

India's Development Cooperation with Bangladesh



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Introduction

Development cooperation is an important aspect of India-Bangladesh relations. From modest beginnings in the years after Bangladesh’s liberation, India’s development cooperation with Bangladesh has grown in size and coverage. With the extension of a third Line of Credit of USD 5 billion during the visit of the Hon’ble Prime Minister of Bangladesh to India in April 2017, Bangladesh became the largest development partner of India. The total amount extended by India under Lines of Credit to Bangladesh stands at USD 8 billion. India remains committed to continue development cooperation with Bangladesh and would fully support Bangladesh’s vision of becoming a middle-income country by 2021, and a developed country by 2041.

Development partnership between India and Bangladesh consists of three main elements: loans extended to Bangladesh in the form of the Lines of Credit (LoCs); cooperation extended through grants; and capacity-building in Bangladesh.

Lines of Credit

The projects covered by the LoCs focus on infrastructure development in Bangladesh and improving connectivity within Bangladesh and also between the two countries. Indian credit lines are amongst the most concessional credits provided to Bangladesh by its development partners.

First Line of Credit

The first LoC to Bangladesh of USD 1 billion covered fifteen projects; of which eleven were in the railways

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sector and three were in supply projects. The present Government in Bangladesh has given special attention to the development of Bangladesh Railways (BR) which had suffered years of neglect. The LoC projects were in line with this objective of the Government and concentrated on enhancing line capacity of BR to facilitate easier movement of goods and people. The supply projects were aimed at improving the capacity of Bangladesh Road Transport Corporation, the Bangladesh Standards and Testing Institution and BR. Details of important projects undertaken under the first LoC are as follows:

- Construction of the second Bhairab and Titas railway bridges which were inaugurated in November 2017 by the two Prime Ministers through video conferencing; would ease movement on the BR network;
- Construction of Khulna-Mongla rail line which, once completed, would connect Mongla Port – second biggest in Bangladesh – to the rest of the country by rail;
- Supply of coaches and the engines to BR has helped enhance BR's capacity to run more trains both in the freight and the passenger section; and
- The Kulaura-Shahbazpur rail line, which once completed, is expected to revive the erstwhile rail link from Sylhet to Assam.

Second Line of Credit

The second LoC of USD 2 billion, extended in June 2015 during the visit of Prime Minister Shri Narendra Modi to Bangladesh, focuses on various social and infrastructure developmental projects in power, railways, road transport,

information and communication technology, ports, health and technical education sectors.

Third Line of Credit

Under the third LoC of USD 5 billion, as many as 17 major infrastructure projects have been identified by both the sides to ensure faster implementation. The projects included under the third LoC cover a wide range of sectors – ports, airports, roads and highways, and railways. This is also the largest credit line that India has extended to Bangladesh or to any other country.

Grant Projects

The Government of India is also undertaking various development projects under the Ministry of External Affairs' Aid to Bangladesh' budget. These projects are chosen keeping in mind geographical spread, socio-economic benefits and priorities of the Government of Bangladesh. Development projects funded through grants of the Government of India have been implemented in education, IT, health, water, disaster management, etc. In the last five years, the Government of India has completed a total of 24 grant projects worth Bangladesh Taka (BDT) 110 crore. Currently, there are 63 running projects and programmes which are at various stages of implementation. The estimated cost of these projects is approximately BDT 1400 crore. Hon'ble External Affairs Minister of India, Smt. Sushma Swaraj inaugurated 15 new grant projects during her visit to Bangladesh on 22-23 October 2017 in healthcare, education, water supply and social welfare. Most of these projects would be completed in 2018.

Capacity-Building

India offers training slots to Bangladesh under the Indian Technical and Economic Cooperation (ITEC) Programme scholarships for meritorious students through the Indian Council for Cultural Relation. Capacity-building support to Bangladesh is also being extended in different areas—police, administration, customs, narcotics, railways and judiciary.

A number of capacity building projects have been implemented or are under

implementation in Bangladesh under ‘Aid to Bangladesh’. A few major ones are listed as follows.

- Construction of India-Bangladesh Friendship Building and an IT Center at the Bangladesh Police Academy, Sardah
- Setting up of Vocational Training Centre at Khulna
- Construction of 36 community clinics in remote areas of Bangladesh

THE TENTH ANNUAL GSSD EXPO FOCUSES ON BAPA+40

The United Nations Office for South-South Cooperation (UNOSSC) hosted the Global South-South Development Expo (GSSD Expo) from 28-30 November, 2018 at UN Headquarters, New York. UNOSSC leverages South-South and Triangular collaboration to strengthen knowledge sharing, capacity building and technical assistance. UNOSSC in partnership with 20 UN Agencies and 100 partners, showcased ‘Institutions Supporting South-South and Triangular Cooperation in Preparation for the Second High-level United Nations Conference on South-South Cooperation.’

UN Secretary-General Antonio Guterres and UNGA President, María Fernanda Espinosa Garcés, noted the increasing role of intra-South trade and the potential of the South towards international development, wherein South-South Cooperation will complement traditional cooperation.

2018 also marks the 40th anniversary of the Buenos Aires Plan of Action (BAPA) in lead up to the Second High-Level Conference to be held from 20-22 March, 2019. The Buenos Aires Plan of Action emerged from the adoption by consensus a Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries on 12 September 1978 in Buenos Aires, Argentina. In December 1978, the United Nations General Assembly resolved to endorse the Plan and urged all Governments and elements of the United Nations system to implement its recommendations. The General Assembly, recognising the need to strengthen and further invigorate South-South cooperation, decided by resolution 71/244, to convene a high-level United Nations conference on South-South cooperation on the occasion of the fortieth anniversary of the adoption of the Plan.

Source: GSSD Expo. (2018). United Nations Office for South-South Cooperation. November 28-30.