

THE HINDU Business Line

India proposes, Africa promises

BHASKAR BALAKRISHNAN

The India-Africa Summit mechanism seeks to inject economic substance into the relationship, based on common political, historical, and cultural factors.

The first India-Africa Forum Summit in April 2008 raised the profile of cooperation with Africa significantly. About 14 African countries and the African Union Commission adopted a Delhi Declaration and the Africa-India Framework for Cooperation to strengthen relationships in trade, economy, agriculture, education, science, technology, water management and human resource development.

The second India-Africa Summit, being held in Addis Ababa from May 23-27, seeks to build on this foundation and take it forward.

Though only 16 African countries will be at the Summit, the involvement of the AU as a key partner has provided outreach to all 53 AU member states. In addition, India has been engaged with other African organisations such as COMESA, SADCC and the East African Community.

Opening up businesses

Africa is in our extended neighbourhood and is an important partner for India. The India-Africa Summit mechanism seeks to inject concrete economic substance to the relationship based on many common political, historical, and cultural factors.

India seeks African support for an enhanced role in the reformed UN Security Council. India's large Diaspora has spread to many African countries, often opening up small businesses in remote and difficult areas.

Compared with other players such as China, Japan, or the West, India has been careful to distinguish its model of cooperation as being based on much more than mere natural resource exploitation.

India's experience of democracy and a multi-cultural multi-religious developing society may also be useful for Africa, especially in these turbulent times.

India's military institutions have been providing training to African personnel over many years, and has also been involved in challenging UN peacekeeping operations in Africa.

Strengthening capabilities

India has given duty-free and preferential market access for exports from all Least Developed Countries, including 34 in Africa, covering 94 per cent of India's total tariff lines, accounting for some 93 per cent of global exports of all Least Developed Countries.

Products of immediate interest to Africa include agro products and minerals. India would double its quantum of credit to \$5.4 billion from the present \$2.15 billion over next five years. The Prime Minister of India has proposed the establishment of an India-Africa Volunteer Corps for development work, a task that is quite challenging, given the experience of the US Peace Corps. India will increase aid to Africa through concessional lines of credit and grant by over \$500 million over the next five to six years.

India will strengthen African capabilities in higher education, especially in pure sciences, information technology and vocational education. It will also make investments in research and development in renewable forms of energy and agricultural development, through these institutions.

Under a Joint Action Plan, the Government of India and the African Union will set up several institutions — the India-Africa Institute of Foreign Trade; India-Africa Institute of Information Technology; India-Africa Institute of Education Planning and Administration and India Africa Diamond Institute. In addition, plans are afoot for 10 India-Africa vocational training centres and construction of five prototype low-cost houses.

Scholarships are being awarded to African postgraduates at Indian universities for Ph.D and masters programmes in the field of agriculture.

The C. V. Raman International Fellowship programme has 85 African researchers working at Indian institutions under short-term, fully-funded scholarships.

Under capacity-building assistance, some 432 African students have received short-term training in subjects such as economic offences and cyber crimes, food quality and safety, disaster risk management, infrastructure development, entrepreneur development, combating desertification.

The landmark Pan-African e-Network Project has moved ahead since its launch in 2009. It uses Indian IT capability to bring benefits of healthcare and higher education to Africa.

The project cost of about \$116 million is covered by a grant from India. It will network five regional universities, five regional super-specialty hospitals, 53 learning centres, 53 remote hospitals and 53 VVIP nodes in all countries of Africa.

In India, five universities and all 12 super speciality hospitals will be networked. 47 African countries and the AU are participating. So far, linkages have been made with institutions in 23 countries.

Follow-up mechanism

Much of the work done so far has been driven by the Indian Government, in the relatively softer sectors of economic cooperation.

A strategic planning mechanism is needed to identify high quality projects and programmes that meet the agreed objectives. Emphasis on smaller, replicable better-designed projects directly benefiting civil society may be better than large expensive mega-projects which may have many implementation issues.

A stronger follow-up mechanism needs to be put in place to monitor and implement agreed programmes and combat delays and slippages.

Also, an independent evaluation mechanism is required to look at periodic progress reports and ensure that projects and programmes and use of Indian grants and credit lines are following best practices, meeting their objectives, and are not plagued by inefficiencies and corruption.

The actual engagement of Indian companies in Africa has been relatively limited, sector-wise and in terms of countries. Few Indian companies have invested in Africa to set up value-addition and local businesses.

A notable example is the Tata group, which has made its home in Africa and developed local business over three decades.

But this is set to change, as Indian companies realise the advantages of becoming more competitive internationally and adopt outward-oriented strategies and business plans.

They will find many challenges and opportunities in Africa, be it in natural resource development, energy and transport, manufacturing and services, where there are many promising projects to be taken up.

(This article was published on May 24, 2011)

Keywords: [India-Africa Summit](#), [foreign trade](#), [overseas investments](#), [foreign relation](#), [Africa-India Framework for Cooperation](#)

[Ads by Google](#)

[Scholarships for kids](#)

Secure your kid's Future. Register at Igenius Before 15th June 2011!

www.igenius.org

[India's Growth Story](#)

Benefit from it. Invest with Fidelity India Growth Fund

Fidelity.minteractioncampaigns.com

[LIC के साथ](#)

अब करोड़पति बनना है आसान, Invest With New Plans

www.policybazaar.com/Insurance