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India and the EU as partners for sustainable development: Taking cooperation to the next level

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India and the EU are too big to think small and have the combined political and economic weight to shift the SDGs decisively closer to their goalposts.



The Strategic Partnership between [India and the European Union](#) (EU) has always evoked a mix of both high expectations and disillusionment. In a rapidly changing global context, the two partners occupy common ground as supporters of a rules-based, multilateral order. Yet, India and the EU have not truly managed to unlock the strategic potential of their

partnership, which remains constrained by stalled negotiations of a bilateral trade and investment agreement. At the same time, both sides show genuine interest in moving their relationship forward. In its recently adopted [strategy](#) on India, the EU proposes the negotiation of a broader Strategic Partnership Agreement to promote sustainable modernisation, consolidate the rules-based global order, and address global challenges together. India, too, has become more open to creating new types of global partnerships – including with European partners – on various global challenges. The International Solar Alliance, co-launched by India and France, is a prominent example. Meanwhile, sustainable development has increasingly become a promising area for India and the EU to broaden and deepen their Strategic Partnership below the radar of high-profile foreign policy issues.

Sustainable development as a dynamic pillar of the India-EU Strategic Partnership

A new study published by the Observer Research Foundation (ORF) analyses the potential of increased India-EU cooperation in the field of sustainable development. The 14th India-EU Summit, held in October 2017, gave a strong political mandate to advance dialogue and collaboration in this area. The [summit declaration](#) expresses India's and the EU's commitment to enhancing cooperation for the implementation of the 2030 Agenda for Sustainable Development and creating synergies in their respective cooperation with other countries, especially in Africa. Since the phasing out of a regular, bilateral aid programme in 2014, India and the EU have left traditional donor-recipient relations behind and have embarked on a process to transform their partnership based on equality and mutual interests. This transformation comes with a broader perspective, evolving around the shared aspirations expressed in the [Sustainable Development Goals \(SDGs\)](#) and going far beyond development cooperation in a narrow sense. As part of this transformation, the two partners have launched various issue-specific partnerships and other initiatives on clean energy and climate change, urbanisation, water, resource efficiency, and clean air.

This year presents an opportunity to take stock of the India-EU development partnership and set the stage for a new phase in the decade from 2020 to 2030. While general elections mark politics in India and at the EU level, this year will also see other important decisions that are likely to shape the context of India-EU cooperation. The UK's exit from the EU has implications for the EU's relationship with India given the UK's historical ties with India and its role as a leading development partner in South Asia. Moreover, the EU will decide on a new multi-annual financial framework determining how the EU finances external action from 2021 to 2027. Within this fast-paced political environment, the new ORF study aims to

inform a strategic perspective on how India and the EU can advance their development partnership in the coming decade.

Completing the foundations

Reviving and updating the regular dialogue on development, which is currently dormant, is the basis for consistent interaction on issues of sustainable development. Thinking beyond a narrow and isolated dialogue format only for development cooperation, the ORF study recommends the establishment of an India-EU Platform for Sustainable Development. Such a platform would not only focus on development cooperation, but more broadly on the implementation of the Sustainable Development Goals (SDGs). This format would provide a flexible structure, cutting across other existing and planned dialogues to mainstream the SDGs, manage inter-linkages, and integrate key principles such as the “leave no one behind”-principle. Involving a variable line-up depending on the issues discussed, the platform would integrate diverse stakeholders beyond the traditional sphere of traditional development cooperation, including key actors working on SDG implementation in India, the EU and other partner countries. NITI Aayog and the EU’s High-level multi-stakeholder platform on the implementation of the SDGs could inaugurate such a platform in 2020.

India and the EU could also expand the thematic coverage of their development partnership to include the most relevant issues with high political traction on both sides. With various issue-specific initiatives, the development partnership already covers important issues of sustainable development, such as clean energy, water and urbanisation. In addition, the study recommends the creation of two new partnerships. First, India and the EU could launch a Connectivity Partnership to create synergies between their emerging approaches in this field. In 2018, the EU published “building blocks” for an EU strategy on Euro-Asian connectivity, while India is moving ahead in crafting own connectivity initiatives such as the Asia-Africa Growth Corridor with Japan. Their respective initiatives in this field provide significant overlaps for cooperation. Second, India and the EU could establish a Partnership for Inclusive Economic Transformation. Achieving inclusive economic growth, industrialisation, and employment for its young population is one of the main challenges for India and other developing countries in the coming decade. Amongst others, such a partnership could set new priorities, including for education and skills in the digital transformation, social protection, and entrepreneurship and innovation with a focus on women and youth.

Adapting the toolbox of cooperation

The changing nature of the India–EU development partnership calls for new ways of working together. Moving the partnership forward, India and the EU can use a broader range of forms of engagement to leverage additional finance, enable inclusive dialogue, and share expertise and knowledge in innovative ways. Most importantly, received ideas about the incompatibility of India’s and the EU’s approaches to development cooperation (“EU aid” versus India’s South-South cooperation) should no longer restrain the partnership. Achieving significant development impact is increasingly less about managing aid or development cooperation and more about shaping new forms of cooperation that mobilise a wider set of actors, policies and means of implementation, including non-state actors and the sub-national level. India and the EU can further develop their toolbox for cooperation to achieve their collective development ambitions in the next decade. The study reflects on different ways how they can scale up development finance, create new forms of peer-to-peer knowledge sharing, engage in triangular cooperation, and upgrade their long-standing science and technology cooperation.

Setting the stage for a global partnership

While the notion of a global development partnership draws attention towards the growing potential for regional and triangular cooperation, the ORF study emphasises the continued relevance of bilateral cooperation as a basis for achieving global impact. Gradually expanding the India–EU development partnership to include other partner countries – especially in South Asia and Africa – will provide new opportunities. At the same time, the viability of such complex cooperation geometries will depend on how well they ensure ownership of partner countries and limit transaction costs. As next steps to strengthen the regional dimension of their partnership, India and the EU could initiate small-scale projects in multimodal cross-border transport infrastructure with partners in India’s neighbourhood. Moreover, common challenges faced by India, African countries and the EU in terms of economic transformation, industrialisation and employment constitute a strong rationale for expanding the development partnership to Africa. India and the EU could establish a triangular knowledge-sharing fund with African partners. Building on the proposed Partnership for Inclusive Economic Transformation, the fund could share Indian experiences with digital technology in the areas of financial inclusion, entrepreneurship, innovation, identification and social protection.

Managing expectations

The comprehensive scope of this study shows the vast potential of the India–EU development partnership. However, cooperation depends on a realistic understanding of opportunities and limitations. As a coveted rising power, India’s capacity to enter and maintain a growing number of global development partnerships is limited. The development partnership must demonstrate that it is not binding scarce capacity but adding new value. At the same time, a main message emerging from this study is not to underestimate the potential of this partnership. India and the EU are too big to think small and have the combined political and economic weight to shift the SDGs decisively closer to their goalposts. Calibrating the right level of ambition, the two partners can find more common ground, shedding limiting beliefs while keeping a pragmatic attitude.

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