

### BACKGROUND

- Indo-African ties can be traced back to the ancient world, particularly in terms of trade between eastern African kingdoms such as Aksum (modern-day Eritrea and parts of Ethiopia) and Egypt and the ports of western and southern India
- Political relations between African countries and India strengthened during the colonial period and during independence struggles
- Mahatma Gandhi's stint in South Africa continues to be an enduring tie between the continent and India
- During the Cold War, India's first Prime Minister, Jawaharlal Nehru founded the Non-Aligned Movement, borne of a collective pledge of neutrality, alongside African leaders Gamal Abdul Nasser (Egypt) and Kwame Nkrumah (Ghana), among others
- Modern day economic ties have accelerated significantly since India's economic liberalization. India is today Africa's **4<sup>th</sup>** largest trade partner after China, United States of America, and the European Union
- India-Africa trade was estimated at **\$56.5 billion** in 2015-16
- **5-fold** increase in trade between India and Africa between 2005-06 and 2015-16
- **\$200 billion** informal target for bilateral trade set during annual India Economic Summit hosted by the World Economic Forum in 2014
- India is the **5<sup>th</sup> largest** investor on the continent with investments amounting to \$54 billion between 1996 and 2016; Mauritius, Mozambique and Sudan are the top three destinations

### INDO-AFRICAN DEVELOPMENT COOPERATION

- Indo-African development cooperation is marked by capacity building, technical and economic initiatives and situated within the South South Cooperation framework of mutually beneficial partnerships and non-conditionality
- Development cooperation takes the form of grant-in-aid programmes, concessional loans/lines of credit (LoCs), and capacity building and training under the Indian Technical and Economic Cooperation (ITEC) programme and Special Commonwealth Assistance for Africa Programme (SCAAP), familiarization visits etc.
- **50,000** scholarships being offered to African students over a five-year period starting 2015
- **39%** increase in grant allocation to African countries (excluding Mauritius and Seychelles) between 2012-13 and 2017-18, peaked in 2014-15
- Key sectors financed by Indian grants include education, information and communication technology, industrial development and agriculture
- India initiated the 'Dialogues on Africa' forum to explore joint cooperation activities with Japan, United States, France and Germany
- Various forums and platforms for engagement established or participated in over the last decade including the India Africa Forum Summits, 'Team 9' initiative, African Capacity Building Foundation etc.

### DEVELOPMENT COOPERATION BUDGET FOR AFRICAN COUNTRIES

YEAR	BUDGET ESTIMATE	REVISED ESTIMATE
2017-18	330	-
2016-17	290	290
2015-16	200	200
2014-15	350	145
2013-14	300	250
2012-13	250	237.50

All figures in Rs.crore

Source: Ministry of External Affairs, Demand for Grants of Central Government Expenditure Budget (2012-13 to 2017-18)

Note: These amounts reflect those accounted as 'Aid to African Countries' for central sector schemes/projects. They do not include allocations for the ITEC and SCAAP programmes or the allocations for Mauritius and Seychelles which are four separate budget lines.

### LINES OF CREDIT (LOCs)

- Increasingly, LoCs have begun to emerge as the primary Indian development cooperation instrument for African countries
- Nearly **60%** of all LoCs extended by India between 2005 and 2017 have been to African nations
- **40** countries and the Economic Community of West African States (ECOWAS) provided with LoCs between 2002 and 2017
- First LoC provided to Djibouti's central bank in 2002-03 worth \$10 million
- LoCs are used to fund a variety of projects including agricultural development, electrification, irrigation, water systems, renewable power, roads, infrastructure maintenance, medical supplies etc.
- **166** LoCs provided to 40 African countries between 2002-03 and 2016-17
- **\$9.3 billion** is the total amount earmarked as LoCs between 2002-03 and 2016-17 by EXIM Bank, **\$3.96 billion** disbursed
- **\$1.24 billion** LoC pipeline for African countries as of January 5, 2018

### TOP 10 LOC RECIPIENTS

COUNTRY	NO. OF LOCs	TOTAL DISBURSED AMOUNT (IN US\$ MILLION)
Ethiopia	7	1004.54
Sudan	9	756.68
Mozambique	12	639.44
Tanzania	5*	615.22
Mauritius	4	612.50
D.R. Congo	7	494.94
Rwanda	4	281.05
Mali	6	253
R. of Congo	3	214.90
Ghana	7**	208.26

\*One unsigned LoC worth US\$500 mn. \*\* Two unsigned LoCs worth US\$180 mn.  
Source: EXIM Bank of India

## INDO-AFRICAN INITIATIVE — PAN-AFRICAN E-NETWORK

An Indian Government initiative in Africa, the Pan-African e-Network project was launched in February 2009 with a budgeted cost of US\$125 million. First proposed by then Indian President Dr. APJ Abdul Kalam in Johannesburg in 2004, the e-network project seeks to connect the 55 African Union countries to each other and India through a satellite and undersea cable network to further tele-education, tele-medicine, e-commerce and e-governance services.

