

MODI'S NEW FOREIGN POLICY AGENDA AND THE IMPLICATIONS FOR AFRICA

ELIZABETH SIDIROPOULOS & CHRIS ALDEN

The fabric of this world is richer because of the 54 sovereign flags of Africa. Today, their brilliant colours have made Delhi the most special place in the world.

A very warm embrace of welcome and friendship from India. Today, it is not just a meeting of India and Africa. Today, the dreams of one-third of humanity have come together under one roof. Today, the heartbeat of 1.25 billion Indians and 1.25 billion Africans are in rhythm.

Our histories have intersected since ages. Once united by geography, we are now linked by the Indian Ocean. The currents of the mighty ocean have nurtured the ties of kinship, commerce, and culture through centuries.

Two-thirds of India and two-thirds of Africa is under the age of 35 years. And, if the future belongs to the youth, then this century is ours to shape and build.

As the great Nigerian Nobel Laureate Wole Soyinka insisted, human entity remains the primary asset in overall development.

Our approach is based on the same belief: that the best partnership is one that develops human capital and institutions; that equips and empowers a nation to have the freedom to make its own choices and shoulder the responsibility for its own progress. It also opens doors to opportunities for the youth.

So, development of human capital in every walk of life will be at the heart of our partnership. We will open our doors more; we will expand tele-education; and we will continue to build institutions in Africa.

extract from Prime Minister Modi's opening address, India-Africa Summit, 2015

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Global insights.*

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ABSTRACT

The third India–Africa Forum Summit (IAFS) took place in New Delhi in October 2015, just over a year after Narendra Modi became prime minister. Situating India–Africa ties within the context of India’s evolving geopolitical calculations, which see its strategic space being defined as stretching from the Suez to the Pacific, is likely to have a significant impact on the relationship. Modi’s bolder and more assertive foreign policy is carefully calibrated to reach out to neighbours and global strategic players alike. Africa features in Modi’s expansive foreign policy as he seeks to carve out a stronger role for India in this designated geostrategic space; keep a watchful eye on Chinese and other external actors in the Indian Ocean and Africa; and build support for India’s global aspirations.

As India’s foreign policy takes on a more geo-economic orientation and Africa itself is gearing up to tackle its economic and political challenges and become more central to global debates, the relationship should evolve to emphasise the importance of business opportunities that resonate in creating manufacturing and services based in Africa. Equally, there is room for the relationship both at the IAFS level and regionally to accelerate its political and security engagement, thus deepening its relevance in the face of a shifting global power landscape. Both sides should make provision for the requisite institutional resources to ensure that the aspirations encompassed in the IAFS can be implemented.

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ACRONYMS AND ABBREVIATIONS

AIMS	Africa Integrated Maritime Strategy
BIT	bilateral investment treaty
BJP	Bharatiya Janata Party
FDI	foreign direct investment
FOCAC	Forum on China–Africa Cooperation
IABC	India–Africa Business Council
IAFS	India–Africa Forum Summit
IORA	Indian Ocean Rim Association
LOC	line of credit
NEPAD	New Partnership for Africa’s Development
PIDA	Programme on Infrastructure Development for Africa
REC	regional economic community
TFTA	Tripartite Free Trade Area
UPA	United Progressive Alliance

INTRODUCTION

The third India–Africa Forum Summit (IAFS), a continental platform aimed at framing ties and launched in 2008, was held in New Delhi in October 2015 and was Indian Prime Minister Narendra Modi's first such event.¹ Modi's first 18 months in office were characterised by a series of high-profile foreign and economic engagements across the Indian sub-continent and the strengthening of ties with Washington and Tokyo. His government's actions to date are indicative of a more proactive Indian foreign policy that recognises the political imperatives of the changing power dynamics in its immediate region. At the same time it emphasises economic diplomacy by removing red tape and bureaucratic bottlenecks in doing business, and gives greater attention to the global Indian diaspora.

Situating India–Africa ties within the context of India's evolving geopolitical calculations, which see its strategic space being defined as stretching from the Suez to the Pacific, is likely to have the biggest impact on the relationship.² Indeed, Modi's bolder and more assertive foreign policy is carefully calibrated to reach out to neighbours and global strategic players alike, illustrated by his early focus on states in South Asia and high-level meetings with China, the US, Japan, Australia and Russia. In this respect, Africa features in Modi's expansive foreign policy as he seeks to carve out a stronger role for India in this designated geostrategic space; keep a watchful eye on Chinese and other external actors in the Indian Ocean and Africa; and build support for India's global aspirations.³ Rising commercial competition between India and China in the economies of the Indian Ocean littoral is giving way to 'soft power balancing' strategies, manifested as basing arrangements and naval agreements with African and Indian Ocean countries. It is noteworthy that India invited all African states to participate in the IAFS in October 2015, rather than the limited number of the first two summits.

Modi's desire to raise Indian investment on the continent while opening up India to facilitate investments from Africa, coupled with his willingness to mobilise ties with the Indian diaspora living in Africa, point to the potential for a more comprehensive development partnership of strategic significance.

INDIAN FOREIGN POLICY PRIOR TO 2014

India's traditional post-independence foreign policy was characterised by non-alignment in an international system on the cusp of the divisive politics of the Cold War. Then-prime minister Jawaharlal Nehru was instrumental in the establishment of the Non-Aligned

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- 1 The India–Africa summits take place every three years, with the third summit (originally scheduled for December 2014) postponed to October 2015 because of the Ebola scare in West Africa.
 - 2 Personal interview with former senior-ranking Indian diplomat, August 2014.
 - 3 See Subrahmanyam K, 'Grand strategy for the first half of the 21st century', in *Grand Strategy for India: 2020 and beyond*. New Delhi: IDSA (Institute for Defence Studies and Analyses), 2012.

Movement and most of the first two decades of independence saw India's foreign policy framed as idealistic, with national interest defined as 'congruent with "world cooperation and world peace"'.⁴ Nehru argued at the time that India would have to 'plough a lonely furrow'.⁵ Quoting the oath taken by members of the Indian Constituent Assembly in August 1947, Subrahmanyam noted that it implied that India 'would work for the promotion of world peace not for its own glory and aggrandisement'.⁶ The India–China border war in 1962 put paid to this idealistic foreign policy and, following Nehru's death in 1964, Delhi engaged in what Malone characterises as 'hard realism'. The gradualist market-oriented reforms of the economy initiated by Prime Minister Narasimha Rao's government in 1991 brought about a concomitant shift towards greater economic pragmatism in Indian foreign policy.⁷ India 'was no longer as convinced of its moral uniqueness and began to think of itself as a nation like several others in the quest of greater power'.⁸ This trend is beginning to accelerate under Modi.⁹

Strategic autonomy, a feature of the United Progressive Alliance (UPA) government under Prime Minister Manmohan Singh, was criticised by many as not giving India's foreign policy any direction.¹⁰ It was intended to make Delhi remain equidistant from Washington and Beijing, but detractors saw the 'UPA's perverse policy' as merely limiting India's co-operation with other countries, most notably the US, by citing Beijing's sensitivities.¹¹ This position, reflected in the extended public debate in India around parliamentary ratification of the controversial nuclear deal with the US, eventually led to a 10-year defence agreement with Washington. The tacit alignment between the two powers, in some ways echoing the proximity of interests between Delhi and Moscow during the Cold War, paved the way for further co-operation. Following on this trend, Japan has also strengthened its relations with the Indian government, engaging in co-operative development and investment agreements.

At the same time, India's quiescent approach to China was subject to growing criticism among local policy and think tank circles (as well as abroad), fuelled initially by concerns around its expanding economic ties with the subregion. These worries sharpened with the deliberate construction of Chinese naval bases along the Indian Ocean littoral, with China seeking to strengthen its security of energy supplies and preserve its trading interests in the Persian Gulf, the Horn of Africa and beyond. This flew in the face of

4 Extract from Nehru's speech to the Constituent Assembly of India on 4 December 1947, cited in Malone D, *Does the Elephant Dance? Contemporary Indian Foreign Policy*. Oxford: Oxford University Press, 2011, pp. 48–49.

