

FACTSHEET

India and South South Cooperation



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WHAT DOES DEVELOPMENT COOPERATION MEAN?

- A foreign policy tool used by countries to support development in low and middle income ones, ranging from foreign aid/official development assistance (ODA) to remittances and foreign direct investment (FDI)
- Development cooperation (DC) flows aim to expressly support internationally defined development goals e.g. Sustainable Development Goals (SDGs) and similar agreements
- It helps developing countries achieve structural changes to address their development needs through in-kind or financial transfers, technical and capacity support, and/or policy solutions. Typically, it is not defined solely by a profit motive i.e. donor countries and organisations accept a lower level or no profit for the activities undertaken.

WHAT IS SOUTH SOUTH COOPERATION (SSC)?

- No single definition, SSC refers to a broad framework of collaboration among Southern countries in the political, socio-economic, environmental, cultural and technical domains. It can take place on a bilateral, regional, sub-regional, or interregional basis.
- It is built on the principles of non-conditionality, mutual benefit, respect for sovereignty, and is demand-driven in nature
- SSC is reflected in greater trade volumes, FDI flows, technology transfers etc. between Southern countries. The BRICS nations are among those emerging economies with large foreign aid budgets

4X growth in India's development cooperation budget over the last decade.

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(approximately USD 1.08 billion) is the budgeted amount for 2017-18

The development cooperation budget between 2007-08 and 2016-17 increased by nearly

290%

USD 142.6

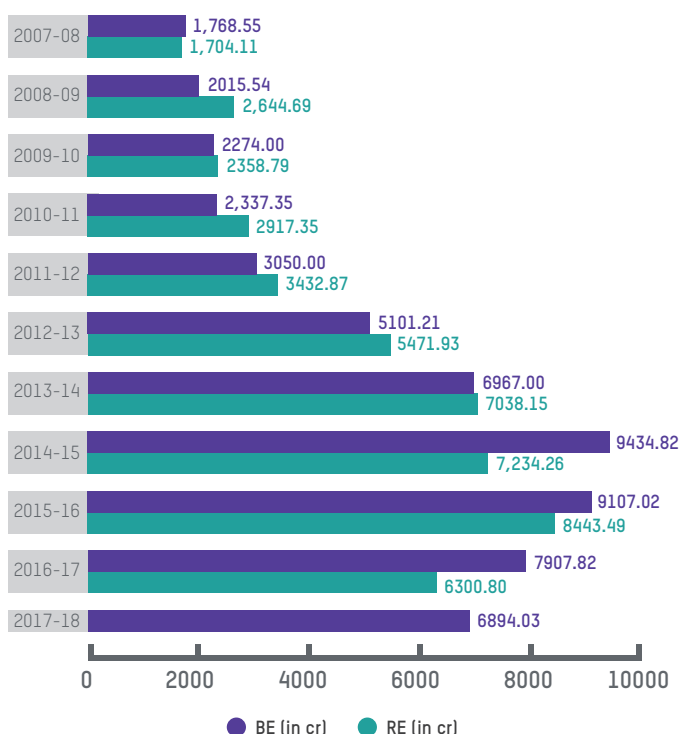
BILLION

was provided as official development assistance (ODA) by members of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) in 2016, an 8.9% increase over the previous year

Of the 30 DAC members, India already contributes more development assistance resources than 12.

12+

I. OVERALL DEVELOPMENT COOPERATION FIGURES



Source: Ministry of External Affairs, Demand for Grants of Central Government, Expenditure Budget, Union Budget and Economic Survey (2006-07 to 2017-18)

II. COUNTRY-WISE BREAKUP OF INDIAN DEVELOPMENT COOPERATION FLOWS (IN INR CRORE)

	2016-17	2015-16	2014-15	2013-14	2012-13
Bhutan	5,490	5612.69	4871.59	4109	3409.06
Bangladesh	150	213.79	198	580	280
Afghanistan	520	682.94	710	525	491.16
Sri Lanka	230	500	500	410	290
Nepal	300	300	300	380	270
Myanmar	400	154	130	255	125
African countries	290	200	145	250	237.50
Maldives	-	213	25	168	30
Others (includes Eurasian nations, Mongolia, Latin American nations, among others)	527.82	567.07	354.67	361.15	339.21

Source: Annual Outcome Budget documents published by the Ministry of External Affairs (2012-13, 2013-14, 2014-15, 2015-16, 2016-17)

III. MAJOR TOOLS OF DEVELOPMENT COOPERATION

GRANTS	LINES OF CREDIT (LOCs)	INDIAN TECHNICAL & ECONOMIC COOPERATION PROGRAMME
Grants are provided to recipient nations in various sectors including education, healthcare, housing, infrastructure etc.	Facilitated by the Export Import Bank (EXIM Bank), LoCs are extended to partnering countries, financial institutions, regional development banks etc. LOCs allow partners buy goods and services from India on deferred credit terms.	Established in 1964, it is an initiative centered on skills training. It aims to further technical cooperation and capacity building with other developing nations across multiple geographies but largely focused in Asia and Africa.
<i>Managed by Development Partnership Administration (DPA) I, II and III</i>	<i>Administered and coordinated by DPA-I and EXIM Bank</i>	<i>Coordinated by DPA-II</i>

WHAT IS THE DPA?

The Development Partnership Administration (DPA) is an agency under the Ministry of External Affairs which was created in January 2012 and oversees all aspects of the handling of India's aid projects. It has 3 divisions headed by Joint Secretary level officers. **DPA I** deals with project appraisal and lines of credit; assesses grant projects in East, South and West African regions, Bangladesh, and the Sri Lankan Housing project. **DPA II** focuses on capacity building schemes, disaster relief, ITEC programme, Special Commonwealth Assistance for Africa programme (SCAAP), implementation of Colombo Plan; and also assesses grant projects in southeast Asia, Central Asia, West Asia, and Latin America. **DPA III** deals with grants projects implementation in Afghanistan, Maldives, Myanmar, Nepal and Sri Lanka.

IV. INDIA V OTHER MAJOR SOUTHERN AID DONORS (IN USD MILLION)

COUNTRY	2011	2012	2013	2014	2015
Brazil	469	411	316
Chile	24	38	44	49	33
China (People's Republic of)	2785	3123	2997	3401	3113
Colombia	22	27	42	45	42
Costa Rica	21	24	10
India	794	1 077	1 223	1 398	1772
Indonesia	16	26	49	56	..
Mexico	99	203	526	169	
Qatar	733	543	1 344
South Africa	229	191	191	148	100

Source: OECD estimates; <http://www.oecd.org/development/stats/non-dac-reporting.htm>

IMPORTANT MILESTONES

- 1947** India gains independence, begins development assistance activities almost immediately
- 1950s** India provides programme-based aid as grants, alongside scholarships and humanitarian aid to Bhutan, Nepal and a few sub-Saharan nations, focus on Afro-Asian solidarity
- 1955** The Bandung Conference held in April, first large-scale Afro-Asian Conference
- 1956** Non-Aligned Movement comes into being led by India, Yugoslavia, Egypt, Indonesia and Ghana
- 1964** Indian Technical and Economic Cooperation programme begins
- 2003** India Development Initiative (IDI), located within the Ministry of Finance, is established to evolve development assistance framework
- 2004** Indian Development and Economic Assistance Scheme (IDEAS) established to facilitate Lines of Credit (LoC) through EXIM Bank
- 2012** Development Partnership Administration (DPA) created as a separate agency within the Ministry of External Affairs

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