



South-South Cooperation and India: Insights from FIDC Multi-Stakeholder Policy Dialogues

Introduction

The regional consultations were organized by the Forum for Indian Development Cooperation (FIDC) with the objective of widening the ongoing dialogue among various stakeholders by including the views of regional actors on issues associated with the Indian development cooperation policy. With the setting up of the Development Partnership Administration (DPA) at the Ministry of External Affairs, there are new expectations across civil society and academics. This consultation series provided an opportunity to discuss scope, objectives and modalities in the realm of development partnerships. Efforts were made to collectively explore nuances of various narratives on South-South Cooperation (SSC) and in that context deliberate on Indian policy framework and various bilateral and multilateral programmes being administered by the government, EXIM Bank and other line Ministries. In this context, the role of Civil Society Organisations (CSOs) assumes great significance. Several of them have successfully established remarkable linkages across different developing countries.

The role of civil society has also evolved in the discourse. Engagement of CSOs in this critical field is now viewed as a voluntary partnership which

has now matured over the years. CSOs provide support at the grassroots levels. It is evident that vibrant civil society organisations are increasing their footprint in the development cooperation landscape. Some of the CSOs have also been contributing their notable expertise in diverse sectors ranging from health, water and sanitation, micro-finance to capacity-building.

Narrative on South-South Cooperation

South-South Cooperation (SSC) has been emerging as an important component in global development cooperation arena today, notwithstanding the debate as to whether it is a substitute for or complement to the traditional donor-led global architecture of foreign aid. Recent estimates suggest that the flow of resources through SSC has risen steadily during the last decade, but North-South Cooperation (NSC) is still important.

In recent years, SSC has become more prominent in discussions on international cooperation for development as the rapid economic growth experienced by many Southern economies has enhanced their importance, role and visibility in global affairs. The modalities for SSC have taken different and evolving forms, which include capacity-building, training, technology transfer and financial assistance. SSC has developed in

FIDC Policy Briefs are prepared on specific policy issues for the policymakers. This Policy Brief has been prepared by the team of researchers led by Prof. Sachin Chaturvedi, Director General, RIS and consisting of Prof. Milindo Chakrabarti, Visiting Professor, Ms. Vrinda Seksaria and Mr. Pratyush, Research Assistants at RIS.

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such a way that the process has become a multifaceted engagement. The element of cooperation is critical to the extent that it enables partner countries to progress on their own, which, in turn, presupposes horizontal supportive flows in the form of trade, technology and investment.

SSC aims to discover and exploit the principle of 'complementarity' in production, consumption, trade, investment, and technological and development cooperation. These processes are inter-linked and may in turn generate forward and backward linkages, which eventually may produce positive synergies across the Southern economies. The sharp expansion in trade and investment linkages among the Southern countries underlines this phenomenon.

India has a long history of development partnership, moving from a net aid receiver to a rising development partner. The rehabilitation schemes in Sri Lanka, power plants in Afghanistan, connectivity projects in Nepal and Myanmar, lines of credit to Africa, etc., are a few prominent instances of India development partnership activities.

In view of India's growing emphasis on strengthening SSC, some important issues require attention at this juncture for policy cohesiveness. They are:

- Developing a theoretical structure that explains the rationale of SSC and conceptualises its attributes in a transparent and unambiguous manner;
- Deliberations on possibilities and necessities of going beyond the paradigm of SSC (which is till now limited to cooperation at the level of national governments) that create adequate and effective space for non-state actors like private enterprises, CSOs and even communities; and
- Initiating an informed discussion

towards creation of an effective evaluation structure for SSC.

In this regard, FIDC organised two important regional consultations on 10-11 February 2015 in Pune and on 23-24 March 2015 in Kolkata in collaboration with the Symbiosis International University, Pune and the University of Calcutta respectively. This Policy Brief builds on the deliberations that ensued during these regional consultations. In general, these consultations provided an opportunity to discuss scope, objectives and modalities in the realm of development partnerships. Efforts were made to collectively explore nuances of various narratives on SSC and deliberations on Indian policy framework and various bilateral and multilateral programmes being administered by the Government of India. Special sessions emphasising the role being played by the education sector in fostering SSC were scheduled in both the consultations. Representatives of the private sector also contributed in these deliberations.

Major issues and the consequent recommendations emerging from the two consultations are summarised as follows. These recommendations are broadly classified under four heads:

- Facilitating participation of Indian CSOs in development cooperation;
- Facilitating Indian educational institutions in expanding their footprint to global South;
- Identification of India's potential role in the broader perspective of South-South Cooperation; and
- Recommended way ahead for FIDC.

