

# Strategic Importance of India's Triangular Development Partner- ships and Implications for Korea

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## I. India's development partnership as a strategic tool

India is a force to be reckoned with.<sup>1</sup> India's position in the global value chain is deepening, and its already huge consumer market is expanding. India is also a top priority for many countries looking to strengthen diplomatic relations in the Indo-Pacific. Many view India as a trusted partner in the region where tensions are rising.

Another area where India's presence is being felt is in development partnership. India utilizes a diverse portfolio of development cooperation tools. Between 2015 and 2024, India provided lines of credit worth \$21.6 billion and grants and loans worth \$6.7 billion to developing countries.<sup>2</sup> Through the Indian

Technical and Economic Cooperation (ITEC) Program, the country has offered capacity-building opportunities to more than 110,000 people from developing nations. India has also provided medical and humanitarian assistance, as well as cultural and heritage restoration.

India is not new to supporting fellow developing countries' progress, yet the strategic importance of its development cooperation is evolving. In addition to fostering solidarity in the Global South – a goal India has pursued since the 1950s – the motivations now increasingly include ensuring security and enhancing international stature.

<sup>1</sup> This piece is an updated and extended version of Chapter 5 of Kim et al. (2023), originally written in Korean by the author. The author thanks the referees and reviewers who provided useful suggestions on the chapter.

<sup>2</sup> All the data is from the Performance Dashboard of India's Ministry of External Affairs. The years referenced are fiscal years.

Viewed through this lens, the geographical allocation of India's development partnerships becomes clear. Beneficiaries are concentrated in South Asia, with major recipients of lines of credit including Bangladesh, Nepal, and Maldives, and major recipients of grants and loans including Bhutan, Nepal, and Afghanistan. While India's benevolent motives, grounded in shared history and culture, should not be undervalued, strategic motivations are increasingly evident.

Development cooperation is a key tool for pursuing the Neighborhood First Policy, a cornerstone of India's foreign strategy. While fostering friendly relationships in the immediate neighborhood has always been crucial for stability and prosperity in South Asia, emerging issues are driving India's efforts to strengthen development partnerships in the region.

As China strengthens its relationships with India's neighboring countries, India has become increasingly uneasy. The deterioration of India-China relations since the early 2020s, following a border clash that resulted in serious casualties, has led India to bolster its border security on land and sea. Domestically, India is extending and improving transport and military infrastructure along its borders and internationally, it is reinforcing ties with neighboring countries, particularly through development partnerships.

<sup>3</sup> For a comparative analysis of how traditional donors design, operationalize, and manage development cooperation programs to achieve strategic goals, see

Africa is another region of focus for India's development partnership. While altruistic motives remain important, there is a clear strategic component. India's development partnerships are concentrated in Eastern African countries, many of which have historical links. Lines of credit and grants are particularly substantial in Mauritius and Seychelles, which play an important role in maintaining stability in the Indian Ocean.

Furthermore, India has long sought to become a permanent member of the United Nations Security Council. Given India's status as the world's most populous country and its rapidly growing economy – projected to become the third largest soon – there is a compelling case for India to secure a seat on this powerful organ. Africa, with its 54 nations, will play a significant role in any future reform and development partnership is an important tool for India to garner support.

## II. Strategic alignment through triangular development partnerships

Of course, India is not the only country which mobilizes development cooperation with strategic motives.<sup>3</sup> While development assistance has always been intertwined with strategic goals, this pattern is becoming more explicit. This trend is not surprising, given that terms

Jung et al. (2023).

such as “gloeonomic fragmentation,” “like-minded countries,” and “multipolarity” have become buzzwords in international relations.

In this context, the triangular development partnership is viewed as an important tool for enhancing relationships with multiple countries. Such a partnership usually involves three entities: *beneficiaries* from disadvantaged countries who identify development problems and demand external support; *pivotal partners* from relatively well-off developing countries who offer development knowledge and solutions; and *facilitating partners* from traditional donor countries or international organizations who arrange projects and provide necessary resources.

Triangular cooperation came under the spotlight during the 2000s as large developing countries’ roles as development financiers strengthened. The key aims of triangular partnerships is to apply the recent experience of developing countries with successful development outcomes to other nations, and to achieve economies of scale and synergies.

These reasons still apply when forming triangular development partnerships with India as a facilitating partner. India has made significant strides in economic and social aspects over the past two decades. For example, India’s multidimensional poverty rate has declined from 24.9% in 2015-16 to 15.0% in 2019-21.<sup>4</sup> As discussed, India has substantial

development financing tools and is a key partner for many countries seeking to secure peace and stability in the Indo-Pacific.

While projects of India’s triangular development partnerships have been ongoing for some time, the formalization of mechanisms between India and traditional donors is noteworthy. This progress is based on aligning strategies to strengthen relationships with the Global South.