5 *Ibid.*

6 Subrahmanyam K, *op. cit.*, p. 13.

7 Hardgrave and Kochanek, writing in 2000, characterise India's non-alignment policy as 'irrelevant if not meaningless'. Hardgrave R & S Kochanek, *India: Government and politics in a Developing Nation*, 6th edition. New York: Harcourt, 2000, p. 417.

8 Malone D, *op. cit.*, p. 52.

9 *Ibid.*, p. 48.

10 Ratna T, 'How Narendra Modi could usher in India's greatest foreign policy era yet', *DNA*, 15 May 2014.

11 Mohan CR, 'Strategic autonomy', *Indian Express*, 15 November 2013.

India's longstanding foreign policy assumptions – dating from the Nehru period – that the Indian Ocean region was functionally (if never realised) a sphere of influence.¹² For some India scholars, these changing conditions heralded the emergence of a '21st century, energy-related Great Game'¹³ that required new thinking and policy re-alignments if India was to avoid becoming, in Garver's words, 'a junior partner to an emerging Chinese super power'.¹⁴ In this context India–Africa relations, newly revitalised after a decade of strong economic performance, became not only a commercial opportunity for Indian businesses but also increasingly a proving ground for an assertive Indian foreign policy.

INDIA'S RELATIONS WITH AFRICA PRIOR TO 2014

India has had long-standing ties with Africa that have been characterised by the presence of a large diaspora, especially in Eastern and South Africa, solidarity with African states' anti-colonial struggles, the promotion of non-alignment, and South–South co-operation, which includes commercial linkages. Politically, however, India did not initially seek nor (once it began to promote ties) was able to emulate the kind of high-level engagement that has characterised China–Africa relations since the late 1990s. Despite these official constraints, trade started to flourish as Indian firms discovered the resources and market opportunities available in Africa. In 2001, two-way trade between India and Africa was only \$5.3 billion, but by 2014/15 it had grown to about \$70 billion,¹⁵ although again much below China's trade with the continent (which stood at about \$220 billion in 2014).¹⁶ The target for 2015 is \$90 billion, although it looks unlikely to be attained.

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- 12 Nehru J, *Selected Works of Jawaharlal Nehru*, volume 3, series 2. New Delhi: Jawaharlal Nehru Memorial Fund, 1985, p. 133, cited in Brewster D, *China and India at Sea: A Contest of Status and Legitimacy in the Indian Ocean*, Australia-India Institute, Australian National University, September 2015, p. 13.
 - 13 Chellaney B, 'China in Asia: Managing the rise of an authoritarian power with uninhibited ambitions', in Kondapalli S & E Mifune (eds), *China and Its Neighbours*. New Delhi: Pentagon Press, 2010, p. 34.
 - 14 Garver J, *Protracted Contest: Sino-India Rivalry in the Twentieth Century*. Seattle: University of Washington, 2001, p. 389.
 - 15 CII (Confederation of Indian Industry) & WTO (World Trade Organization), 'India–Africa: South–South Trade and Investment for Development'. Mumbai: CII & WTO, 2013, p. 15; MEA (Indian Ministry of External Affairs), *Media Briefing by Secy (West) on IAFS Summit*, [video]. New Delhi: MEA, 16 October 2015, <http://mea.gov.in/>, accessed 17 October 2015.
 - 16 The Forum on China–Africa Cooperation Johannesburg Action Plan (2016–2018), December 2015, http://www.focac.org/eng/ltada/dwjbzjjhys_1/t1327961.htm, accessed 31 December 2015.

Country	Year 2010–2011			Year 2014–2015		
	Indian exports to	Indian imports from	Total trade	Indian exports to	Indian imports from	Total
South Africa	3,912	7,141	11 053	5,302	6,497	11,799
Nigeria	2,099	10,788	12,887	2,681	13,683	16,367
Kenya	2,182	124	2,306	4,118	117	4,235
Mozambique	605	103	709	2,071	326	2,397
Morocco	319	840	1,158	326	936	1,263
Egypt	1,982	1,355	3,337	3,026	1,742	4,767

Source: Indian Ministry of Commerce

During this same period, Indian investment in Africa has grown significantly, reaching between \$30 billion and \$35 billion by 2014/15.¹⁷ It should be noted that approximately three-quarters of Indian foreign direct investment (FDI) goes to Mauritius (which acts in some ways as a tax haven or site for ‘round tripping’ of foreign exchange), but once this phenomenon is excluded the leading destinations for Indian FDI in 2011 were Sudan, Egypt, Nigeria, Liberia, Kenya, Libya and South Africa.¹⁸

With the onset of rapid growth in the Indian economy, the expansion of its multinationals and the growth of its middle class, the quest to secure natural resources and energy became important determinants of its broadening engagement with Africa. Africa’s increasing energy finds and its proximity to India highlighted its relevance to addressing India’s energy security strategy imperatives of diversifying its energy basket through choice of fuel and country of origin.¹⁹ India’s first stake in Africa’s oil industry was in Sudan, where ONGC Videsh Ltd (OVL), the state-owned company, purchased a quarter stake in a joint venture with Greater Nile Petroleum Operating Company (GNPOC) in 2003. It faced fierce competition from China Natural Petroleum Company (CNPC) and Malaysia’s Petronas, which as the other shareholders had right of first refusal when Canada’s Talisman decided to sell its stake. The debate in the Indian government was fraught about OVL entering Sudan, but some saw it as a necessary evil to secure India’s energy security.

17 MEA, *op. cit.*

18 Eriksen SS *et al.*, ‘India in Africa: Implications for Norwegian foreign and development policy’, NUPI (Norwegian Institute of International Affairs) Report. Oslo: NUPI, 2012, p. 22.

19 Sharma D & S Ganeshan, ‘Before and Beyond Energy: Contextualising the India–Africa Partnerships’, SAIIA (South African Institute of International Affairs) Occasional Paper, 77. Johannesburg: SAIIA, February 2011, <http://www.saiia.org.za/occasional-papers/before-and-beyond-energy-contextualising-the-india%E2%80%93africa-partnership>.

Country	FDI stock (\$ million)
Mauritius	64,169.0
Morocco	136.8
South Africa	111.7
Kenya	20.0
Seychelles	17.9
Liberia	14.6
Nigeria	9.9
Tunisia	4.3
Ghana	3.1
Tanzania	1.4
Egypt	1.1
Other Africa	3.5
Total Africa	64,493.3

Source: DIPP (Department of Industrial Policy and Promotion), Ministry of Commerce and Industries, Government of India

Paradoxically, Chinese and Malaysian opposition to India's bid helped to mobilise political support in India for the OVL bid.²⁰ OVL's investment there made Sudan one of India's largest destinations for foreign investment between 1995 and 2005.²¹

However, attempts to break into the oil markets in Angola and Nigeria were largely unsuccessful, highlighting the relative absence of the requisite financial capital and, in some cases, the technological experience needed to secure licences when competing against bids by the oil majors.

The mining sector has proven more able to gain positions in this segment of the African resource market, starting with Vedanta's purchase of the one-time nationalised Konkola copper mine in 2004 and followed by securing a stake in zinc mines in Namibia and South Africa.²² While India's overall profile in Africa generally has been perceived as

20 Patey L, 'India in Sudan: Troubles in an African oil "paradise"', in Large D & L Patey (eds), *Sudan Looks East: China, India and the Politics of Asian Alternatives*. Suffolk and Rochester: James Currey, 2011.

21 *Ibid.*, p. 94.

22 *Mining Weekly*, 'India seeks natural resources in Africa but recognises continent's development needs', 25 March 2011, www.mining-weekly.com/article/india-seeks-natural-resources-in-africa-but-recognises-continent-development-needs-2011-03-25, accessed 15 September 2015.

more benign than that of China, the conduct of Indian multinationals such as Vedanta in Zambia continues to generate negative commentary. In fact, after an extended public dispute over employment practices in 2014 – exacerbated more recently (and bizarrely) by the company’s importation of contaminated copper from Chile – the Zambian government temporarily withdrew the work permit of the chief executive.²³

Indian firms have also been involved in building infrastructure in Africa through concessional lines of credit (LOCs). However, at the government level the engagement is often focused on capacity building, while most commercial links (with the exception of oil) have been developed by private sector companies such as Tata, Kirloskar and Ranbaxy that all have a presence in various parts of the continent. A concentration of Indian companies can be found in South Africa, Tanzania, Kenya, Nigeria, Ghana, Egypt and Algeria. South Africa in particular is host to some 150 Indian companies.

