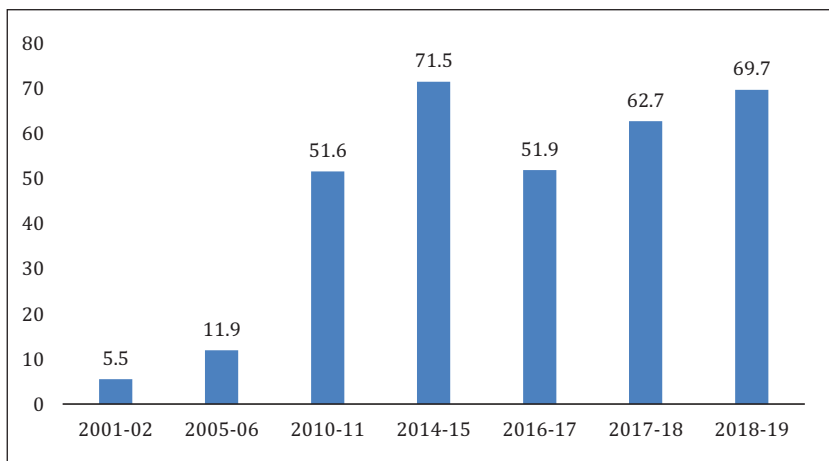
are clear trends towards protectionism in the world, Africa has taken a bold step in the opposite direction by launching the African Continental Free Trade Area (AfCFTA) in 2019. As almost every country in the continent is a member, this will be the largest free trade area in the world by number of countries. The idea is to create an Africa-wide market for goods and services as well as promotion of movement of capital and people (Hartzenberg, n.d.). Despite large number of regional economic groupings within Africa, intra-regional trade is low. It is hoped that AfCFTA will promote higher trade and economies of scale for African companies. Within these changing dynamics, a new development partnership is being built between India and Africa. It is based on solid historical closeness as well new economic dynamism in Africa and India.

India-Africa Trade and Investment Linkages

As a result of economic changes in Africa and India, bilateral trade has increased from about \$ 5.5 billion in 2001-02 to about \$70 billion in 2018-19. It increased to about \$52 billion in 2010-11 and peaked at about \$72 billion in 2014-15. This improvement in trade was also facilitated by introducing policies like ‘Focus Africa’ programme by the Indian government in 2002. This was an initiative to improve trade and investment ties with Africa. Similarly, India-Africa Summit initiative was started in 2008. In addition, Duty Free Tariff Preferences (DFTP) initiative for Least Developing Countries (LDCs) by the Indian government also might have helped bilateral trade. The scheme is now extended to 98 per cent of India’s tariff lines and 38 African countries now benefit from the DFTP scheme.

Despite improvement of trade, it is still concentrated on limited number of products. About three-fourth of African exports to India are natural resources and primary commodities. Similarly about 40 per cent of Indian exports are pharmaceuticals and refined petroleum products (Afreximbank and Exim India, 2018). As a result of global slowdown, bilateral trade came down to \$52 billion in 2016-17. Since then it is improving again and reached about \$70 billion in 2018-19 (Figure 2).

Figure 2: India-Africa Trade, 2001-02 to 2018-19 (US\$ billions)

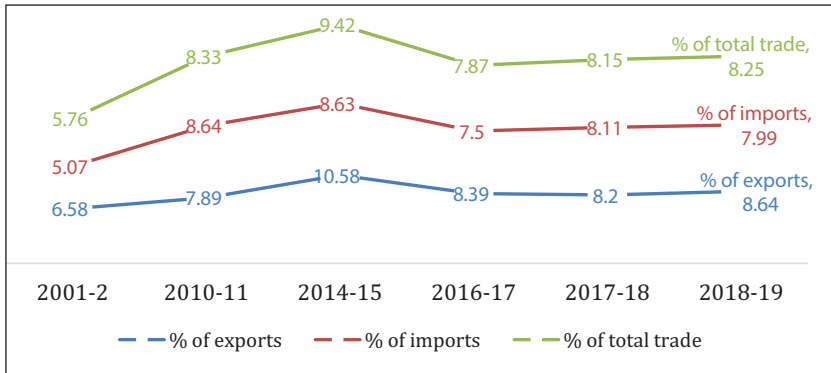


Source: Author's calculations based on Ministry of Commerce & Industry, Government of India Database.

