

INDIA

Gross disbursements of development cooperation: US\$787 million in 2011, 6th largest government provider of development cooperation outside the DAC
 Gross ODA received: US\$5.4 billion, 3rd largest recipient in 2011

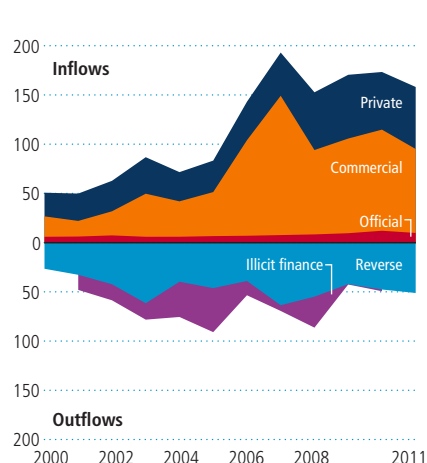
The largest non-ODA inflows to India are remittances, and the largest outflows are loans. India is both a provider of development cooperation and an aid recipient. In 2011 India gave US\$787 million, more than four DAC donors (Greece, Luxembourg, Portugal and New Zealand). Comparability is only indicative because both the way aid is reported and its composition differ from DAC donors.

- Technical and economic cooperation is the largest component of development cooperation from India, amounting to US\$479 million in 2011.
- India considers government-supported concessional lines of credit as part of its development cooperation. They support Indian exports and productive investments in developing countries (US\$1.1 billion commitments in 2011).
- The largest ODA donors to India are IDA, Japan and Germany.
- Infrastructure, health and education are the largest sectors of ODA received.

Resource flows to and from India

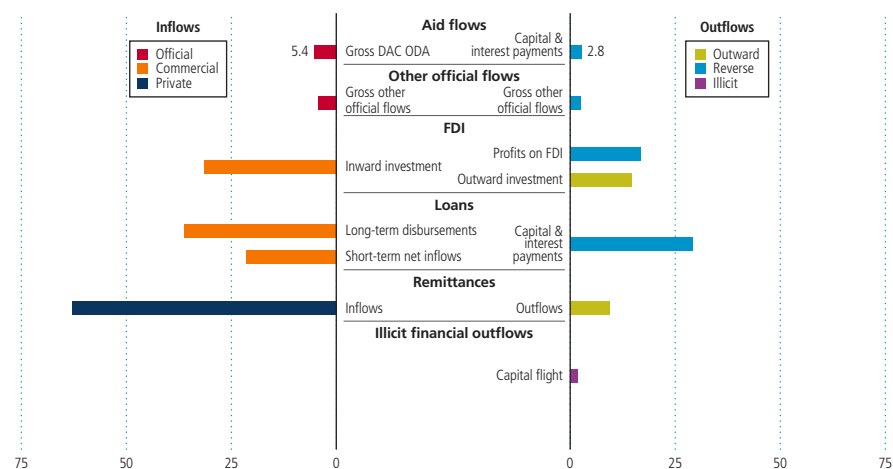
Commercial resources are the largest flows to India

US\$ billions, 2000–2011



Remittances are the largest resource flow to India, loan repayments the largest outflows

US\$ billions, 2011



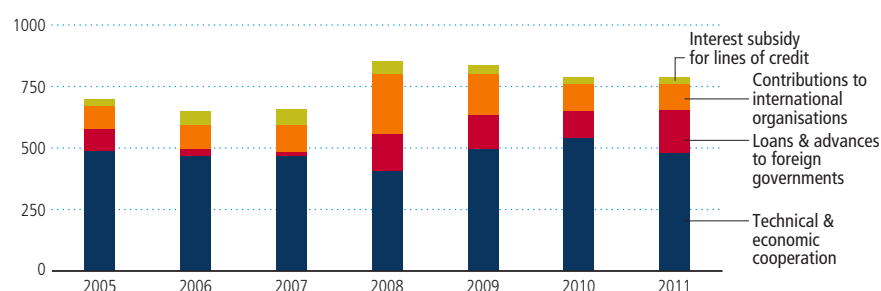
8.1.1

INDIA AS A PROVIDER OF DEVELOPMENT COOPERATION

How much wealth does India share?