Throughout this period of growth in economic ties the Indian government’s relations with Africa were largely conducted at the bilateral level, but since the first IAFS these relations have developed a multilateral angle, as India’s primary interlocutor in this process is the AU Commission. Unlike the Chinese-led Forum on China–Africa Cooperation (FOCAC), a process which itself began in 2000 and was partially inspirational for Delhi, the IAFS recognises the regional economic communities (RECs, such as SADC and ECOWAS) as active participants. Thus, according to the AU’s 2006 ‘Banjul Formula’, the chairs of these communities (and the AU and the New Partnership for Africa’s Development, or NEPAD) attend the forum summit. The ‘Banjul Formula’ provides for a restricted participation, comprising the five founding members of NEPAD, the chairs and executive secretaries of the eight RECs, the current and previous chair of the AU, and the AU Commission chair. It is for this reason that Modi’s opening of the upcoming India–Africa Summit to all African participants marks a notable shift from what was once a distinctive feature of its approach to continental summitry.

The launch of the IAFS in 2008 provided the opportunity for a more structured engagement with the continent, building on India’s various earlier initiatives with Africa, such as TEAM 9 and FOCUS Africa.²⁴ The IAFS established an India–Africa Business Council (IABC), co-chaired by Indian businessman Sunil Mittal and Nigerian businessman Alhaji Aliko Dangote. The purpose of the IABC was to identify business opportunities between India and Africa, including through business ventures and the building of

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- 23 *Bloomberg*, ‘Vedanta unit apologizes to Zambia after permit revoked’, 10 November 2013, www.bloomberg.com/news/articles/2013-11-10/Zambia-revokes-the-work-permit-of-vedanta-unit-s-chief-executive, accessed 15 September 2015; C Jamasmie, ‘Zambia orders Vedanta unit to get rid of Chilean copper’, *Mining.com*, 14 September 2015, www.mining.com/zambia-orders-vedanta-unit-to-get-rid-of-chilean-copper/, accessed 15 September 2015.
- 24 Team 9 (the Techno-Economic Approach for Africa–India Movement), established in 2004, is a special outreach to francophone Africa intended to promote India’s economic engagement with eight French-speaking countries, particularly in the transfer of technology, know-how and knowledge management. FOCUS Africa aimed to identify potential areas of bilateral trade and investment.

business partnerships through technology transfers. Overall, the focus of the forum can be summarised by three T's: trade, technology and training.

The first India–Africa Forum Summit (IAFS-I) was convened in Delhi in 2008. The participation and format of the meetings were agreed in consultation with the AU Commission and the permanent representatives of the member states. At the summit, Singh announced a duty-free and preferential market access scheme for 34 African least developed countries, and offered LOCs worth \$4.5 billion.²⁵ At the IAFS in 2008 the two sides established the Africa–India Science and Technology Initiative, which would be led by the Indian Department of Science and Technology in partnership with the Indian Ministry of External Affairs and the AU.

The outcome of the forum was a Joint Plan of Action at the continental level and the development of a follow-up mechanism to implement the Framework of Co-operation.

India characterises its partnership with Africa as being based on a consultative model, while seeking 'innovative models of partnership with Indian businesses so as to have longer developmental impact in countries'.²⁶ However, the drivers that compelled this renewed focus on Africa were clearly hard material needs and the impact of the financial crisis, which illustrated the importance of diversifying trade relations away from India's significant reliance on the West, and no doubt concern over China's growing presence in Africa, much as officials will deny that.²⁷

The second India–Africa Forum Summit (IAFS-II), under the theme 'Enhancing Partnership: Shared Vision', was held in Addis Ababa in 2011.²⁸ Among the major announcements made during the 2011 forum was a further \$5 billion in credit lines and \$7 million for the establishment of new institutions and training programmes in consultation with the AU. Singh also announced the establishment of the India–Africa Food Processing Centre, the India–Africa Integrated Textiles Cluster, the India–Africa Centre for Medium Range Weather Forecasting, the India–Africa University for Life and Earth Sciences and the India–Africa Institute of Agriculture and Rural Development. India's support for a \$300 million deal to construct an Ethiopia–Djibouti railway line was also announced.²⁹

25 Government of India, Press Information Bureau, 'PM address the first India–Africa Forum Summit', 8 April 2008, www.pib.nic.in.

26 Presentation by senior official of MEA, Forum for Indian Development Cooperation (FIDC) meeting, Kolkata, 23 March 2015.

27 Rajrishi S, 'Banks and investment treaties: key for economic diplomacy with Africa', *Policy Perspective*, 8, 9 January 2015, p. 2, http://www.gatewayhouse.in/wp-content/uploads/2015/01/Policy-Perspective_Economic-diplomacy-with-Africa.pdf, accessed 28 July 2015.

28 AU, Second Africa–India Forum Summit 2011 Addis Ababa Declaration, http://summits.au.int/en/sites/default/files/Addis%20Declar-1_0.pdf, accessed 2 July 2015.

29 Chaturvedi S, 'India and development cooperation: Expressing Southern solidarity', in Chaturvedi S, Fues T & E Sidiropoulos (eds), *Development Cooperation and Emerging Powers: New Partners or Old Patterns?*. London: Zed Books, 2012, pp. 182–183.

The 2011 Enhanced Cooperation Framework that grew out of the second summit sets out an ambitious agenda for action that aims to give additional substance to the Africa–India Framework of Cooperation and its Plan of Action of March 2010. The 2011 framework proposes to further strengthen co-operation and establish institutional frameworks in the economic, political, scientific, social, health, tourism, infrastructure and communication fields. In the area of agriculture the framework agrees to collaborate with NEPAD's Comprehensive Africa Agricultural Development Programme, which aims to ensure food security in Africa. Additionally, the framework provides for a possible AU office to open in New Delhi; special training programmes for the African Standby Force; 21 new capacity-building institutions in diverse sectors; and support for the Campaign on Accelerated Reduction of Maternal Mortality in Africa.³⁰ Further expanding on existing relations, India also seeks to build relations with francophone countries in the region with the proposed establishment of a Food Process Business Incubation Centre in Mali, a Solar Charging Station in Cape Verde and two Women Solar Engineering Vocational Training Centres in Liberia and Senegal.³¹

The second summit also established the India–Africa Technology Partnership Programme through the Confederation of Indian Industry. This programme was intended to create a mechanism for the transfer of Indian technology to African countries.³² Out of this process arose the first India–Africa science and technology ministers' conference in New Delhi in March 2012.

Out of the capacity-building institutes proposed during the course of IAFS-I and IAFS-II, only a few have come into operation, such as the Kofi Annan Centre for Excellence in ICT, the India–Africa Institute for Trade in Kampala and the Cotton Technical Assistance Programme in Benin, Burkina Faso, Chad, Mali, Malawi, Nigeria and Uganda. A further 25 regional institutes have been identified and are awaiting AU approval. There have been significant delays in implementing programmes and establishing some of the proposed institutions due to procedural delays from the AU, as well as administrative challenges on both sides. The list of institutes and nominated countries will be reviewed after the third summit as the joint action plan is developed, with a view to fast-tracking some while abandoning others. The approach to establishing these institutes is to ensure long-term sustainability by emphasising the partnership element, which requires hosting countries to also make a contribution to their establishment in one form or another.

30 AU, Africa–India Framework For Enhanced Cooperation, 2011, http://summits.au.int/en/sites/default/files/Frameworkenhancedcoop%2021%20May%202011%20-%20clean-2_0.pdf?q=summit/sites/default/files/Frameworkenhancedcoop%2021%20May%202011%20-%20clean-2_0.pdf, accessed 2 July 2015.