Importance of African trade to Indian economy increased significantly in the first decade of this century. As a percentage of total Indian trade, it increased from 5.76 per cent in 2001-02 to 8.33 per cent in 2010-11. This percentage increased further to about 9.4 per cent in 2014-15. Since then it has come back to about 8.2 per cent. Similar trends are also visible both on exports as well as imports. In 2014-15, Africa accounted for close to 11 per cent of Indian exports. Since then, it has come down significantly to about 8-9 per cent (Figure 3).

While looking at region-wise, with about \$28 billion, Western Africa has emerged as a major trading partner of India, mainly because of petroleum imports from Nigeria and gold from other countries. In the Southern region (including South African Customs Union (SACU) and other countries, South Africa is a major market for India followed by Botswana and Namibia. The bilateral trade with Southern Africa is about \$20 billion. Third important region is North Africa with about \$12 billion bilateral trade. India exports cotton, yarn, vehicles, meat and petroleum products to Egypt, Morocco, Algeria and Tunisia. Main imports from the region are petroleum, petroleum products and inorganic chemicals.

Figure 3: Importance of African Trade to Indian Trade, 2001-2 to 2018-19 (in per cent)



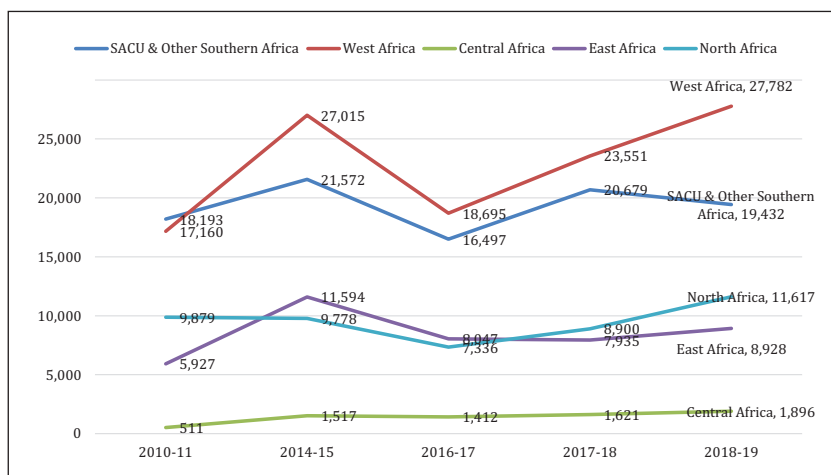
Source: Author’s calculations based on Ministry of Commerce & Industry, Government of India Database.

Trade with Eastern Africa has also improved. Major exports are pharmaceuticals, petroleum products and vehicles. Imports include coal, metals, and vegetables. Main trading partners from the region include Tanzania, Mozambique, Kenya, Ethiopia and Mauritius. In Central Africa, main partners are Angola, Equatorial Guinea, D R Congo and Cameroon. India imports mainly petroleum, petroleum products, mineral and natural gas and exports pharmaceuticals, meat products, textile yarn and vehicles (figure 4).

Apart from trade, investment linkages with Africa are also becoming stronger. Although policy makers have emphasized success in this area at every forum, the real situation is rather complicated. The Ministry of External Affairs officials claim that “India has become the fifth largest investor in Africa with cumulative investments at over US\$54 billion” (Tirumurthi, 2019). These figures are correct but bulk of these investments are made in Mauritius. As Mauritius is a tax heaven, a large part of this money is round tripped back to India (Chakrabarty, 2018). These investments may have limited impact on African development. Between 2012 and 2016, Mauritius accounted for about 86 per cent of total Indian

FDI to Africa. Excluding Mauritius, only a few African countries have received large investments from a limited number of big public or private companies. Second major recipient is Mozambique due to large public sector investments by India in the oil, gas and coal sector. Third important recipient is South Africa due to investments made by TATA group of companies in the hotel industry, steel, IT sector and consumer goods (Chaudhry, Tomar and Joshi, 2018). Egypt has received Indian investments in oil and gas, solar and pharmaceuticals. Investments in various manufacturing sectors are made in Ethiopia, Kenya, Morocco, Tunisia, and Zambia. As a result of some of the investments in the oil and gas sector, India now sources about 20 per cent of its crude oil requirements from Africa (Reuters, 2019). Major oil imports come from Nigeria, Equatorial Guinea, Angola, Congo, Egypt, Algeria, Sudan and Ghana.