In 2014, India and the United States announced the Statement of Guiding Principles on Triangular Cooperation for Global Development (SGP). They agreed to mobilize technology and innovation to stimulate development in multiple sectors, supporting various countries in Asia and Africa under the SGP. In 2021, India and the United States extended the SGP to 2026 and strengthened institutional capacities, including setting up a consultative mechanism for joint monitoring and review. The SGP has been highlighted as a major international cooperation tool at high-level meetings, including during Prime Minister Modi’s visit to the United States in 2023.

Initial projects include capacity building in Nepal, women’s empowerment in Afghanistan, and disaster management in South Asian countries. A notable area of progress is agriculture. India and the United States have funded the Feed the Future India Triangular Program, aimed to strengthen food security in

<sup>4</sup> Niti Aayog (2023).

Africa and Asia by training more than 1,000 agricultural professionals by 2020.

**I**ndia and the United States are also expanding triangular cooperation in the Indo-Pacific. With the United States' funding, the Asia Foundation initiated the India-U.S. Triangular Development Partnership program in 2021. The program focuses on climate smart agriculture, disaster-risk reduction, and renewable energy, areas in which India has shown significant progress. It is conducting research to seek potential triangular development projects.

**I**n 2015, India and the United Kingdom signed the Statement of Intent on Partnership for Cooperation in Third Countries, agreeing to jointly advance projects in developing countries. This statement marked a step toward formalizing the mechanisms for their triangular projects. Notable projects include capacity building and policy sharing in clean energy access, health financing, business innovation, and trade diversification in Asia and Africa.

**I**n 2021, India and the United Kingdom also signed the Memorandum of Understanding for the India-UK Global Innovation Partnership (GIP). Compared to the previous agreement, the GIP is more specific and detailed, aiming to support innovation for development in third countries across various sectors. The GIP facilitates India's entrepreneurs in inventing, transferring, and scaling up solutions for development challenges in developing countries. The GIP's financing is provided in various

forms including grants, loans, equity, and mezzanine and is expected to attract significant private capital.

**O**ther countries are also engaging in similar triangular partnerships. In 2022, Germany signed the Joint Declaration of Intent on Triangular Development Cooperation with India to support sustainable development in Africa, Asia, and Latin America. In 2023, France and India agreed to establish the Indo-Pacific Development Cooperation Fund to support the scaling up of green technologies in the Indo-Pacific. Japan has recently been arranging meetings with India and other South Asian countries to discuss trilateral cooperation aimed at improving connectivity.

### III. India-centered development partnership platforms

**A**nother method of carrying out triangular development partnerships is to leverage the minilateral or multilateral platforms where India plays a leading role. Traditional region-based collaborative platforms include the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), the Bangladesh-Bhutan-India-Nepal Initiative (BBIN), and the South Asia Subregional Economic Cooperation Program (SASEC). While these platforms facilitate various development projects among their member states, many of these projects are supported by traditional donors or international organizations. This col-

laborative structure exhibits some commonalities with triangular partnerships, particularly in terms of multi-stakeholder engagement.

From the mid-2010s onward, India has become more ambitious, playing a central role in establishing multilateral bodies focused on addressing development challenges. In 2015, India, in collaboration with France, launched the International Solar Alliance (ISA). This platform aims to support developing countries in adopting solar energy solutions to fight climate change. Currently, the ISA has 101 member countries, including both advanced and developing countries. Advanced countries including six G7 members are devising plans to support developing countries in cooperation with India through this platform. Additionally, India established the Coalition for Disaster Resilient Infrastructure (CDRI) in 2019 to promote systems and physical structures that help countries resist, respond to, and recover from natural disasters. The CDRI currently has 44 members, including all G7 countries, and advanced countries view the CDRI as a platform for collaborating with India to tackle global development challenges. ISA and CDRI are both headquartered in India. India is also devising a plan to establish a similar structure, provisionally known as the One Future Alliance, with the aim of promoting public digital infrastructure.

<sup>5</sup> For more information on the growing bilateral development partnership between India and Korea, see Kim (Forthcoming).

## IV. Implications for Korea

In addition to strengthening bilateral cooperation, Korea should explore opportunities for triangular cooperation with India.<sup>5</sup> Through such partnerships, Korea and India can jointly address development challenges and promote prosperity in the Indo-Pacific. Both countries have demonstrated exceptional development performance, and their combined support could be valuable to many developing countries, especially amid an era of great power competition.

Following intensive discussions between high-level officials, Korea and India should aim to establish a formal agreement that outlines their general goals and mechanisms, similar to the agreements India has with other advanced countries. In the short term, focusing on overlapping target countries, such as Bangladesh and Myanmar, could be mutually beneficial. Finally, Korea should leverage the region-based bodies in South Asia and India-led minilateral and multilateral development platforms.<sup>6</sup> **KIEP**

<sup>6</sup> Korea is currently not a member of the ISA or CDRI.

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