31 Lal J, 'India Africa forum summits: Engagements and outcomes', *Indian Council of World Affairs*, 20 November 2013, <http://www.icwa.in/pdfs/VPIaforumsummit.pdf>, accessed 6 July 2015.

32 FIDC (Forum for Indian Development Cooperation), 'India–Africa Cooperation in Agriculture Science, Technology and Innovation: New Avenues and Opportunities', Policy Brief, 2, January 2014.

LOCs have been a key channel for funding projects in Africa. LOCs extended by the Exim Bank of India are to support export of projects, equipment, goods and services from India. In 2003/04 the Indian government formulated the Indian Development Initiative (now known as the Indian Development and Economic Assistance Scheme), so as to share India's development experience with other developing economies.³³ LOCs became key instruments of this scheme.

The broad terms for LOCs include that 75% of the value of goods and services covered under the LOC must be sourced from India. A relaxation not exceeding 10% may be considered on a case-by-case basis for exceptional reasons. The largest beneficiaries of the LOCs are African countries (59% of Exim Bank's lending). The top five recipients of Indian LOCs in Africa are Sudan (\$350 million), Ethiopia (\$122 million) and the ECOWAS Bank for Investment and Development (\$250 million).³⁴ (See Appendix A for pipeline of projects.) Exim Bank has representative offices in Johannesburg, Dakar and Addis Ababa. Since the establishment of the Development Partnership Administration within the Ministry of External Affairs in 2012, these LOCs, while still routed through Exim Bank, fall under the Development Partnership Administration. From 2008 onwards, concessional credit of \$7.4 billion was extended to Africa, of which \$6.8 billion has been approved and \$3.5 billion disbursed.³⁵

The largest beneficiaries of the LOCs are African countries (59% of Exim Bank's lending)

However, LOCs are not without their detractors in some African countries, which view them as intended to support Indian businesses and products rather than local producers. Reflecting the frustration of African recipients of Indian LOCs, a Malawian official decried the fact that LOCs required Malawi to engage an Indian-registered supplier. 'The money stays in India ... they bring experts from India. It has no fiscal impact on Malawi ... After some years Malawi then needs to start repaying.'³⁶ For India, LOCs are among a number of tools for advancing partnerships and mutual benefit. It is also a useful way to introduce Indian companies to Africa, helping to reduce the initial risks that act as a constraint to many businesses that are unfamiliar with the African business environment. However, as India and other Southern emerging economies grow their economic and political reach, Africans will increasingly be questioning the extent to which there is mutual benefit in these arrangements.

MODI'S FOREIGN POLICY VISION

Since Modi's electoral victory in May 2014, the world has witnessed an almost peripatetic foreign policy outreach by India to its region and beyond. Leader of the Hindu nationalist

33 Exim Bank of India, <http://www.eximbankindia.in/lines-of-credit>, accessed 5 September 2015.

34 Chaturvedi S, 'The emerging institutional architecture of India's development cooperation', in Sidiropoulos E *et al.* (eds), *Institutional Architecture and Development: Responses from Emerging Powers*. Johannesburg: SAIIA & Managing Global Governance Network, 2015, p. 147.

35 MEA, *op. cit.*

36 Points made during a dialogue of the Network of Southern Think Tanks, Midrand, 3 March 2015.

Bharatiya Janata Party (BJP), which had presided over a national coalition government from 1998–2004, Modi won an overwhelming parliamentary victory with an absolute majority in the Lok Sabha (India's lower house). Beyond his core religious nationalist supporters, he was able to attract the votes of the young, urban and educated, on the promise of economic reforms that break with the stagnation of the last few years.

India has been characterised as a 'swing state',³⁷ being courted by the US, China and Japan as geostrategic considerations accelerate on the Asian landmass. At the same time, by emphasising India's neighbourhood Modi has 'broken the invisible barrier'.³⁸ Focusing initially on India's immediate neighbourhood and then building outwards in concentric circles, especially towards East Asia, Modi has defined this as 'Acting East', rather than the 'Looking East' policy of his predecessors first articulated in 1992, which he implies failed to make significant inroads for India into East Asia.

This focus on India's neglected regional neighbours, beyond the perennial security concerns with Pakistan, became the first distinctive characteristic of the Modi administration. For example, Modi was the first Indian head of government to visit Nepal in 17 years. Large business delegations have accompanied each of his trips abroad, underscoring that the resolution of outstanding disputes such as those with Bangladesh can lay the foundation for closer economic co-operation between neighbours.³⁹ The sphere of initial attention has gradually spread to encompass the broader Indian Ocean with visits in March 2015 to the Seychelles, Mauritius and Sri Lanka. Modi also undertook a trip to Fiji in the Pacific, where there is a significant Indian diaspora.

Modi's focus on engaging with the Indian diaspora is considered to be an important foreign policy innovation. Certainly Modi's outreach has a significant dose of the Hindutva philosophy (the predominant form of Hindu nationalism) of the BJP, where he is seen to promote the Hindu identity of India to the detriment of secularism and the inclusion of all ethnic and religious groups in the country.⁴⁰ This also has relevance for engagement with Africa, which has 2.7 million members of the Indian diaspora,⁴¹ as it is possible that the countries in Africa where historically the Indian community has had a strong presence may receive specific attention. This focus on the diaspora also addresses a domestic constituency inside the country where today even Indians living in remote villages have close relatives living and working abroad. It also regenerates and deepens links between the Indian diaspora and the mother country. In certain countries in Africa the direct links remain strong because of regular migrations from the Indian mainland. South Africa, home to one of the largest Indian communities outside India dating back to 1860, is probably

[India's] sphere of initial attention has gradually spread to encompass the broader Indian Ocean with visits in March 2015 to the Seychelles, Mauritius and Sri Lanka

37 Subrahmanyam K, *op. cit.*, p. 21.

38 Personal interview with retired senior Indian diplomat, New Delhi, August 2014.

39 LiveMint, 'What we learnt from Narendra Modi's Bangladesh visit', 9 June 2015, www.livemint.com/Politics/JbGxtRjzQSjUDCgY7OLGQJ/What-we-learnt-from-Narendra-Modis-Bangladesh-visit, accessed 15 September 2015.

40 See Ganguly S, *Hindu Nationalism and the Foreign Policy of India's Bharatiya Janata Party*, Transatlantic Academy, 2014–15 Paper Series, 2, 2015.

41 MEA, *op. cit.*

the outlier in this regard, because of the close association between South African Indians and the anti-apartheid struggle, which has led many to identify as black South Africans rather than as Indians. Many of them are also several generations removed from the first migration, with the inevitable reduction or disappearance of familial links with India.

More broadly, Modi has sought to spearhead or revitalise India's relations with Central Asia and the Indian Ocean littoral states. His trip to Central Asia in July 2015 was intended to reinvigorate the Connect Central Asia Policy (which was launched in 2012). For India, Central Asia is a potential source of energy as well as a market. However, India's poor relations with its neighbours Pakistan and China, and with Iran under sanctions, have made linkages to Central Asia extremely difficult to achieve. With the 2015 agreement between Iran and the six powers on its nuclear programme, India now has new opportunities for linkages to the hinterland that circumvent Pakistan and China. Commercial ventures with geostrategic implications, such as the building of the port of Chabahar in Iran, consciously marry political purpose with commercial interests.