Figure 4 : India’s Trade with Different African Regions, 2010-11 to 2018-19 (US\$ Millions)



Source: Author’s calculations based on Ministry of Commerce & Industry, Government of India Database.

While looking at two-way investments, technically Africa is a major investor in India. In fact, for the period between April 2000 and

December 2019, Mauritius is India's top investor with \$141 billion investment. This was 31 per cent of total investments made in India during this period. Other important investors from the continent were South Africa (about \$500 million), Seychelles (\$213 million), Morocco (\$140 million), Nigeria, Liberia, Mozambique (about \$15 million each) and Egypt (\$10 million) (MOCI, 2020).

Development Cooperation

Today development partnership with Africa occupies an important position in Indian strategy and its external economic policy. Indian development partnership is clearly manifested through the institutional mechanisms build over decades as well as specific development cooperation programmes, projects and soft credit lines. These activities in India's neighbourhood and Africa broadly appears within the framework of South-South Cooperation. Similar to Africa, India had mixed experience with the Northern donors. First, it believed that many western donors had a historical responsibility towards their former colonies. Second, many of the development interventions had negative implications for the local political economy. This experience has influenced India's own development programmes in its neighbourhood and Africa. In the earlier decades of its independence, foreign assistance did help India in some sectors, for example, agriculture, higher education, iron and steel industry etc. Still, many in India were uncomfortable with its influence on its strategic choices as well as modernization design. Therefore, when Indian economy became mature and started growing fast, Indian attitude towards foreign donors became assertive and it became very selective in receiving assistance (Sachdeva, 2016).

Since India started its aid activities in the 1950s itself, Indian policy makers do not like to be labelled as 'new donors', 'emerging donors' or 'non-traditional donors' (Emma Mawdsley, 2012). In fact, they are averse to be labelled as 'donors' (Sachdeva, 2016). Many analysts prefer to call

these activities as ‘development partnerships,’ (Chaturvedi and Mohanty, 2016). Perhaps, the “most appropriate nomenclature for India might be a *Southern provider of development cooperation*” (Sachdeva, 2016:43).

Because of limited resources, India first focused on capacity-building and technical cooperation. In terms of resources spent in dollar exchange rates, initially these activities were relatively small. The scale and geographical coverage, however, have expanded significantly in the last fifteen years. As India is not a member of the OECD-DAC, it neither follows its definitions nor report its data to the organisation. As per the OECD, the ODA-like flows from India amounted to US\$ 1.8 billion in 2015, 1.7 billion in 2016, 3 billion in 2017 and 1.3 billion in 2018 (OECD Online Database). The Indian development activities abroad broadly include lines of credit (LOCs), capacity-building programmes and grant assistance projects.

Some analysts have described India’s ‘development compact’ (trade and investment, technology, LOCs, capacity building and concessional finance) in Africa as “mission approach” because these programmes are implemented by Indian missions in various countries (Chaturvedi, 2015). Over the years, however, many Indian civil society organisations have also started participating in various projects. In this way, their expertise and knowledge about reduction of poverty, sustainable development and deepening democratic governance in India can be utilised in other countries (PRIA, 2016).

By March 2020, the EXIM Bank had signed 288 LOCs covering more than sixty countries in Africa, Asia, the Commonwealth of Independent States (CIS), and Latin America, with credit commitments of around US\$ 29.6 billion (India Exim Bank, 2019). A large number of these LOCs are with African countries. As per latest data, 199 LOCs were signed with African countries with credit commitments of about \$12 billion⁴ (Table 1).

