

India-Ghana Developmental Partnership



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2017 was a special year in India-Ghana relations as it marked 60 years of establishment of formal diplomatic ties between the two nations. India had opened its first Consulate office in Ghana in 1953 and was among the first countries to open a diplomatic mission when Ghana became independent in 1957. Mahatma Gandhi had said “Independence of British empire’s most prized possession, India, would unleash a fire for freedom in the countries of middle –east and Africa” and India stood as solidly behind the anti-imperialism in Africa and extended support to freedom movements shaping up in African countries. India steadfast support for Africa’s freedom was acknowledged by great son of Africa Nelson Mandela who had said “India came to our aid when the rest of the world stood by or gave succour to our oppressors. When the doors of international Councils were closed to us, India opened the way. You took up our battles, as if they were your own.”

It is against this background that India and Ghana bilateral relations have grown from strength to strength. Apart from the common history of colonialism, the two nations shared a unified vision for shaping a world free of conflict, a world more equitable and peaceful, away from the pulls of the power blocs and founded the NAM. Since those early days, bilateral relations between Ghana and India have grown from strength to strength. As two peace-loving, diverse, democratic and emerging nations, the complementarities between the two countries obviously make them natural partners. India continues to engage significantly with Ghana under the South-South cooperation rubric and has extended support in Ghana’s journey of economic development and growth through our concessional lines of credit, Buyer’s Credit and Grant assistance.

Developmental Partnership forms an important component of India’s engagement with Ghana. India’s development partnership is based on the priorities identified by the people and Government of Ghana and has already crossed half a billion US dollar mark.

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Bilateral cooperation between India and Ghana is multi-faceted and vibrant. Trade and investments have grown considerably over the past five years making India one of the top trade and investment partners of Ghana. The bilateral trade, which had reached US \$ 3.6 billion in 2016 , decreased to US \$ 2.6 million in 2017. The figures for first half 2017-18 stands at US \$ 1.7 billion. According to the Ghana Investment Promotion Centre (GIPC), Indian companies have invested in 602 projects with total investment of US\$ 998 million between September 1994 and September 2014 making India the second largest foreign investor country in Ghana in terms of number of projects and 9th in terms of value of FDIs. In 2015, Indian investments were to the tune of US\$ 40.32 million in 13 projects. In the first quarter of 2017, registered Indian projects numbered 9 with an FDI value of over US \$ 400 million . Indian investments cover sectors including construction, manufacturing, trading, pharmaceuticals, agro-processing, services and tourism etc.

A number of Indian companies have presence in Ghana including Airtel, Shapoorji & Pollonji, Tata Ghana Limited, Ashok Leyland, Mahindra & Mahindra, Bank of Baroda etc. Several big local businesses are also either Indian investments or under Indian management like the retail chain Melcom, Mohinani Group, B5Plus, IPMC, Sethi Steels, Tema Steel, Diamond Cement, Fabrimetal, Delta Fisheries, Arima Farms, Alpha Power Meters Limited, Pharmanova, M&G Pharmaceuticals, Abellon Clean energy, etc.

Development Partnership

Ever since Ghana's independence, India

has been extending assistance to Ghana. In early years, it was mainly in the field of capacity building through our ITEC programme and deputation of experts. In the eighties, Rs. 100 million credit was extended with Rs. 50 million for rural electrification and Rs. 50 million for agriculture, irrigation and small scale industries. EXIM Bank had also extended suppliers credit in the eighties under which more than 1000 Tata buses, 600 Punjab Tractors, \$ 4 million BEML mining equipment and HMT equipment for an engineering workshop were provided.

Ghana was included as one of the nine West African countries under the GOI's TEAM 9 initiative launched in 2004. Projects under Lines of Credit have tremendous socio-economic impact and also enable transfer of technology apart from creating jobs and skilled manpower. So far, Government of India has extended Lines of Credit amounting to about US\$ 230 million to Government of Ghana for developmental projects in various areas such as rural electrification, waste management, agro-processing, power transmission, supply of railway equipment, construction of iconic buildings, fish processing etc. Iconic Presidential complex (Flagstaff House), is an example of successful developmental partnership. The rural electrification project has significantly increased access to electricity in rural areas of Ghana.

