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**POLICY OR NO POLICY – WHAT LIES AHEAD FOR INDIA’S DEVELOPMENT  
COOPERATION**

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**EXECUTIVE SUMMARY**

India has emerged out as an important actor regionally and among the partners of the South. Unlike the OECD/DAC nations which clearly state its development policy, India is yet to officially formalise its principles and declare them in the form of a vision paper or white paper. Development initiatives undertaken by the developed countries are well documented and receive significant interest from its public and the media. However, in India, the scale and distribution of development cooperation can be extracted from a few sources and the budget reports from relevant ministries. This leads to the problem of accountability as it becomes almost impossible to trace the allocation of resources, the effectiveness of development initiatives that are undertaken by India. Formulating a flexible development cooperation policy can be useful in three ways for India. One, in guiding the nascent Development Partnership Administration (DPA) under the Ministry of External Affairs (MEA) to expand its role for effective development initiatives. Two, position itself strategically relevant in the region with the rise of China and three, to potentially take on the leadership role within the South-South Cooperation framework.

**Key words:** Development Cooperation, Policy, Development Partnership Administration, South-South Cooperation, and Sovereignty

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## INTRODUCTION

Since independence, India has been both a receiver (from OECD/DAC nations) and a provider of development cooperation. Its role and involvement within the field of development cooperation had significantly gained momentum since the 1990's as it opened up its markets to the world through economic liberalization. This resulted not only in the increase of economic and political influence in the global arena. India has also emerged out as an important actor regionally and among the partners of the South. Unlike the OECD/DAC nations which clearly state its development policy, India is yet to declare an official paper which encapsulates its vision. It is worth examining the reasoning behind this inaction. Formulating a policy upon which cooperation buttressed would be beneficial for leaders acting on behalf of India as well as to those engaging with India.

So far, India's foreign policy and development cooperation are said to be built on the Panchsheel/Bandung principles which uphold mutual respect for sovereignty and non-interference for mutual benefits and peaceful co-existence. India's development policy weaved together its own experience as a recipient of development assistance as well as its place in the Non-Aligned Movement (NAM) (Anon., 2009). These principles draw a clear demarcation between India's development cooperation policy from the OECD/DAC countries guided by a post-colonial paternalism that presumes superiority over newborn States. However, it is important to see if India needs a policy to guide its future development cooperation initiatives and if a road map through a policy paper be instrumental in devising a vision for the future.

India's development cooperation activities led majorly by the Ministry of External Affairs (MEA), in addition to several other ministries and organizations. The scale and distribution of development assistance are not declared specifically and publicly rather must be extracted from various sources and from the budget reports from the relevant ministries. It becomes almost impossible to trace the allocation of resources, the effectiveness of development initiatives and thus making it difficult to hold India accountable. Those skeptical about the rise and the emerging importance of South-South Cooperation perceive this as India's hoodwink to the other developing nations and poorer nations to their benefit. This leads us to the question whether India requires a one-stop agency or department that dealing with all matters development cooperation for better implementation and effectiveness or should it be disregarded owing to its success in development cooperation (for example, its significant role in reconstruction of Afghanistan and its active contributions in African countries and lead on South-South Cooperation).

In this paper, I will try to examine two issues. One, the major contentions regarding the need for a policy paper and the usefulness of such a paper in implementing activities and achieving long term goals through a well guided strategy with a vision. Second, to see if India needs to reflect on the need for a single development agency and not discount the idea by claiming it would be an

emulation of the North and its practices. This reconsideration is worth the effort for India as this could help in efficient allocation of its resources as well as strengthen its relationships with other Southern partners.

### **POLICY QUESTION- TO HAVE OR NOT TO HAVE!**

As mentioned earlier, India has so far not declared or formulated any development cooperation policy that would explicitly mention the nature of engagement. Before we look at whether India needs to explicitly state its principles, interests and intentions, it is worthwhile to look the what a policy would do and then look at the question of why or why not have a policy. What is a policy and what does it do? A Policy consists of a set of principles that would guide decisions and a course on action to be attested and adopted by a governing body (Anon., 2016). A policy would be useful in making decisions as well as keep with the larger intent to achieve goals.