**Table 1: Selected Indian Lines of Credit Projects in Africa,
2002-03 to 2019-2020**

(Only projects more than US\$ 80 million or more)

No.	Year of Approval	Borrower	Credit amount (US\$ million)	Purpose
1	2005-06	Government of Sudan	350.00	Setting up 4 x 125 MW Kosti Combined Cycle Power Plant in Sudan to be executed by Bharat Heavy Electricals Ltd. (BHEL).
2	2005-06	Ecowas Bank for Investment and Development (EBID), West Africa	250.00	Public Sector projects
3	2007-08	Government of Ethiopia	122.00	Development of sugar industry
4	2007-08	Government of Nigeria	100.00	[i] construction of gas-based power plant in the cross river state [ii] 132/33 KV substation, solar mini grid electrification and solar street lighting in the state of Kaduna; & [iii] supply and commissioning of transmission lines;
5	2008-09	Government of Ethiopia	166.23	Development of sugar industry
6	2009-10	Ecowas Bank for Investment and Development (EBID), West Africa	100.00	Financing exports of various equipment, goods and services

Table 1 continued...

Table 1 continued...

7	2010-11	Government of Burundi	80.00	Kabu Hydro Electric Project
8	2010-11	Government of D. R. Congo	168.00	Katende Hydro-electric Project
9	2010-11	Government of Ethiopia	213.31	Development of sugar industry
10	2010-11	Government of Ethiopia	91.00	Development of sugar industry
11	2010-11	Ecowas Bank for Investment and Development (EBID), West Africa	150.00	Export of goods and services and project exports
12	2011-12	Government of Mali	100.00	Power Transmission Project Connecting Bamako and Sikasso via Bougouni
13	2011-12	Government of Tanzania	178.13	Water supply schemes to Dar-es-Salam
14	2012-13	Government of Mozambique	149.72	Rehabilitation of Road between Tica, Buzi and Nova Sofala in Mozambique
15	2012-13	Government of Sudan	125.00	Mashkour Sugar Project (IInd tranche of US \$ 150 mn)
16	2013-14	Government of D. R. Congo	82.00	Completion of Katende Hydro-electric Project
17	2013-14	Government of Republic of Congo	89.90	Development of Transport System

Table 1 continued...

Table 1 continued...

18	2013-14	Government of Rwanda	120.05	[i] Export Targeted Modern Irrigated Agricultural Project (USD 60.22 million); and [ii] Extension of Export Targeted Modern Irrigated Agricultural Project (USD 59.83 million)
19	2014-15	Government of D. R. Congo	109.94	Financing transmission and distribution project in Kasai province of Democratic Republic of the Congo (DRC) for evacuation of electricity from Katende Hydroelectricity Power Project
20	2014-15	SBM [Mauritius] Infrastructure Development Co. Ltd. [a nominated agency of Government of Mauritius]	500.00	Equity Participation for financing various Infrastructure Projects
21	2014-15	Government of Tanzania	268.35	Extension of Lake Victoria Pipeline to Tabora, Igunga and Nzega
22	2015-16	Government of Gambia	92.00	Expansion of Banjul Port
23	2015-16	Government of Zimbabwe	87.00	Renovation/Up- gradation of Bulawayo Thermal Power Plant
24	2016-17	Government of Ghana	150.00	Strengthening of Agriculture Mechanization Services Centres
25	2016-17	Government of Kenya	100.00	Agriculture Mechanization project

Table 1 continued...

Table 1 continued...

26	2016-17	Government of Tanzania	500.00	Water Supply scheme in 17 towns in Tanzania
27	2017-18	Government of Rwanda	81.00	Establishment of 10 Vocational Training Centres and 4 business incubation centres in Rwanda
28	2017-18	Ecowas Bank for Investment and Development (EBID), West Africa	500.00	Development Projects
29	2018-19	Government of Burundi	161.36	Construction of Parliament building in Gitega and ministerial Buildings in Burundi
30	2018-19	Government of Ethiopia	147.43	Mekele Industrial Park 400 kV Power Transmission Project
31	2018-19	Government of Ethiopia	133.70	New 230 kV interconnection between Ethiopia and Djibouti, 230 kV Combolcha II – Semera Transmission Line along with associated substations extension at Semera, Nagad and Combolcha II
32	2018-19	Government of Malawi	215.68	Drinking water supply schemes under Southern region Water Board
33	2018-19	Government of Mauritius	100.00	Defence Procurement

Table 1 continued...