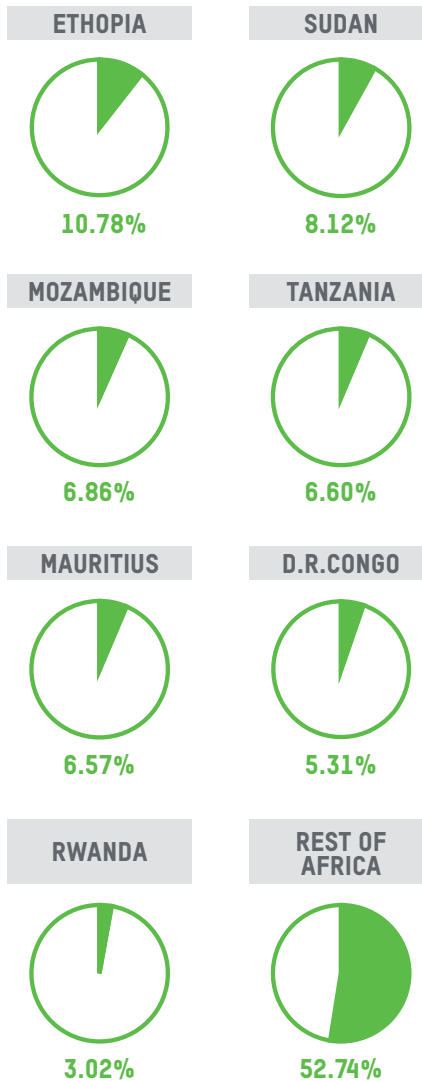
The project has partnered with a number of institutions, including seven Indian and five African universities, 12 Indian and five African super-specialty hospitals, and 53 African tele-medicine and tele-education centres. Often used as an example of South South Cooperation, the e-Network aimed to benefit 10,000 students over five years and won the Hermes Prize for Innovation in 2010.

## INDIA-AFRICA FORUM SUMMITS - OVERVIEW

YEAR	SUMMIT VENUE	KEY OUTCOMES
April 2008	New Delhi, India	<ul style="list-style-type: none"> <li>• US\$ 500 million commitment in grants by India over five years. LoCs extended to US\$5.4 billion for five years</li> <li>• Introduction of Duty-Free Tariff Preference Scheme for Least Developed Countries</li> <li>• US\$300 million concessional credit for the New Partnership for Africa's Development (NEPAD) programme</li> <li>• No. of annual ITEC slots offered to Africa increased to 1,600 from 1,100</li> <li>• No. of long-term scholarships offered for graduate and post-graduate studies increased to 500 from 250</li> </ul>
May 2011	Addis Ababa, Ethiopia	<ul style="list-style-type: none"> <li>• Grants worth US\$700 million and LoCs worth \$5 billion committed by India over the following three years</li> <li>• 22,000 scholarships for African countries over three-year period</li> <li>• Commitment to establishing and refurbishing 80 institutions with the African Union in sectors including food processing, information technology, vocational training, agriculture, rural development, English language centers etc.</li> </ul>
October 2015	New Delhi, India	<ul style="list-style-type: none"> <li>• Commitment to provide US\$600 million in grants and US\$10 billion in LoCs for the period between 2015 and 2020</li> <li>• The grants included a US\$100 million India-Africa Development Fund for infrastructure and US\$10 million India-Africa Health Fund</li> <li>• 50,000 scholarships for African students to undertake graduate and post-graduate study in India</li> <li>• Commitment to continue support for Pan-Africa e-Network project</li> </ul>

Source: Annual Reports, Ministry of External Affairs, Government of India

## TOP LOC RECIPIENTS



**TOTAL LOCs: US\$9,319.15**

Source: EXIM Bank of India

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