In a related vein, the Indian Ocean Rim and its association (the Indian Ocean Rim Association, or IORA) are gaining in importance for India. In March 2015 the Indian Ministry of External Affairs held a conference in Bhubaneswar, Odisha that also commemorated 1 000 years since the ascent to the throne of the Chola kingdom of King Rajendra Chola I. During his reign Rajendra Chola I expanded his kingdom's reach to include the eastern Indian Ocean littoral through many seaborne forays to the Andaman and Nicobar islands and a raid in 1030 against the south-east Asian empire centred on Sumatra. This commemoration and linkage to contemporary India's Indian Ocean engagement is relevant in that it highlights the BJP's focus on associating the modern with an Indian past perceived as glorious and expansionary in its influence. A senior official in the prime minister's office remarked during the conference that India took its culture, philosophy and faith to these places, but never took colonies. While the historical record differs, these statements point to the way in which India under the BJP government wishes to be perceived. Modi's philosophy regarding the Indian Ocean is articulated as promoting a peaceful, prosperous Indian Ocean Rim that can be achieved through integrative and co-operative partnership: remaining secure together and growing together by deepening economic and security co-operation – or SAGAR: 'security and growth for all in the region'.⁴²

India also aspires to be a net security provider to the region. It considers its geographical position, standing 'midway as the centre of gravity in the Indian Ocean Rim',⁴³ as imbuing it with a particular role in deepening economic and security co-operation. But equally, some Indian analysts and officials have cautioned that India should be careful to not portray the ocean as *its* ocean.⁴⁴

India aspires to be a net security provider to the region. [Taking] advantage of its vast maritime territory ... India is modernising its airstrips there and stationing fighter groups

42 Address by Indian Minister of External Affairs Sushma Swaraj, 'India and the Indian Ocean' conference, Bhubaneswar, Odisha State, India, 20 March 2015.

43 Remarks by RN Ravi, Indian Prime Minister's Office, opening of the 'India and the Indian Ocean' conference, Bhubaneswar, Odisha State, India, 20 March 2015.

44 'India and the Indian Ocean' conference, Bhubaneswar, Odisha State, India, 20 March 2015.

Africa fits in one of the outer circles of India's external engagement, although this is not very different from the previous government's priorities

Notwithstanding the accelerated activity of the BJP government since it came to power in 2014, the process of re-engaging with the Rim and more broadly the Indo–Pacific is not new but started under the Singh administration. India, along with Australia, played a key role in resuscitating IORA, while the current head of the IORA Secretariat is a seconded Indian official.

All these initiatives come against the backdrop of an increasingly activist Chinese foreign policy and economic presence in the Indian Ocean region. In particular, the Chinese commitment of huge financial resources aimed at building and rehabilitating ports in Myanmar, Pakistan and Sri Lanka has drawn considerable attention. Concerns about China's expansion into the Indian Ocean are palpable in India and the resuscitation of a 1971 'zone of peace' initiative (which Sri Lanka had proposed at the time but which was spurned by India) in the Indian Ocean has also been tabled.⁴⁵ Furthermore, taking advantage of its vast maritime territory that stretches to the Andaman and Nicobar islands close to the Straits of Malacca, India is modernising its airstrips there and stationing fighter groups. Some Indian analysts have argued that the islands should be developed as 'a hub or a "spring board" for power projection in the region'.⁴⁶

Modi's other major focus is economic diplomacy that advances Indian economic activity at home, encapsulated in the slogan 'Make in India', adopted in 2014. It is now a major programme designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best-in-class manufacturing infrastructure.⁴⁷ It covers a wide range of sectors, from automobiles and components, electronic systems and food processing to biotechnology, defence manufacturing, media and entertainment, and space.

FITTING AFRICA INTO MODI'S FOREIGN AND ECONOMIC POLICY

Surveying Modi's foreign policy activities since he came to power makes for somewhat sober reading for African interests. Modi's travels abroad have highlighted the clear geopolitical and economic prism through which he has prioritised his engagements and those of his government. The IAFS is but one dimension of India's engagement with Africa. At the same time, it is clear that Africa fits in one of the outer circles of India's external engagement, although this is not very different from the previous government's priorities. Under Modi, the much more active foreign policy operating out of the prime minister's office has, however, made this more apparent.

In terms of Africa, the prime minister has only visited the Indian Ocean islands of Mauritius and the Seychelles since he won the election in May 2014. He has undertaken

45 *The Economic Times*, 'Chinese base in Indian Ocean threat to peace: Ajit Kumar Doval, National Security Adviser', 28 March 2015.

46 Kukreja D, 'Andaman and Nicobar islands: A security challenge for India', *India Defence Review*, 28, 1 January – March 2013, <http://www.indiandefencereview.com/news/andaman-and-nicobar-islands-a-security-challenge-for-india/0/>, accessed 24 April 2015.

47 See 'Make in India', <http://www.makeinindia.com/>, accessed 15 October 2015.

no trip to continental Africa. Both Mauritius and the Seychelles have strategic relevance for India against the background of a rejuvenated engagement with the Indian Ocean. During his visit to the Seychelles in March 2015 he launched a Coastal Surveillance Radar Project and signed agreements on, among others, infrastructure development, especially on Assumption Island. This allows New Delhi to place strategic assets in the Indian Ocean, including intelligence, surveillance and reconnaissance. In Mauritius in the same month, Modi signed an agreement to assist in the development of the Agalega islands that would 'enhance the capabilities of the Mauritian Defence Forces in safeguarding their interests', according to the Indian Ministry of External Affairs.⁴⁸ The first Indian-manufactured warship for export was also launched during Modi's visit. It will be used for anti-piracy and other maritime security initiatives.⁴⁹ Mauritius in particular has had a long and commercially beneficial relationship with India, as a location from which Indian investment into Africa and elsewhere is launched. But this is not without its controversies. In May 2014 Modi and his Mauritian counterpart agreed that the double taxation treaty would need to be revised. India's concern was that Indian resident investors were using companies in Mauritius to 'round trip' their investments back to India, thus enabling them to claim exemption from Indian capital gains tax.

Modi's trip to Sri Lanka was also a key step in taking advantage of the new Sri Lankan government's desire to rebalance its Indian and Chinese foreign policy engagement.

Modi's Foreign Minister, Sushma Swaraj, visited South Africa in May 2015 for the 9th South Africa–India Joint Ministerial Commission. Swaraj was also scheduled to visit Tanzania during her trip to Africa – originally scheduled for March – but the trip was postponed and her trip to the continent covered only South Africa, where she met President Jacob Zuma. Earlier, in November 2014, she visited Mauritius as the chief guest to commemorate the 180th anniversary of the arrival of Indian indentured labourers there. The Indian Minister of State for External Affairs, General VK Singh, attended the inauguration of the Mozambican president, and the Minister for Micro, Small and Medium Enterprises, Kalraj Mishra, paid a visit to Rwanda to launch the India–Africa Vocational Training Centre/Incubation Centre set up by the National Small Industries Corporation with the support of the Indian government. (These visits exclude trips undertaken by various ministers to attend multilateral meetings such as that of the UN Environment Programme in Kenya or conferences such as the annual mining indaba in Cape Town, South Africa.)

There are a number of areas in which Africa will be important for India in the context of India's stronger projection on the global stage and its growing geo-economic imperatives. The first of these is in enhancing its soft power capabilities through its already significant contribution to peacekeeping under the UN umbrella. While peacekeeping and humanitarian assistance can be perceived as altruistic they also carry significant benefits for the providing country, in terms of both creating a positive image abroad and protecting economic interests. India has historically been one of the most active countries in

48 Chatterji SK, 'Narendra Modi's active Indian Ocean diplomacy', *The Diplomat*, 23 March 2015.

49 Panda A, 'Is the Indian Ocean India's ocean?', *The Diplomat*, April 2015 (digital edition).

peacekeeping operations, and has some 4 500 soldiers involved in peacekeeping activities in Africa. However, allegations of sexual and financial misconduct by Indian peacekeepers have marred some of its credibility.⁵⁰

Related to the first point are India's concerns about the spread of radicalism, where linkages may become more apparent between such movements in Africa and those in West Asia. From Boko Haram in Nigeria to al-Shabaab in the Horn of Africa, African governments are battling non-state actors across the Sahel belt from west to east. Many of these states are politically fragile, with limited capacity to effectively respond to this threat, which also has a transnational dimension. India already has bilateral co-operation with a number of African countries on defence training and counter-terrorism. Such co-operation will grow, both because peace and security are important elements of the AU's own Agenda 2063 and because India has a stake in how the counter-terrorism narrative globally plays out.