Two projects under EXIM Bank of India Line of Credit were successfully commissioned in 2016. Komenda Sugar Plant commissioned on 30 May 2016 is expected to provide 400 direct jobs and help about 2000 outgrower farmers. The revival of the sugar plant would drastically reduce the imports of sugar by Ghana. Line of Credit of US\$ 24.54 million

for sugarcane cultivation and irrigation development project was signed on 22 November and the process of preparation of fresh detailed project report (DPR) is currently under consideration of Ghana. Similarly, Elmina Fish processing plant, commissioned in November 2016, has the potential to transform the lives of ordinary fisher-folk and also add value to fish processing business in Ghana.

Government of Ghana signed a Buyers' Credit agreement with Exim Bank of India for US \$ 398.33 million for the Tema-Akosombo railway line on 22 November 2016. The Tema Akosombo railway line, covering 84 kms will expedite movement of goods from Tema Port which would further improve vessel turnaround. It seeks to redress the imbalance in transport modes between the south and northern part of the country. It would open up the lake for transportation of containerized cargo from the Northern region to the Tema port and further integrate transport networks with the landlocked countries in the North.

A Line of Credit facility through EBID for supply of 104 fire tenders to Ghana National Fire Services was also completed on 3rd December 2016. Similarly, 50% of US\$ 30 million credit facility through EBID has been disbursed for Self Help electrification in the Ashanti and Brong Ahafo regions of Ghana.

The two agreed upon concessional line of credit projects namely US\$ 150 million agricultural mechanization and US\$ 30 million Yendi water supply are awaiting necessary approvals from the government of Ghana.

Apart from concessional Lines of Credit, Indian grant assistance has achieved excellent results. The India Ghana Kofi Annan Center for Excellence

in ICT, a premier institution in the region set up with modest grant assistance from India has delivered excellent outcome with over 20,000 students from Ghana and the neighbouring countries benefiting through training since it was set up in 2003.

Impressed with the results delivered by this modest assistance, Hon'ble President of India visited the center in 2016 and announced a further grant assistance of US \$ 1 million to the Institute. The India Ghana Kofi Annan Center for Excellence in ICT represents one of the outstanding outcomes of successful bilateral cooperation as the Institute has not only obtained state of art technology and training but is also able to contribute to human resource development by training the youth in ICT programmes that are in demand in the market. According to the former Director General of the Institute, the students passing out of the Institute do not face any problems in finding a job as they are market ready and the skills they possess are in high demand in the industry.

A tomato pilot research project in Ghana under India's grant assistance of US \$ 2.088 million was successfully jointly implemented by the National Research Development Corporation (NRDC) India and Council for Scientific and Industrial Research (CSIR) Ghana. The outcome of the joint research has been a hybrid seed variety which is pest resistant, has more pulp, more yield and shelf life. The improved seed variety has the potential to transform tomato farming in Ghana.

India's developmental assistance is project oriented and is not in form of budgetary support. Thus, the project supported through concessional lines of credit are the ones identified by the Government of Ghana as part of their

strategic national development strategy and are helpful as these essential projects could not have been financed through domestic financial arrangements or budgetary support. These projects have made substantial contribution in

diverse areas such as electrification, power transmission, agriculture etc. but more importantly have provided Indian companies to establish their reputation and gain foothold in the fast growing Ghanaian economy.

Upcoming Events of Interest

Regional Consultation on South-South Cooperation for Asia and the Pacific: Towards the Buenos Aires Plan of Action 40th Anniversary

The United Nations Office for South-South Cooperation (UNOSSC), the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and the Royal Thai Government (Ministry of Foreign Affairs) are convening a regional consultative meeting in preparation for the Second High-level United Nations Conference on South-South Cooperation on 28-29 June 2018 at the United Nations Conference Centre (UNCC) in Bangkok, Thailand. The Conference will also identify new opportunities that South-South and triangular cooperation present and the solutions to address sustainable development challenges, including South-South and triangular cooperation as enablers for the implementation of the 2030 Agenda and the Sustainable Development Goals (SDGs). The Conference is also expected to respond to the needs and challenges faced by the practitioners of South-South and triangular cooperation and to generate innovative approaches of South-South and triangular cooperation.

The themes and issues to be discussed at the Regional Consultation include the following:

1. Trends and diversity of the South-South cooperation landscape in Asia-Pacific – turning challenges into opportunities
2. Institutional arrangements and management of South-South and triangular cooperation – experience and good practice
3. Modalities to strengthen regional and sub-regional cooperation through South-South and triangular cooperation for sustainable development
4. Roles of the United Nations Development System and other stakeholders including the civil society organizations and the private sector
5. Alternative approaches to sustainable development.