Table 1 continued...

34	2018-19	Government of Mozambique	95.00	Procurement of railway rolling stock including locomotives, coaches and wagons
35	2018-19	Government of Rwanda	100.00	Development of two SEZs & expansion of the Kigali SEZ
36	2018-19	Government of Rwanda	100.00	Three Agriculture Project Schemes i.e. (i) Warufu Multipurpose Irrigation Project, (ii) Mugesera Irrigation Project, and (iii) Nyamukana Irrigation Project
37	2019-20	Government of Madagascar	80.72	Irrigation, Farm Mechanization and food processing plant in Bongolava, Menabe and Analamanga region
38	2018-19	Government of Uganda	141.50	Grid reinforcement and extension project
39	2019-20	Government of the Republic of Guinea	170.00	Project for strengthening the drinking water supply of Grand Conarky-Horizon 2040
40	2019-20	Government of Mozambique	250.00	Re-offering of LOC for Improving the quality of power supply in Mozambique
41	2019-20	Government of Nigeria	100.00	Establishment of a National Rural Broadband Network (NRBN)
42	2019-20	Government of Rwanda	122.00	Two Solar Projects

Table 1 continued...

Table 1 continued...

43	2019-20	Government of Seychelles	100.00	Defence
44	2019-20	Government of Zimbabwe	310.00	Repowering of Hwange Thermal Power Station
Total No. of Indian LOC projects in Africa during this period = 199				
Total credit amount committed: US\$ 11,977 Million				

Source: Export Import Bank of India LOC database.

As the list illustrates, India has helped setting up power projects, sugar mills, railway projects, water treatment plants and irrigation projects etc. Under similar smaller LOCs, India has set up Vocational Training Centres, Information Technology Centers as well as Entrepreneurial Training Centres in many African countries.

In addition to these projects, more than twenty projects are at advance stage of negotiations. Many of these projects are in the infrastructure sector, particularly in the power sector. These projects include \$310 million thermal power project in Zimbabwe; \$280 million power projects and transmission lines in Ethiopia; \$250 million power supply projects in Mozambique, \$215 million drinking water supply projects in Malawi, \$200 million agriculture and power projects in Uganda; \$122 million solar power projects in Rwanda; \$92 million port expansion project in Gambia; \$80 million food processing projects in Madagascar and \$57 million solar power project in DR Congo⁵.

Apart from LOCs, support is also extended under grant assistance projects. Under this category, Mahatma Gandhi Convention Centres have been constructed in nine African Countries. IT Centres have been established in South Africa, Egypt, Morocco, Lesotho, Ghana, Namibia

and Tanzania. Vocational Training Centres are working in Ethiopia, Rwanda, Burundi, Burkina Faso, The Gambia, Zimbabwe, and Egypt. Other projects include setting-up of Centres of Geo-informatics in Rural Development (CGARD), Rural Technology Parks, Gandhi-Mandela Centre of Specialisation for Artisan Skills in South Africa, Entrepreneur and Technical Development Centre in Senegal, Business Incubation Centre in Tanzania. In addition a few countries have also been provided vehicles, medicines and medical equipment. As half of the members of the International Solar Alliance (ISA) are from Africa, the Indian government has promised to provide \$1 billion LOCs for solar projects in Africa.

In the third category, capacity building programmes for Africa are implemented under Indian Technical and Economic Cooperation (ITEC) and Special Commonwealth Assistance for Africa Programme (SPECAP). In the last few years, extra attention is given to African countries. Slots allotted to Africa have increased from 3382 in 2015 to 4790 in 2018-19 (MEA, 2019 :258). India has also established Pan Africa e-Network project – e-VidhyaBharati and e-ArogyaBharati Network Project (E-VBAB). These projects aim to provide five years free tele-education to 4000 students, free medical education to 1000 doctors, nurses and paramedics as well as free medical consultancy.