Second, India also has a vested interest in maritime security, especially in the Indian Ocean, where the Indian Navy has been deployed off the Horn of Africa to combat Somali piracy. It has also assisted a number of countries on the ocean's western littoral in conducting hydrographic surveys. The challenges of maritime security are unlikely to disappear in the short term and co-operation with African countries in this domain will have to be a dimension of India's geostrategic calculations.

Third, Africa's new hydrocarbon discoveries on both sides of the continent raise its geo-economic significance as a player that can contribute to India's energy security. India regards trade in hydrocarbons with Africa as having great potential, although it requires major investments before these finds can be developed and exploited.⁵¹ They also allow it to continue to diversify away from reliance on oil from the Middle East.

Fourth, Modi's 'Make in India' campaign, while focusing on building local manufacturing capacity in numerous sectors, also necessitates deepening access to foreign markets. The growth trajectory of many African countries and their emerging middle classes make the continent a natural arena for India's economic diplomacy. Inevitably, economic interests will overlap with security concerns, as Africa's 'arcs of growth' overlap with arcs of instability – from Nigeria in West Africa to Kenya in East Africa and the twin challenges of Boko Haram and al-Shabaab.

Relatedly, the economic growth experienced by many African countries enhances investment opportunities for Indian companies as they also seek to become more globalised and identify investment destinations that are not already saturated, such as in Africa. The launch in June 2015 of the Tripartite Free Trade Area (TFTA) among the Common Market for East and Southern Africa, the East African Community and SADC,

The challenges of maritime security are unlikely to disappear in the short term and co-operation with African countries in this domain will have to be a dimension of India's geostrategic calculations

50 Sidhu WPS, 'Africa: The indispensable continent for India?', Africa in Focus, blog, 3 November 2015, <http://www.brookings.edu/blogs/africa-in-focus/posts/2015/11/03-africa-indispensable-india-sidhu#>, accessed 31 December 2015.

51 MEA, *op. cit.*

presents another set of opportunities. With its initial focus on trade in merchandise, the TFTA also creates opportunities for Indian companies to invest across Africa.

ENGAGING WITH AFRICA'S AGENDA – IMPERATIVES FOR BUILDING A SUSTAINABLE PARTNERSHIP

Africa is increasingly asserting itself as an actor in its own right (both through its continental institutions and through individual countries' growing clout) in global forums. Aiming to increase its voice and influence, it aspires to an engagement with external actors that is more than simply about focusing on its development in isolation from broader global debates and initiatives. In this respect it is retooling external partnerships so that they better reflect these aspirations in their composition and content. This has direct relevance for India–Africa relations at the continental level in three particular ways.

The first is Agenda 2063, a continent-wide strategy adopted by heads of state last year, which is a vision for the African continent over the next 50 years. Transforming economies through industrialisation, manufacturing, and Blue and Green economies, and creating jobs are key components of this agenda. However, mobilising the financial resources and providing the necessary technical assistance to realise these aims are central to any long-term, viable development partnership with the continent. Significantly, the AU calls on the international community 'to respect Africa's vision and aspirations and to align their partnerships appropriately'.⁵² Extremely ambitious and with a 50-year horizon, which poses its own challenges, the agenda will be divided into 10-year implementation phases with proper monitoring and evaluation mechanisms.

Second, Africa is rediscovering its maritime domain, of which the most visible expression is the Africa Integrated Maritime Strategy (AIMS). This reflects a growing realisation of Africa's geopolitical significance in a changing environment and the need for African states to be more in control of their geographical space (including water). The AU adopted AIMS in 2012. Fundamental to it is the peaceful settlement of disputes. Its aim is to mobilise states to build a thriving maritime economy and realise the full potential of sea-based activities in an environmentally sustainable manner. Sustainable development and competitiveness are at the heart of its objectives. AIMS aspires to a Combined Exclusive Maritime Zone, improved integrated coastal zone management, coherence between sectoral policies within and between RECs, and the fundamental right of access to the sea and freedom of transit goods for landlocked states. AIMS includes low-hanging fruit such as promoting the establishment of regional centres of excellence in training in maritime safety and security. However, the strategy has yet to secure adequate funds to achieve its ambitious goals.

Both the AU and India recognise the importance of maritime security. This includes reducing piracy, but effective marine resource management is also crucial, as it can spearhead the realisation of economic benefits through Blue Economy initiatives. India's particular interest may be the Indian Ocean, but there can be significant benefits (and soft

Modi's 'Make in India' campaign, while focusing on building local manufacturing capacity in numerous sectors, also necessitates deepening access to foreign markets

52 AU, 'Agenda 2063: The Africa we Want', 2014, p. 9.

power projection) from working with states on both sides of the continent in this regard. Africa's Blue Economy vision has resonance in Modi's own espousal of a 'blue revolution' for India.

The third is the Programme on Infrastructure Development for Africa (PIDA), which has identified four priority themes in terms of connectivity. The transport initiative (costed at \$25 billion) aims to link major production and consumption centres, providing connectivity among major cities, defining the best hubs for ports and railways and opening up landlocked countries to improve regional and continental trade. The Information Communication Technology projects (costed at \$500 million) aim to establish enabling environments to complete land fibre-optic infrastructure and to install Internet exchange points in countries without them. The water project (costed at \$2 billion) is targeted at transboundary water through the development of multipurpose dams and building the capacity of Africa's lake and river basin organisations to develop hydraulic infrastructure. The energy infrastructure programme focuses on major hydroelectric projects and power pools (costed at \$40 billion).

PIDA's focus is on regional connectivity rather than in-country linkages. Through its LOCs India has supported regional projects, and it offers an opportunity for Delhi to contribute to a longstanding continental aspiration to strengthen the economic subregions by supporting regional infrastructure initiatives.

The third summit's outcomes reflected many aspects of these initiatives and more. The question is how these aspirations will be converted into practice and how they will be monitored.

KEY OUTCOMES OF THE IAFS III

The third India–Africa Forum Summit (IAFS III) took place with much fanfare on 29–30 October 2015, with 41 African heads of state or government in attendance. While the event dominated headlines in India, it was much less prominent in African media and among the continent's academics. Although it was the first time the summit had taken place on such a scale, incorporating all African countries rather than the limited number provided for in the Banjul formula, India's news-making power does not yet rival that of China. Ironically, however, it is India's economy that is now in the ascendant globally, with Africa having to come to terms with China's 'new normal' as it refocuses its economy on domestic consumption.

Before briefly discussing the summit's outcomes, it is worth considering the value of this form of institutional summitry, which has become prevalent in the 21st century.⁵³ Continental summits, similar to those between Africa and India, China or the EU, also take place between the EU and Russia, or China, for example, or between China and Latin America. These are not the summits of the Cold War, focusing on key life-and-death

53 See Alden C & M Schoeman, 'Reconstructing South African identity through global summitry', *Global Summitry*, 1, 2, 2016 (forthcoming).

issues such as nuclear disarmament. Rather, they usually occur at regular intervals and are much more formal and formulaic than say the 48-hour 'chat' between Ronald Reagan and Mikhail Gorbachev in Reykjavik in 1986. The declaration at the end of each summit has been negotiated carefully by senior officials over the preceding months and incorporates each party's particular priorities without necessarily making any groundbreaking announcements. Nevertheless, the existence of these summits between regions or countries symbolises the political significance that one or the other party ascribes to the relationship.

Their value also lies in the branding they provide for the host country, and in the case of summitry between a whole continent and one country (such as the IAFS), the branding focus is invariably on that state rather than on the other continental states.⁵⁴ Summitry – the event – is the zenith of a process of engagement between the two partners, which is renewed at regular intervals.⁵⁵ This branding is encompassed in the new commitments announced by the host country towards Africa. That is what is usually impatiently awaited – the announcement of new (often financial) commitments by India, China or the US. The declaration is more often than not a highly aspirational and symbolic document highlighting the intended co-operation between the two in a vast array of sectors (both political and economic), the impact of which co-operation on development is frequently difficult to assess.