Gross disbursements of development cooperation have increased 12% since 2005...

Gross disbursements, US\$ millions, 2005–2011

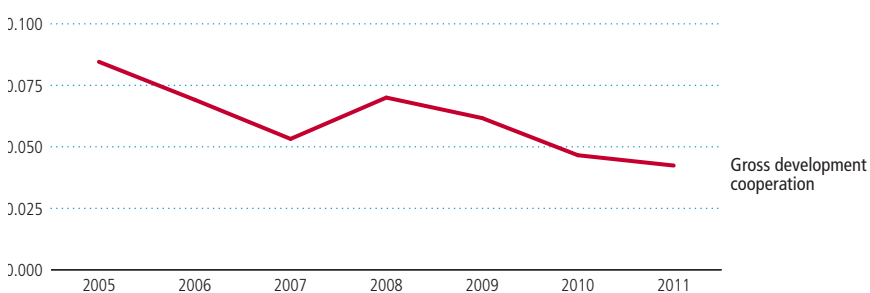


The Ministry of External Affairs is the main national agency providing development cooperation, and its newly established Development Partnership Administration Division will coordinate all development cooperation from India.

Other ministries contribute to international organisations. A comprehensive system of reporting is unavailable, rendering overall assessment challenging.

...but as a share of national income development cooperation from India has fallen by half since 2005

% of GNI, 2005–2011



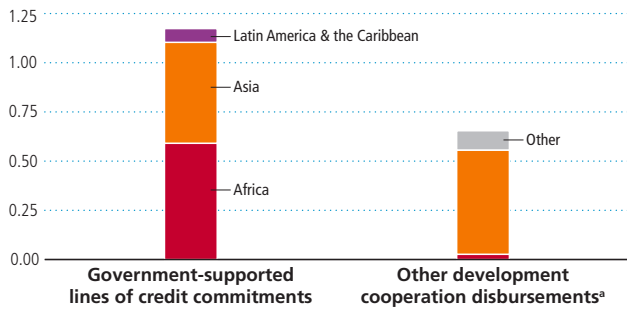
Development cooperation was 0.04% of GNI in 2011



Gross development cooperation per capita per day: US\$0.002

Most concessional lines of credit are committed to Africa; most other development cooperation is disbursed to Asia

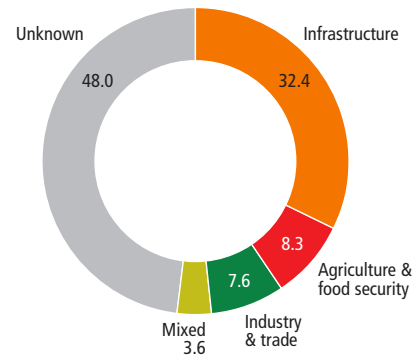
US\$ billions, 2011



a. Includes technical and economic cooperation and loans and advances to foreign governments.

Concessional lines of credit fund mostly infrastructure, but 48% goes to unidentifiable sectors

% of concessional lines of credit commitments, 2011



Note: Data covers April–December.

INDIA AS AN ODA RECIPIENT

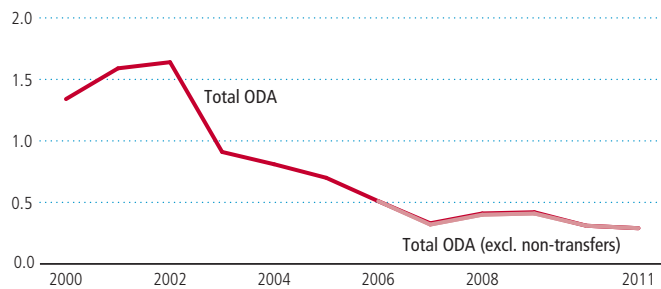
ODA volumes to India increased over 2000–2011, from US\$3.6 billion to US\$5.4 billion but have declined as a share of rising national income. ODA per poor person is very low due to large poor populations. Government expenditure per capita was PPP\$864.1 in 2011. Although the data differs according to the source of information (see Chapter 6), around 400 million people in India live below the poverty line.