All these development activities have been further strengthened under the India-Africa Forum Summits (IAFS I, II, III) in 2008, 2011 and 2015. The IAFS is an important initiative by the Indian government to show its commitment and engagement with the continent of Africa together. A major commitment by India was made at the IAFS III in 2015 in the form of (1) concessional credit of US\$ 10 billion (2) Grants in aid of US\$ 600 million, and (3) (iii) 50,000 scholarships for training and higher education.

In recent years, India has also initiated triangular cooperation with other partners in Africa. In partnership with the US, India has agreed to work jointly in agriculture related projects in Botswana, DR

Congo, Ghana, Kenya, Liberia, Malawi, Mozambique, Rwanda, Sudan, Tanzania, Uganda and Zambia (USAID, n.d.). With Japan, India has initiated an infrastructural project called Asia-Africa Growth Corridor (AAGC). The AAGC will be work through development cooperation projects, quality infrastructure and institutional connectivity, enhancing capacities and people to people partnership. The project will be aligned with development priorities of African countries. The priority projects will be in the areas of health and pharmaceuticals, agriculture, disaster management and skill development and connectivity⁶. Similar triangular projects are also being explored with the EU. Some have argued that individual member states of the EU like Germany could also work with India on triangular projects in Africa (Wagner, 2019).

Ten Guiding Principles of Modi's Africa Policy

Successive Indian governments have been actively engaged with Africa over decades. Prime Minister Narendra Modi, who came to power in 2014, is very active at the foreign policy front. In the beginning, he announced many national economic plans and tried to link them with foreign policy agenda. Some analysts have argued that “due to lack of concerted strategic approach to Africa, India lost out on key economic opportunities while ceding space to other countries including China” (Trigunayat, 2019). There were some concerns that despite good political relations and goodwill, India has not been able to take full advantage from African growth and expansion. At the same time, New Delhi also wanted less intrusive approach towards Africa. While outlining its Africa strategy, then Minister of State for External Affairs M J Akbar, was clear about Indian approach when he asserted that “African, not just Africa, is our policy, which is geared towards addressing human priorities” (Akbar, 2017). The Third India Africa Forum Summit took place in October 2015, in which all 54 African countries participated including 41 Head of States or governments. This was a major initiative to focus Africa together in a comprehensive manner. This also provided an opportunity for India to outline its commitments for the next five years. Indian Prime

Minister highlighted at the summit that “two-thirds of India and two-thirds of Africa is under the age of 35 years”. So, if future belongs to the youth, then this century belongs to India and Africa. He also highlighted that “Africa and India are two bright spots of hope and opportunities in the global economy”. About Indian approach he was clear that “India is honoured to be a development partner for Africa. It is a partnership beyond strategic concerns and economic benefits. It is formed from the emotional bonds we share and the solidarity we feel for each other”(Modi, 2015). The summit declaration identified many areas of India-Africa cooperation including economic, trade, agriculture, renewable energy, infrastructure, blue economy, education, skill development, health as well as peace and security. Leaders also set up a formal monitoring mechanism (MEA, 2015). Later, while addressing Parliament of Uganda in July 2018, Indian Prime Minister outlined the following ten guiding principles of India’s Africa policy (Modi, 2018):

1. Africa will be at the top of Indian priorities.
2. Indian development partnership will be guided by African priorities.
3. India will keep its markets open and make it easier and more attractive for Africa. It will also support Indian industry to invest in Africa.
4. India will harness its experience with digital revolution to support Africa’s development.
5. India will work with Africa to improve its agriculture.
6. India-Africa partnership will address the challenges of climate change.
7. India and Africa will strengthen their cooperation and mutual capabilities in combating terrorism and extremism.
8. India will work with African nations to keep the oceans open and free for the benefit of all nations.

9. As global engagement in Africa increases, India and Africa must work together to ensure that Africa does not once again turn into a theatre of rival ambitions.
10. As India and Africa fought colonial rule together, both will work together for a just, representative and democratic global order that has a voice and a role for one-third of humanity that lives in Africa and India.