In New Delhi, Modi announced new concessional credit lines to the value of \$10 billion over the next five years; additional grant assistance of \$600 million, which includes an India–Africa Development Fund (\$100 million) and a Health Fund (\$10 million); 50 000 scholarships; and continued support of the expansion of the Pan-African e-Network and institutions of training and learning across Africa. Modi also committed to help train more African peacekeepers in Africa and in India.⁵⁶

On their own, these commitments are not sufficient to ensure meaningful implementation of either bilateral or multilateral initiatives. They require effective 'secretariats' and bureaucracies on both sides – and there is often an asymmetry in this regard. Furthermore, their impact also depends on the right policy frameworks within countries that would allow them to leverage the skills obtained via the scholarships or interventions in the small- and medium-sized sector, or in health, for example.

For the African continent, however, diplomacy by summitry makes it difficult to develop an effective harmonised strategy across 54 states when you are negotiating with one party.

For the African continent, however, diplomacy by summitry makes it difficult to develop an effective harmonised strategy across 54 states when you are negotiating with one party

54 Browning CS, 'National Branding, national self-esteem and the constitution of subjectivity in late modernity', *Foreign Policy Analysis*, 11, 2, 2015, pp. 194–214.

55 The next summit will now happen in 2020, with a five-year interval.

56 PM India, 'Text of PM's statement at the inaugural ceremony of the third India–Africa Forum Summit on 29th October 2015', 29 October 2015, http://pmindia.gov.in/en/news_updates/text-of-pms-statement-at-the-inaugural-ceremony-of-the-third-india-africa-forum-summit-on-29th-october-2015/?comment=disable.

Modi emphasised that India and Africa needed to speak with one voice on UN and UN Security Council reforms

The Delhi Declaration and the India–Africa Framework for Strategic Cooperation,⁵⁷ which were both adopted at the conclusion of the summit, covered a broad range of topics that reflected the interests and priorities of both parties. The areas of focus range from agriculture, health, and trade and industry to renewable energy, the Blue economy, infrastructure, skills development and peace and security – ambitious indeed.

Apart from the financial commitments and the co-operation framework, it is important to also note the points raised by Modi on co-operation with Africa on global governance. India has long been agitating for a fairer global system, one in which its growing size and importance is more adequately recognised. In his opening remarks at the summit, Modi emphasised that India and Africa needed to speak with one voice on UN and UN Security Council reforms. However, if India had hoped that the summit would have developed some consensus, this did not happen, although there will no doubt be further discussions on this in the future. The Ezulwini Consensus is still the official position of the AU on reform of the UN Security Council, much as a number of African states in private may believe that it is time for it to be modified so that it does not act as a hindrance to meaningful discussions on reform.⁵⁸

Modi also invited Africans to join his alliance of solar-rich countries, which he formally launched with France’s President Francois Hollande in Paris in November 2015 at COP 21. Renewable energy is an important dimension of the IAFS framework document and is growing in importance in African countries. At COP 21 Africa announced the African Renewable Energy Initiative, and decarbonising Africa’s economies as part of the development of new sectors of growth could allow the continent to leapfrog earlier technological phases. While there are elements of overlap in negotiating positions on climate change between Africa and India, there are also different emphases. Nevertheless, concrete steps to realise the commitments to working together on renewable energy would be important for both. In line with India’s longstanding position on intellectual property and developing economies, at COP 21 Modi called for the removal of intellectual property rights on technology that would facilitate the faster adoption of clean technologies.

Modi presented India’s other key concern – violent extremism and terrorism, which is also growing in significance in many African countries – as necessitating the adoption of a UN Comprehensive Convention on Terrorism. Few would disagree with the sentiment, but a multilateral convention has been dogged by contested definitions and political sensitivities for many years. In the current climate, paradoxically, this is unlikely to be any easier. However, the spread of violent extremism in both India’s neighbourhood as well as large

57 Third India–Africa Forum Summit, ‘Partners in progress: Towards a dynamic and transformative development agenda’, Delhi Declaration 2015, 29 October 2015, http://www.mea.gov.in/Uploads/PublicationDocs/25980_declaration.pdf ; India–Africa Framework for Strategic Cooperation, 29 October 2015, <http://pibphoto.nic.in/documents/rlink/2015/oct/p2015102903.pdf>, accessed 31 December 2015.

58 For an Indian view on the Ezulwini Consensus, see Beri R, ‘UNSC Reform: Africa holds the key’, in Beri R & A Anant (eds), *United Nations Security Council Reform: Perspectives and Prospects*, IDSA Monograph, 38, June 2014.

swathes of East and West Africa implies the likelihood of more practical co-operation on this front.

CONCLUSION AND RECOMMENDATIONS

Africa has a plethora of 'strategic partnership' forums with external players. Some of these, such as FOCAC, may be quite expansive, while others are much more limited in scale and scope, such as Iran–Africa. It is challenging for the AU and its member states to adequately manage these relations in a co-ordinated and effective manner. The AU's decision to suspend the signing of additional global partnerships in 2013 speaks to this recognition of the limits of institutional capacity and the necessity to manage existing partnerships more effectively. The AU is also now focusing on a more rigorous process of assessing these partnerships. The transparent monitoring of progress on projects and the assessment of achievements and impact should thus form a cornerstone of the IAFS.

As India's foreign policy takes on a more geo-economic orientation and Africa itself is gearing up to tackle its economic and political challenges and become more central to global debates, the relationship should evolve to emphasise the importance of business opportunities that resonate in creating manufacturing and services based in Africa. The operationalisation of the TFTA should act as an enabler in this regard. The 'Make in India' campaign, on the other hand, can provide opportunities for joint ventures between African and Indian companies to invest in India.

To realise this potential, an enabling environment for investment is crucial if Africa is to build up the requisite manufacturing and services capacity. A recent paper by Gateway House argues that to deepen economic relations between India and Africa requires two key interventions: extending the existing banking links and developing a wider range of bilateral investment treaties (BITs). While Indian banks have been present in Africa for over a century they have been largely focused on the ethnic customer base, which has precluded them from ventures with local African banks that could help reduce some of the transactional costs of trading with Africa. Regarding BITs, India has only five on the continent – with Ghana, Mozambique, Mauritius, Egypt and Morocco.⁵⁹ Of course, in South Africa BITs are no longer the preferred vehicles for regulating foreign investment and this may well be the trend in other Southern African countries. However, African countries must look carefully at their frameworks for investment promotion and protection if they are to attract foreign investors. This is equally important for India. In the 2016 World Bank Doing Business Index, 15 African countries were ranked higher than India itself.⁶⁰

59 Rajrishi S, *op. cit.*, p. 5.

60 These are Mauritius, Rwanda, Botswana, South Africa, Tunisia, Morocco, Seychelles, Zambia, Namibia, Swaziland, Kenya, Ghana, Lesotho, Uganda, and Cabo Verde. World Bank, *Doing Business 2016: Measuring Regulatory and Quality Efficiency*, World Bank: Washington, 2016. <http://www.doingbusiness.org/-/media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB16-Full-Report.pdf>.

There is room for the relationship at both the IAFS level and regionally to accelerate its political and security engagement, thus deepening its relevance in the face of a shifting global power landscape

Equally, there is room for the relationship at both the IAFS level and regionally to accelerate its political and security engagement, thus deepening its relevance in the face of a shifting global power landscape. This raises an additional point: while India is still a developing economy with huge socio-economic challenges and disparities internally, it is concurrently a country of global significance both economically and politically. This recognised standing has an impact on African perceptions of India, and manifests in a critique of some of its foreign and economic approaches to the continent. This is important to recognise and consider in India's various interactions with the AU and its member states.

Much of India's engagement with the continent over the decades has been driven by the private sector and bodies such as the Confederation of Indian Industry. This should continue, as the private sector's role in advancing economic relations in both trade and investment is critical. However, as India's role in global politics and security rises, and as Africa itself seeks to project its voice on the global stage, it is important for both sides to provide the requisite institutional resources to ensure that these aspirations can be implemented. In India's case, for example, an articulation of the key drivers as the bedrock of an overarching Africa strategy would help to focus its initiatives to ensure maximum impact. On the African side, both states and the AU should allocate more thinking and resources to the political and economic dimensions of their relationship with India as it powers forward both economically and demographically in the 21st century.