- IDA and Japan are the largest donors, and almost all their ODA is loans and equity investments.
- Infrastructure, health and education are the largest sectors.
- 75% of ODA is loans and equity investments, funding most sectors. Cash grants prevail in health, accounting for 44% of ODA to the sector.

ODA and poverty

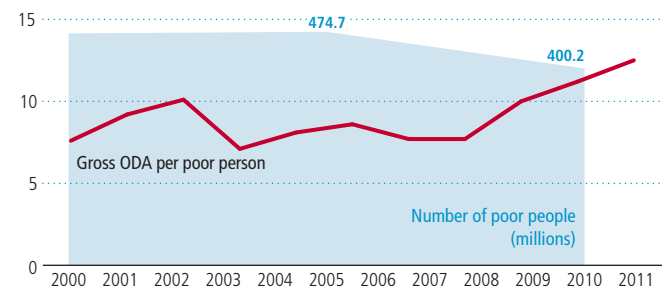
Gross ODA to India as a share of income has decreased since 2002

% of GNI, 2000–2011



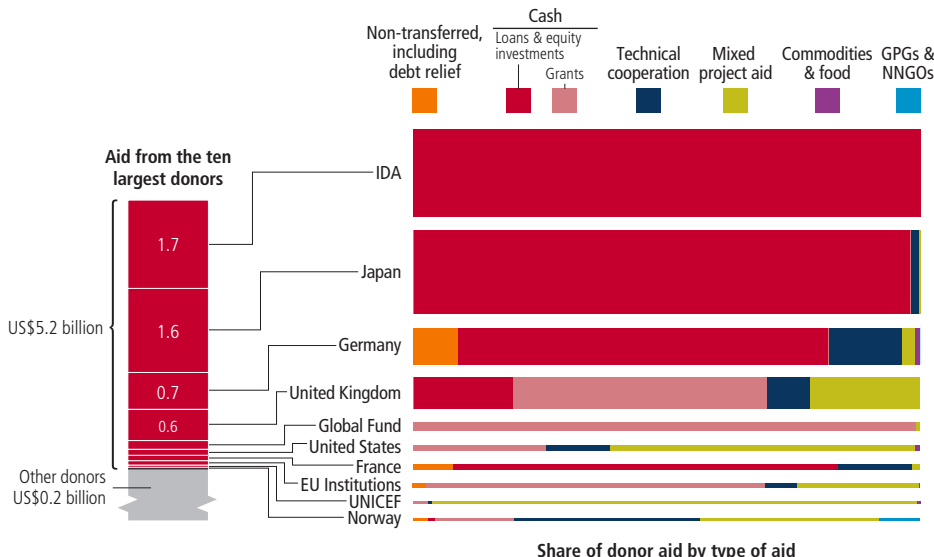
ODA per poor person has increased but remains low

US\$, 2000–2011



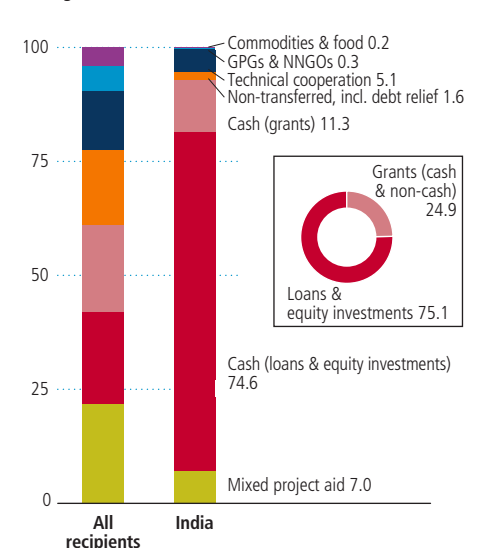
IDA and Japan are the largest donors, giving mostly loans and equity investments

Gross ODA, US\$ billions, 2011



Loans account for a much larger share of ODA to India than to the average recipient