Although these guiding principles provided much needed architecture for sustained engagement, some have argued that India also needed to develop an action plan for each of these principles (Viswanathan and Mishra, 2019). Due to global slowdown, India-Africa trade has not performed as expected. However, development cooperation has improved. Moreover, with large number of high level visits between India and Africa, partnership has been boosted. By February 2020, as per the Ministry of External Affairs, there have been 34 outgoing visits to African countries at the level of President, Vice President and Prime Minister in the last five years. Similarly, India has hosted nearly 100 African leaders in the last five years including India Africa summit meeting in 2015 (MEA 2020). Indian government has also decided to open 18 new diplomatic missions in Burkina Faso, Cameroon, Cape Verde, Chad, Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Guinea, Guinea Bissau, Liberia, Mauritania, Rwanda, Sao Tome and Principe, Sierra Leone, Somalia, Swaziland and Togo. This will increase their number to 47 in Africa. Five new embassies have already been opened in Rwanda, Djibouti, Equatorial Guinea, Republic of Guinea and Burkina Faso and four additional will become operational in 2019-20 (Chaudhury, 2019).

In September 2019, at the mid-term review meeting of the strategic cooperation framework of India-Africa Forum Summit III, it was informed that more than US\$ 6.4 billion under the Indian LOCs have been committed/ongoing out of the overall commitment of US\$ 10 billion. For grant assistance, more than US\$ 700 million has already been

committed/ongoing thereby achieving the target of US\$ 600 million set out at the summit. Similarly, out of committed, 50,000 slots for training, scholarship and capacity building, more than 40,000 were already provided. To synchronize Indian programmes with *Agenda 2063* and the African Union, more cooperation was urged in the areas of health, climate change, connectivity and maritime security (MEA, 2019b).

Conclusion

India and Africa are bound by history, common development experiences and similar aspirations. Despite changing economic dynamics, both are still committed to work within the framework of South-South Cooperation. Their growth performance in the last two decades is providing many new opportunities to work together. They can share their experiences not only in agriculture and manufacturing, but there are also plenty of success stories from both sides in the areas of telecommunications, financial services, information technology, renewable energy and women empowerment. Both Africa and India have declared their aspirations to become \$5 trillion economy in the next few years. As a result of recent initiatives, Africa will be more open and integrated area in the coming years. To connect with resurgent Africa, evolving Indian strategy could be understood within the context of India-Africa Forum Summits and ten guiding principles Prime Minister Modi's Africa policy. Trade, investment and development cooperation are key areas through which India-Africa development partnership will be build. In the first decade of 21st century, India-Africa trade increased almost tenfold. Due to various issues including global economic slowdown, it has stagnated in the last few years. Two-way investments are very impressive. However, excluding Mauritius this is still small and limited to few countries and sectors. Development cooperation has become a strong pillar of partnership. A large number of LOC projects are being implemented across Africa and thousands of young Africans are being trained in India. Still, there seems to be a limited linkage between Indian trade and investment profile and development cooperation projects. A comprehensive Africa-wide approach may be useful strategically, it is

not easy to implement. As Africa is so diverse, New Delhi may need to further finetune its strategy to engage different set of countries through a differentiated approach. As Indian footprint in Africa, including new diplomatic missions, is increasing, it will have more opportunities to work with African partners, both individually and at sub-regional and regional level. India also have to be careful not to be engaged in a geopolitical competition with other development partners. It should rather help Africans build their own development models based on their development needs and priorities. As India is also going through the same development process, sharing of some of its experiences and resources will help building a new Africa-India development architecture. This can synchronize India's own ambitious policy agenda with the *Africa 2063* and Sustainable Development Goals.

Endnotes

- ¹ See *Development Cooperation Report 2014*, especially Chapter 3 by Sachin Chaturvedi, "South-South Cooperation" in OECD (2014); and Centre for Policy Dialogue (2014). .
- ² Figures are author's calculations based on data released by Indian Ministry of Finance. See MOF (2020), *Volume 2, Table 1.2 page A4*.
- ³ See *Agenda 2063* at <https://au.int/en/agenda2063/overview>
- ⁴ For details see India Exim India database for LOCs at <https://www.eximbankindia.in/lines-of-credit>
- ⁵ For details of these projects see Exim India list of LOC projects in pipeline <https://www.eximbankindia.in/lines-of-credit#>
- ⁶ For details see <http://aagc.ris.org.in/about-aagc>

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