I. Facilitating Participation of Indian CSOs in Development Cooperation

Both consultations underscored the importance of CSOs in enhancing India's

development cooperation from the perspective of SSC. They revealed that there are a number of challenges facing the CSOs in terms of outreach due to the presence of a number of policy constraints of various dimensions such as RBI regulations, lack of banking regulations, issues related to Ministry of Home affairs (tax and Foreign Contribution Regulation Act related issues), etc.

There are restrictions on bringing money from foreign countries and there are many disclosure challenges. Accounting standards are different that create audit issues.

It is felt that necessary policy changes are required to facilitate smooth and seamless participation of the Indian CSOs in development cooperation. Issues related to capacity constraints faced by the Indian CSOs also came under discussion. The major constraints identified were in respect of programme design and planning, monitoring and evaluation of the interventions and their proper documentations. It was proposed that measures to augment these capacities are necessary from within the CSO community, with academia and professionals providing a hand-holding support to them. It was emphasised that the CSO sector is extremely useful for formulation of policies and is helpful in planning programme structures and processes. The essentiality for “need based planning” and capacity building for the NGOs need also to be strongly emphasised.

South-South Cooperation involves supporting partner countries in accordance with their felt needs. Under such circumstances the role of DPA revolves around matching the desired services with the expertise of best suited CSOs in terms of expertise and experience to provide the required service. It is strongly felt that a process

be initiated for formulating the criteria to be used in helping the DPA to identify the relevant CSOs on a case-by-case basis. The potential role of FIDC in facilitating the identification of CSOs and experts was also underscored.

II. Facilitating Indian Educational Institutions in Expanding Their Footprints in Global South

Given its advancements in the field of education in general and higher education in particular since independence, India can provide considerable support to its Southern partners in development. Such an effort would also add considerably to the growth potential of India. This assertion was endorsed by participants in both the consultations. While the Pune consultation was exclusively centred on the role that Indian institutions of higher learnings can play in SSC, the Kolkata consultation highlighted the potential role of school education in propagating the spirit of development cooperation across global South.

The Pune consultation identified the need to generate a reliable database of international students – country-wise, discipline-wise and institution-wise – pursuing higher education in India with active support from Foreigner Regional Registration Offices (FRRO) and the Association of Indian Universities (AIU) so that whenever required contact with them could be established. In view of the recent trend of increasing enrollments of international students in privately-run institutions of higher education, it was argued to identify the strengths and weaknesses of private institutions vis-à-vis their public counterparts and develop a suitable policy matrix to harness their respective advantages in attracting international students. It was mentioned

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during the course of the discussion that private universities are better equipped in designing programmes according to the demands of international students. Single window facility – presence of professionally managed designated desk for international students – provided by major private universities to students seeking admission would also help them attract more students. There were also suggestions that Indian Missions abroad may devise mechanisms to facilitate brand-building exercise of such potential universities in their respective areas of activity. Education Expos, highlighting the achievements and deliverables by such universities may also be sponsored by relevant agencies under the Government.

The Kolkata consultation underscored the need for making further efforts for enhancing the spirit of SSC through academic exchange programmes among school students from across the countries of the global South. It also urged for exposing students to the life and experiences of Southern countries through appropriate inclusions in their curriculum.

III. Identification of India's Potential Role in the Broader Perspectives on South-South Cooperation

Sharing Success Stories of Indian CSOs

Several instances of successful development interventions by Indian CSOs, business houses and educational institutions – both in Southern countries and within India – were showcased during the consultations. Some successful experiences of interventions by organisations in other Southern countries were also highlighted. Such experiences should be shared among the Southern partners for possible replication with necessary modifications to suit local

requirements. The successful interventions made by BRAC, an international development organisation based in Bangladesh and the largest non-governmental development organisation in the world, in terms of number of employees as of June 2015 also came up for discussion. Experiences out of the formulation of a joint action plan prepared by India, Nepal and Bhutan to facilitate conservation at a cross-country landscape level (Kanchenjunga) were also appreciated by the participants during the Kolkata consultation. Participants in the consultation felt that efforts are necessary to identify the key points vis-à-vis their success, which may inform the process of SSC in general.

The regional consultations aimed at bringing together CSOs from diverse backgrounds working extensively on multiple issues across India. Both the consultations had participation of varied number of CSOs which can be seen as successful case studies and could be replicated in the development cooperation needs of the developing countries.

The Pune consultation had representation of CSOs from the Western region. YUVA Rural Association has been successful in doing “need based planning” in the Vidarbha region in Maharashtra. The region has now more than 1000 organisations working for poor people. People's Organisation and People's Institution (POPI) has similar thoughts but is different in functions. There is a slight difference wherein organisations negotiate with the state for their rights and institutions are mainly dealing with SHG's which are linked with banks.