% of gross ODA, 2011

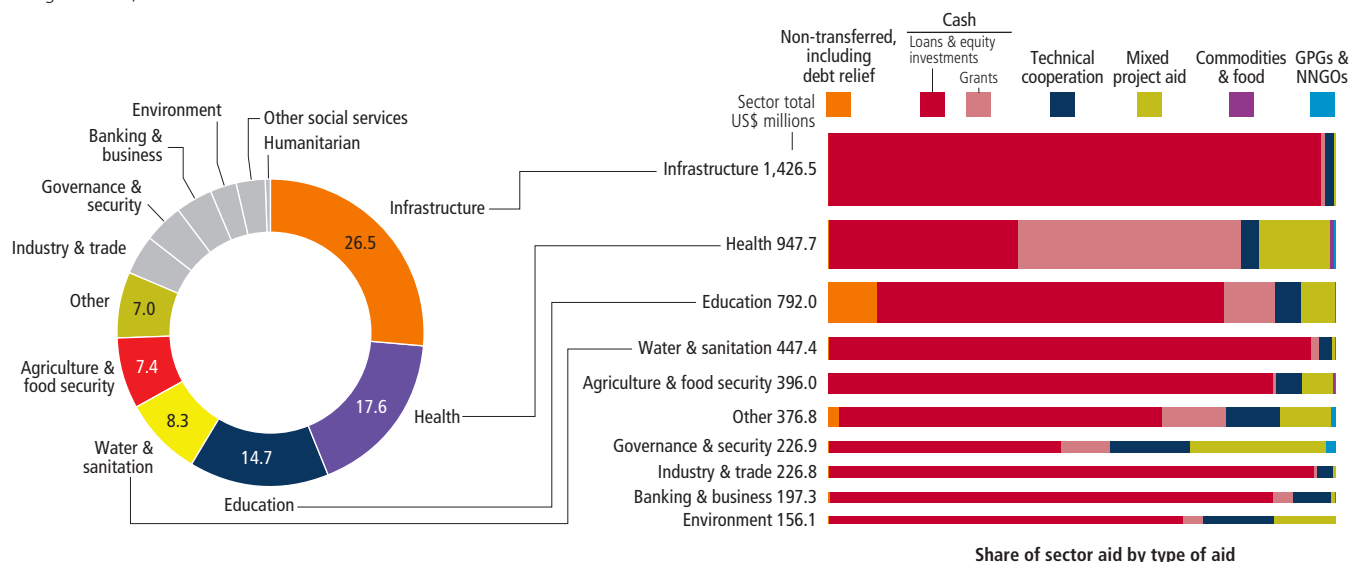


What is aid to India spent on?

Three sectors account for 59% of ODA to India: infrastructure, health and education. Loans and equity investments are a large component of ODA to most sectors. Health is the only sector where other aid types, cash grants in particular, prevail. Funding to the largest sectors is highly concentrated among a few donors, except in health.