In recent years India had emerged as an important actor within the Development Cooperation arena while promoting regional cooperation (e.g. Nepal, Afghanistan and Bhutan). There has been a significant rise in the trade relations, investment in regional infrastructure, lines of credit and technical assistance. This continued momentum India enjoys is met with criticism for not having publicly declared a policy. The argument is “what has India got to hide” from others and its people. The counter argument is that India’s development cooperation policy is closely knit on the principles of Bandung conference and the spirit of Non-Aligned Movement that South-South Cooperation is built on which respects the sovereignty of nations and its approach has most often been demand-driven than supply-driven (Agrawal, 2007). Even though a policy might outline the larger strategy India has set for itself and trace its past interests and initiatives serving as a useful guidance for the future, it is possible that declaring a policy paper may not fully serve its purpose. In the defense of having a policy, the effect of a loss is minimal considering the comparable gain having a policy presents which would remove the suspicions raised by competitors. Possible losses can be addressed with approach to implementation of policy as a flexible one to accommodate interests when needed. It will be valuable for India to set forth its own development cooperation policy that would sketch out principles that would reflect its larger goals and forward thinking in cooperation.

### **FROM ADMINISTRATIVE PROBLEMS TO A ONE-STOP SOLUTION**

Traditional donors have raised several concerns about the development cooperation programmes of the emerging donors of the South. Since most of the Southern donors do not report details of the amount involved in their development cooperation to OECD-DAC or any other body, it is very difficult to get an idea about the magnitude of South-South development cooperation. (Samuel & George, 2016). Many South-South Cooperation programmes are pursued just as government-to-government affairs on a commercial basis. These initiatives are seldom subjected to the scrutiny

of parliaments or Civil Society Organizations (CSOs). This aspect erodes democratic ownership and accountability of many of the development partnership programmes (Samuel & George, 2016).

India's mode of assistance for development consists of grants, LoC's and capacity development and training by ITEC. With an increase in the amount of assistance, there emerged a need to organize the several development programmes, humanitarian action and contribution to multi-lateral organizations that are being undertaken by multiple ministries and organizations. The Ministry of External Affairs set up a Development Partnership Administration (DPA) in 2012 as an official agency for international development cooperation. DPA is entrusted with the formulation, implementation and evaluation of India's development assistance programmes. It also coordinates trade and investment, transfer of technology, financing through credit and capacity building using technical and economic cooperation. The agency has three divisions. DPA-I mainly deals with the LoC projects under the Indian Development and Economic Assistance Scheme (IDEAS) of the Ministry of Finance. DPA-II is responsible for capacity building and training, ITEC and humanitarian assistance. DPA-III looks after project implementation, working closely with the concerned ministries, departments and agencies (MEA, n.d.). Having established DPA recently, the effectiveness and efficient implementation are often in question. The country's development agency still lacks well defined objective and approach to accountability and monitoring. There is a need for significant expansion of its present role and action in assistance delivery. This problem arises partly due to the fact that it's been established recently and also the fact that there is no guiding policy. Success of development cooperation initiatives is reliant on how well the programmes are implemented.

The motion for an expansive role for the DPA and institutionalizing it as the India's development cooperation agency addresses two issues. One, having one agency responsible for all matters relating to development cooperation would lead to accountability and those working would be weary of consequences which will eliminate the possibility of corruption. This will also lead to better allocation of resources and delivery. Second, if DPA manages to be coherent and well organized, it can take lead with the South-South Cooperation and become an alternative to OECD/DAC which would be preferred by many partners of the South. In the long run, this opportunity to take the lead would be a fruitful decision for India and its development cooperation agenda.

## **INDIA'S DC FUTURE RESTS ON TWO SCAFFOLDS- A CONCLUSION**

India's development assistance began to attract international attention after substantial increases in the volume of aid in the last fifteen years, with active portfolio development assistance to Africa (Mullen, 2014) and also to its South Asian neighbors. India and China can be viewed as being rivals. China economically dominates India and how India responds to the opportunities that

development cooperation with African countries and its neighboring countries in the South-East will determine its strategic future in the region. China had taken steps recently by publishing a white policy paper on its development cooperation initiatives. This is significant and India should take note of it due to the increasing Chinese presence and influence in Africa and Asia which can hamper India's prospects. India, on the other hand suffers from organizational impediments with the narrow role played by the DPA under MEA. India's lack of a clear policy guiding the DPA adds to the problem.

In conclusion, the future of India's development cooperation can be seen with new additions to its current development cooperation framework in which the actions of today will determine the success of tomorrow. It is through the public declaration of India's development cooperation policy which would form a skeleton framework to guide the Development Partnership Administration (DPA) initiatives for better organization and delivery of assistance. Without a clear policy indication, India can lose out on opportunities in the future as it would be directionless and its initiatives would not consider its long-term interests.

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