BAIF (Bharatiya Agro Industries Foundation) Development Research Foundation is yet another success story. BAIF is operating in more than 100,000 villages in the areas of cattle

development, livestock and watershed development. There are both on-farm and off-farm activities. The thrust are livestock development and dairy development.

Pradeep Lokhande from Rural Relations majorly works on rural linkages and relations. He stressed on the need for basic amenities for education, health, sanitation, etc., in Indian villages. Ashta No Kai, another Pune based NGO, is funded by local people of Japan. The focus of the organisation is on empowering rural women and girl child. Another success story worth taking note of is Sewamandir which operates in Udaipur and mainly takes in integrated rural development programmes. It has collaborations with Norway and Netherlands. The other CSOs included Mahila Chetna Manch, which works on Gender issues and capacity building for NGO's, sharing expertise, research and policy analysis, livelihood promotion and dairy, agriculture and horticulture promotions and BUILD, which mainly focuses on slums in Mumbai and helps in areas of monitoring, evaluation and disaster management and mitigation. It is also engaged in social outreach programmes.

While the Pune consultation focused on the Western region CSOs, the consultation in Kolkata had representation of CSOs from the Eastern region. The CSOs who participated in the consultations work in multiple areas and shared their rich experiences and challenges faced by them during the course of the deliberations. The Ashden Foundation worked in the various SAARC countries, African countries and South American countries. The main task of this NGO is to provide off grid electrification mostly to the rural people. The NGO comes under the ambit of National Solar Mission. Ambassador Amitava Tripathy shared his experience as an international advisor

to the organisation Hand-in-Hand, which works to alleviate poverty, micro-financing, women empowerment and child education. The organisation has spread its network not only to the states of Tamil Nadu, Karnataka, Maharashtra, Rajasthan and Pondicherry, but also in countries like Afghanistan, South Africa, Brazil, Cambodia etc.

The Sustainable Action and Network through Community Leaders Programme (SANKALP) was yet another success story. The main task of the organisation is to give training to different officials regarding protection and conservation of forests and bio diversity and sustainable development. Another CSO included PRADAN, a Delhi-based organisation, which mainly focuses on the development of the Ethiopian region through cross-learning and cooperation. Another organisation within PRADAN is KABIL, which mainly works for empowerment of the women in Ethiopia and conserves rain-water for utilisation purposes. The consultation also had the representation from S M Seghal Foundation, New Delhi which mainly focuses on micro-financing, women empowerment and livelihood.

The Role of Industry and Private Sector

The role of private sector enterprises in enhancing SSC cannot be over emphasised. Several successful experiences of SSC, involving corporate sector partners, were discussed during the deliberations. The main concern that came up was related to the urgency of creating a positive and effective image of 'Brand India' that would attract attention of citizens and governments of Southern partner countries. An idea was mooted in terms of extending the use of CSR funds by the corporates beyond the domestic boundaries.

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The private sector and industry assumes an important role in the process of development cooperation. Instances of *Kirloskar Brothers* in contributing to the growth in agricultural productivity in some African countries were presented and those by *Arcelor Mittal* were discussed in some detail during the consultations. The industry also has an important role to play; for instance, MCCIA, which alongside Corporate Social Responsibility (CSR) initiatives also takes up individual initiatives for development projects. Presently, the CSR activities are limited to certain areas only thereby restricting the reach of such initiatives.

Need for a Robust Theoretical Framework of SSC

The consultations also expressed concern about the lack of a concrete theoretical paradigm of SSC backed by strong field level evidences, leading to potential flaws about the sustained success of SSC in ushering in development among the countries of global South. It was strongly felt that a separate exercise may be initiated to gather successful case studies – both within India and outside – that will help understand the broad parameters of SSC and link them into a concrete theoretical framework.

On a conceptual level India's development cooperation is based on the structuralist foundation where persistence and predictability of policies are important to augment supply conditions in the partner countries. Improvement in the supply condition is based on demand driven considerations of the recipient countries. India's endeavour has been to overcome supply bottlenecks in several sectors including those of agriculture, manufacturing, external sector, etc. to prevent sectoral as well as overall macroeconomic imbalances in the long

run. India has the perception that growth can be achieved with macroeconomic instability since latter is inherent in the Southern partner countries. At a time when countries persist under 'under employment equilibrium', the risk of macroeconomic instability is likely to persist. Growth can be spurred in a partner country with sectoral cooperation. It is in this context that India provided several project level support through different ministries and this can be called as 'Mission Approach'.¹ This, however, has happened around the result oriented ingredient approach which provides for development assistance at five different levels: trade and investment; technology; skills upgrade (capacity-building); line of credits; and grants. These five levels of engagement are seen as part of a 'development compact'.²

The 'compact' is among the Southern partners for mutual economic growth. The idea of 'the development compact' has evolved through the years since it was first mooted by Norway's Foreign Minister Thorvald Stoltenberg in 1989 as 'development contract'. The concept was further refined as 'mutuality of obligation' and 'reciprocity of conditionality' by Prof. Arjun Sengupta in 1993.³ These terms were propounded for North-South exchanges; however, the new context of development compact with the Southern actors at its core has seen variations from the past. Now, it is no longer about the imposition of conditionalities on recipient countries but more on the principles of SSC such as mutual gain, non-interference, collective growth opportunities with absence of conditionalities.