APPENDIX A

TABLE 1 OPERATIVE LINES OF CREDIT, EXIM BANK OF INDIA (updated on 23 December 2015)						
Sr. No.	Country	Borrower	Amount of credit (\$ mn)	Purpose	Tenor (Years)	Amount available for utilization (\$ mn)
1	Djibouti	Central Bank of Djibouti, Djibouti	10,00	General purpose	Up to 10 years	–
2	Sudan	Government of Sudan	50,00	General purpose	Up to 11 years	–
3	Myanmar	Myanmar Foreign Trade Bank, Myanmar	56,36	Railway Rehabilitation	Up to 10 years	–
4	Vietnam	Government of Vietnam	27,00	General purpose	Up to 25 years	–
5	Angola	Government of Angola	40,00	Railway rehabilitation	Up to 20 years	–
6	Suriname	Government of Suriname	16,00	General purpose	Up to 15 years	–
7	Mozambique	Government of Mozambique	20,00	General purpose	Up to 20 years	–
8	Lesotho	Government of Lesotho	5,00	General purpose	Up to 15 years	–
9	Myanmar	Myanmar Foreign Trade Bank, Myanmar	7,00	Moreh-Tamu OFC link with Cor-DECT System at Yangon and Mandalay urban centres	Up to 10 years	–
10	Guyana	Government of Guyana	19,00	Cricket stadium in Georgetown	Up to 20 years	–
11	Senegal	Government of Senegal	17,87	Supply of buses and spares from India	Up to 20 years	–
12	Djibouti	Government of Djibouti	14,00	Cement plant	Up to 10 years	–
13	Côte d'Ivoire	Government of Côte d'Ivoire	26,80	Project for renewal of urban transport system in Abidjan and for agricultural projects in vegetable oil extraction, fruits and vegetable chips production, production of cocoa, coffee etc.	Up to 20 years	–
14	Mali	Government of Mali	27,00	Rural electrification and setting up of agro machinery and tractor assembly plant	Up to 20 years	–

Sr. No.	Country	Borrower	Amount of credit (\$ mn)	Purpose	Tenor (Years)	Amount available for utilization (\$ mn)
15	Ghana	Government of Ghana	27,00	Rural electrification, agriculture, communication and transportation projects	Up to 20 years	–
16	Ghana	Government of Ghana	60,00	Rural electrification project and construction of Presidential Office	Up to 20 years	–
17	Democratic Republic of the Congo	Government of Democratic Republic of the Congo	33,50	Setting up a cement factory, acquiring buses and equipment for MIBA (\$2 million)	Up to 20 years	–
18	Chad	Government of Chad	50,00	Setting up cotton yarn plant, steel billet plant and rolling mill, plant for assembly of agricultural equipment and bicycle plant	Up to 20 years	–
19	Mali & Senegal	Governments of Senegal and Mali (combined)	27,70	Acquisition of railway coaches and locomotives from India	Up to 20 years	–
20	Burkina Faso	Government of Burkina Faso	30,00	Agricultural projects, including acquisition of tractors, harvesters, agricultural processing equipment, and construction of national post office	Up to 20 years	–
21	Fiji Islands	Fiji Sugar Corporation, Fiji Islands	50,40	Rehabilitation of sugar industry	Up to 10 years	–
22	Gambia	Government of Gambia	6,70	Tractor assembly plant project	Up to 20 years	–
23	Sudan	Government of Sudan	350,00	Project for setting up 4 x 125 MW Kosti Combined Cycle Power Plant In Sudan	Up to 12 years	–
24	Sudan	Government of Sudan	41,90	SINGA-GEDARIF transmission and sub-station project	Up to 13 years	–
25	Senegal	Government of Senegal	27,00	Irrigation project	Up to 20 years	–
26	Niger	Government of Niger	17,00	Acquisition of buses, trucks, tractors, motor pumps and flour mills	Up to 20 years	–

Sr. No.	Country	Borrower	Amount of credit (\$ mn)	Purpose	Tenor (Years)	Amount available for utilization (\$ mn)
27	Ethiopia	Government of Ethiopia	65,00	Energy transmission and distribution project	Up to 20 years	–
28	Regional Development Bank (multiple countries)	ECOWAS Bank for Investment & Development (EBID)	250,00	Public sector projects	Up to 20 years	14,82
29	Seychelles	Government of Seychelles	8,00	General purpose	Up to 8 years	–
30	Myanmar	Myanmar Foreign Trade Bank, Myanmar	20,00	Thanlyin Refinery	Up to 20 years	–
31	Mozambique	Government of Mozambique	20,00	Gaza Electrification Project	Up to 20 years	–
32	Honduras	Government of Honduras	30,00	Communication, health, transport and air force components from India to Honduras	Up to 20 years	2,34
33	Guyana	Government of Guyana	2,10	Signalling system	Up to 20 years	–
34	Guinea-Bissau	Government of Guinea-Bissau	25,00	Electricity project, mango juice and tomato paste processing unit and purchase of tractors and water pumps for development of the agricultural sector	Up to 20 years	–
35	Senegal	Government of Senegal	11,00	Women poverty alleviation programme and acquisition of vehicles from India	Up to 20 years	–
36	Jamaica	Government of Jamaica	7,50	Export of water pumps	Up to 12 years	–
37	Sudan	Government of Sudan	48,00	Supply of agricultural inputs for the Sudanese Agricultural Bank, technical and laboratory equipment to higher educational institutions, scientific equipment for Ministry of Science and Technology, solar electrification and meeting requirement of Sudan Railways	Up to 20 years	–

Source: Exim Bank, 'Lines of credit', <http://www.eximbankindia.in/lines-of-credit>

APPENDIX B

S. No.	Borrower	Purpose	Credit amount (\$ mn)
1	Government of Cape Verde	Technology Park Project	5.00
2	Government of Ghana	Procurement of 12 units of D 155 bulldozers, including spare parts, for Ghana's National Agriculture Field Creation Project	5.00
3	Government of Sierra Leone	Irrigation Development in Tomabum, Sierra Leone	30.00
4	Government of Sierra Leone	Expansion of ongoing projects for rehabilitation of existing potable water facilities in four communities in Sierra Leone	15.00
5	Government of Afghanistan	Export of goods and services and project exports	50.00
6	Government of Cambodia	Stung Sva Hab/Slab Water Resources Development Project	36.92
7	Government of Panama	Setting up a bio-diversity and drug discovery centre in Panama City	10.00
8	Government of Mauritania	Solar diesel hybrid rural electricity project	65.68
9	Myanmar Foreign Trade Bank, Myanmar	Upgrading Shwebo Putao and Rakhine state roads in Myanmar	140.00
10	Government of Burkina Faso	Hydro-electric power plant and transmission network project in Burkina Faso	184.00
11	Government of Ghana	Sugarcane development and irrigation project	24.54
12	Government of Ghana	Strengthening Agriculture Mechanization Services Centres	150.00
13	Government of Ghana	Rehabilitation and upgrading of potable water system in Yendi, Ghana	30.00
14	Government of Guyana	East Bank–East Coast Road linkage project	50.00
15	Government of Senegal	Acquisition of buses	26.00
16	Government of Gambia	Expansion of Banjul Port	92.00
17	Government of Kenya	Agriculture mechanisation project	100.00
18	Government of Nicaragua	Transmission lines and substation project	31.29
19	Government of Bangladesh	Financing various social and infrastructure development projects in Bangladesh (such as power, railways, road transportation, information and communication technology, shipping, health and technical education)	2,000.00

Source: Exim Bank, 'Lines of credit', <http://www.eximbankindia.in/lines-of-credit>

Notes: The above table lists LOCs where offers have been made by the bank to the recipient governments/their designated agencies but the offer has not yet been accepted and/or the LOC agreements are yet to be signed. As such, this list is only for information on future possible LOCs and is not tantamount to a commitment by Exim Bank.

The validity of the above details is contingent upon the acceptance of the offers by the LOC recipients and the subsequent signing of the LOC agreement.

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