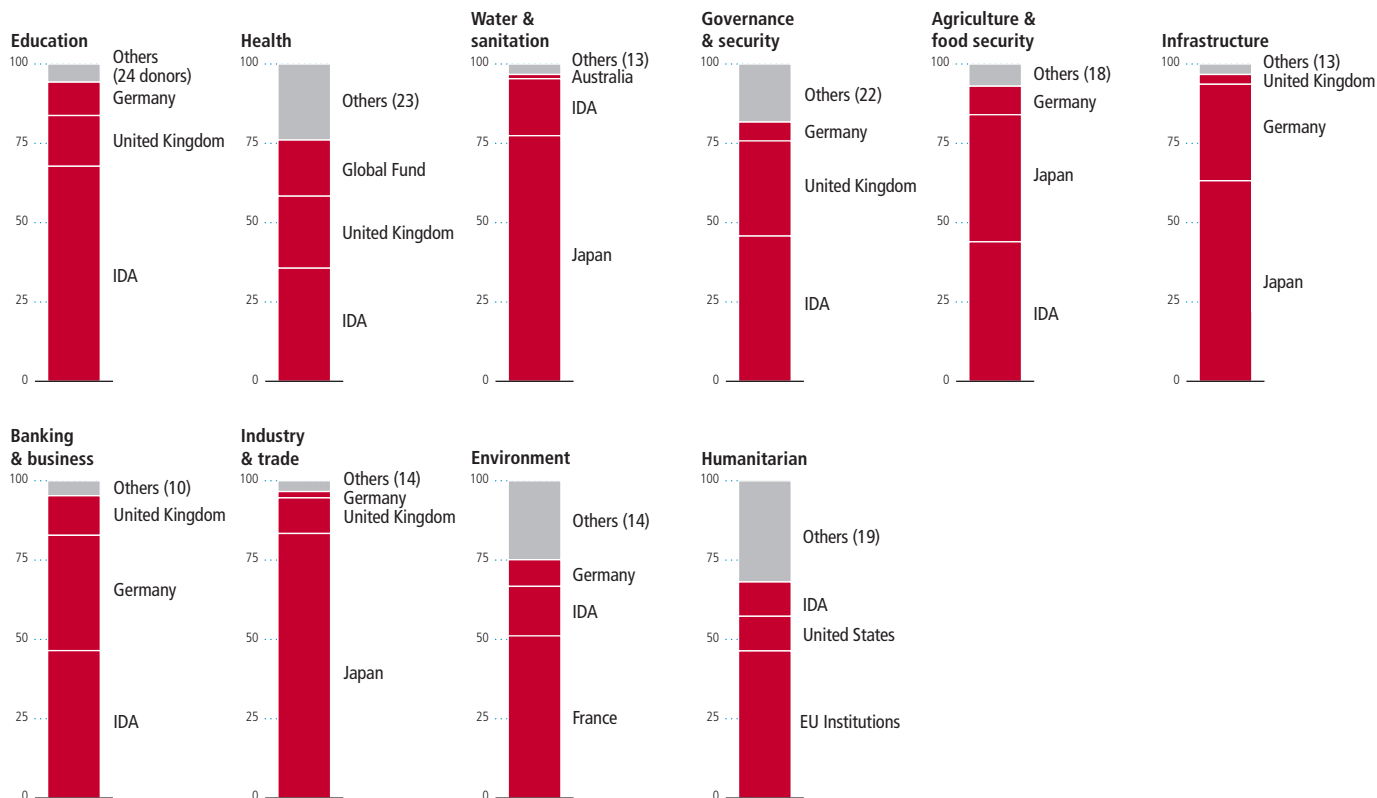
ODA to infrastructure, health and education accounts for 59% of total ODA to India; ODA loans are the largest ODA resource to many sectors – especially to infrastructure

% of gross ODA, 2011



A handful of donors – IDA, Japan, the UK and Germany – account for most ODA to India for many sectors

% of gross ODA, 2011



Note: Data is from national sources, including annual reports and Union Budgets from the Ministry of Finance (development cooperation disbursements, contributions to international organisations, concessional lines of credit commitments) and annual reports from the Ministry of External Affairs (technical and economic cooperation, loans and advances to foreign governments, concessional lines of credit commitments); the World Bank (remittances, GNI and poverty); the DAC (ODA and other official flows data); and the United Nations Conference on Trade and Development (FDI). All data in US\$ is in 2011 prices. Some overlaps of international flows have been taken into account; see *Methodology*. 'Other' aid includes multisector ODA, administrative costs, support for refugees in the donor country and unallocated or unspecified ODA. Data on ODA includes assistance from all donors that report to the DAC; aid bundle figures may not align with totals elsewhere as data is drawn from different OECD DAC data sets. DAC is the Development Assistance Committee of the Organisation for Economic Co-operation and Development. EITI is the Extractives Industries Transparency Initiative. FDI is foreign direct investment. GNI is gross national income. GPGs are global public goods. IATI is the International Aid Transparency Initiative. IDA is the International Development Association. NNGOs are Northern non-governmental organisations. ODA is official development assistance. OGP is the Open Government Partnership. PPP is purchasing power parity. UNICEF is the United Nations Children's Fund.

How is technical and economic cooperation and lending from India delivered?