The necessity of developing a distinct framework for evaluation centred on the principle of 'mutual benefits' accruing to the partners in cooperation was also highlighted. The existing evaluation framework to assess the effectiveness of

development cooperation is based on the spirit of traditional aid architecture that is often donor driven. SSC – with demand-driven partnership as its focal point – logically requires an altogether different framework and architecture for its evaluation. In further appreciation of the feature of SSC, that it strives for mutual benefits between the partners in cooperation – both the recipient and the provider – an evaluation perspective, that captures the actual flow of benefits across the partners in cooperation, as opposed to the traditional measure of impact of aid/grants on the recipient country, has been identified as an important component of the new evaluation framework.

It is also imperative that such an evaluation framework is intimately linked not only to the theoretical framework devised for SSC, but also to the findings from the case studies of interventions that emerged to be successful or otherwise. In this context, there is need for organising capacity building events to augment the capabilities in evaluation of SSC, involving policymakers, practitioners and academia.

Recommended Way Forward and Role of FIDC

In view of these findings, it was recommended that efforts of FIDC should include developing a template for case studies to be initiated and evolving a robust methodology to understand the various nuances of SSC. To facilitate such activities, it was proposed to form two working sub-committees within FIDC. While the first such sub-committee would develop a template to record experiences from successful interventions through case studies, the second one will help evolve robust research methodologies that inform the SSC narratives and provide inputs to identify the implications of the

several components of “development compact”, viz. capacity building, trade and investment, development finance, grants and technology transfer. The exercise by the first sub-committee will also help revise the structure of the CSO directory developed by FIDC.

The overwhelming response received from the CSOs, business houses, academia and other stakeholders in India’s development cooperation during these regional consultations, called for organising more such consultations for regions that are yet to be brought under the purview of such consultations.

Conclusions

The consultations served a number of purposes towards strengthening India’s participation in and conceptualisation of SSC. First, it not only highlighted the necessity of going beyond a government-to-government approach to SSC and involving other potential partners from the corporates, CSOs and even the communities, but also confirmed their willingness and capabilities to undertake such missions. Second, it underscored the need to develop a broad theoretical framework to delineate the contours of SSC and deciding on the future roadmap to be followed in actualizing SSC in its true spirit of win-win partnership. Third, the consultations opened up a meaningful dialogue to involve India’s strong achievements in the education sector as a springboard for expanding the scope for SSC. Fourth, a paradigm shift necessary in the evaluation architecture for assessment of SSC was also emphasized. Finally, these consultations succeeded in creating an ideal platform for multi-stakeholder dialogue to facilitate an effective process of policy making.

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There is a need to re-define South-South cooperation in light of the challenges faced by developing countries and also to theorise on the basis of evidence to substantiate the South's policies.

- ¹ Mohanty (2015).
- ² Chaturvedi (2015).
- ³ This also comes quite close to the idea of Comprehensive Development Framework (CDF) which was evolved at some stage by the World Bank. Here the approach was for holistic development so as to overcome fragmentation of services including institutions, participation, financing, economic and social integration, environmental considerations and long-term growth strategies.

There is a need to re-define South-South cooperation in light of the challenges faced by developing countries and also to theorise on the basis of evidence to substantiate the South's policies. The Civil Society Organisations (CSOs) in our country have come a long way in terms of channelising development activities both in India and other developing countries. What is needed is to regulate them and also to look at the CSR activities of Indian companies abroad.

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Forum for Indian Development Cooperation

The Forum for Indian Development Cooperation (FIDC) is a platform launched to explore various facets of Indian development cooperation policy with its partner countries. The objective is to encourage debate and analytical research on all the broad constituents of India's development partnership spectrum in order to bolster policy making process in this field of critical importance. Thrust of the forum would be to substantially contribute in facilitating an informed debate on policy framework of India and other developing countries.

The FIDC would also try to follow broad trends in South-South cooperation and analyse contributions and impact of Indian policies. The Forum will establish dialogue with the relevant government agencies and academia with a focus on South-South cooperation. The FIDC would also establish linkages and dialogue with international agencies, experts from the partner countries and advanced countries with a view to meet its comprehensive multi-faceted objectives. The FIDC is housed in RIS, New Delhi.

Strengthening Indian development cooperation policy towards promoting South-South cooperation



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