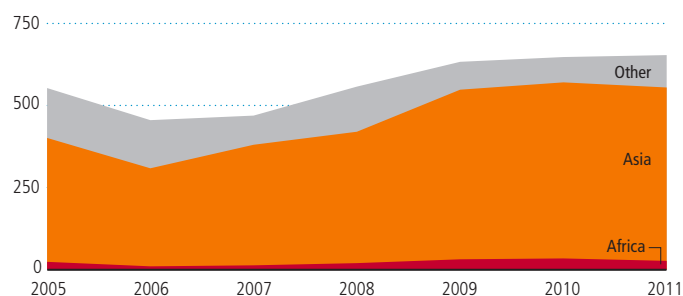
Inaugurated in 1964, the Indian Technical and Economic Cooperation Programme, together with the Special Commonwealth African Assistance Programme and the Technical Cooperation Scheme under the Colombo Plan, covers 161 countries across Asia, Africa, Latin America, Europe and Oceania.

Technical and economic cooperation and loans and advances to foreign governments are directed largely to Asia. All eight country recipients identified are in Asia; they received US\$529 million in 2011. Of these, Bhutan is by far the largest, receiving US\$387 million in 2011, 59% of total technical and economic cooperation from India, followed by Afghanistan (US\$59 million) and the Maldives (US\$40 million). African countries (for which only regional data is available) received US\$26 million, and countries in other regions received US\$59 million.

The largest recipients are countries where the number and rates of people living on less than \$1.25 a day are low, though Nepal (7.4 million and 25%) and Bangladesh (64.3 million and 43%) are exceptions. Poverty data is not available for Afghanistan, Mongolia and Myanmar.

Technical and economic cooperation and loans and advances to Asia have driven overall increases in development cooperation from India

Gross disbursements, US\$ millions, 2005–2011



India prioritises its neighbours in development cooperation

Gross disbursements, US\$ millions, 2011

Recipient country or region	Development cooperation received	Recipient country or region	Development cooperation received
Bhutan	387.0	Myanmar	21.0
Afghanistan	59.0	Central Asia ^a & Eurasia	6.0
Maldives	40.0	Bangladesh	1.0
Nepal	30.0	Mongolia	0.3
Africa	26.0	Latin America & the Caribbean	0.3
Sri Lanka	24.0	Others	59.0

a. Data is for 2008–2009.

What is India's commitment to aid reporting and transparency?

Grants	Available
Concessional loans	Partially available
Government-supported lines of credit	Partially available
Contributions to multilateral agencies	Available

IATI	Non-signatory
OGP	Non-member
EITI	Unsupportive government

Key

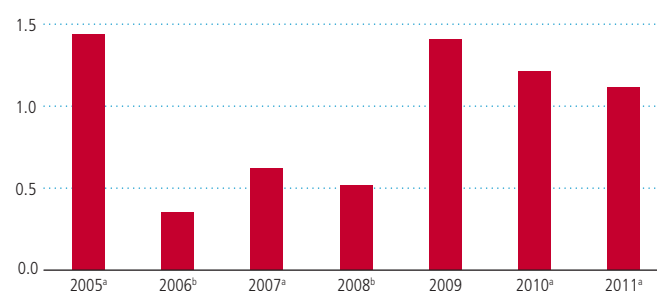
Poor/no action
Good/moving forward
Excellent/committed

How are concessional lines of credit from India delivered?

Government-supported lines of credit are a key element of development cooperation from India. They are extended on concessional terms to developing countries to import Indian goods and services and to finance infrastructure, productive activities and capacity building. They are disbursed through the Export-Import Bank of India, and the government subsidises the interest. Commitments amounted to US\$1.1 billion in April–December 2011, 53% of them to Africa and 45% (US\$500 million) to Myanmar, the only Asian recipient that year. This regional focus contrasts with that of technical and economic assistance and loans and advances to foreign governments (US\$655 million, of which 81% was disbursed to Asia). For the 52% of projects where sectoral detail is available, 62% of commitments were to infrastructure, including rural electrification, power generation and transmission, and building health facilities. Other funds went to agriculture and industry.

Concessional lines of credit jumped in 2009 and have declined since

Commitments, US\$ billions, 2005–2011



a. Data covers April–December.

b. Data covers January and April–December.