
Unfolding India's Development Partnership In The Mekong Subregion: A Comprehensive Overview

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Abstract

The Mekong subregion has received considerable attention from major powers due to its strategic location at the intersection of major Asian economies, wealth of resources, and increasing geopolitical significance. India was the first major power that initiated multilateral cooperation with this region in the early 2000s. However, India's development partnership in the region has not been given enough attention, particularly compared to traditional development partners. This paper highlights India's development assistance in the region through bilateral and multilateral cooperation frameworks. It provides a comprehensive overview of India's development partnership and aid projects that have benefited the region in recent decades. The paper draws on India's foreign aid data to explore the amount, geographical distribution, and development sectors to comprehend the model and motivations of India's development partnership in the Mekong subregion. The paper argues that India's development partnership in the Mekong subregion forms an essential aspect of its foreign policy and regional engagement, reinforcing its quest for leadership in the Global South. The paper contributes to a better understanding of development partnership in India's foreign aid policy towards the dynamic region and, thus, its broader Act East Policy.

Keywords: Act East Policy, Development partnership, foreign aid, Mekong-Ganga Cooperation, Mekong subregion

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1 Introduction

There has been a consensus that India has become an emerging power in the last two decades (Apodaca, 2017; Pattnayak, 2007). With this global status, it is unsurprising that India tends to play a greater role in shaping the regional and international order while increasing its engagement with a broader range of regions. Like other major powers, India utilizes development partnerships in its regional engagement, especially in the Mekong subregion. The historical and civilizational connection makes the region special to this partnership. The South Asian and Mekong subregional countries have strong civilizational linkages. Scholars seem to agree that India shares strong bonds with the Mekong subregion, which no other country does comparatively in terms of language, culture, and civilization (Bunthorn, 2022; De, 2020). The current level of engagement between India and its eastern neighbors has been made possible by a continuous process carefully nurtured from antiquity to the contemporary (Muni and Mishra, 2019). The historical connection forms a solid base for mutually beneficial and trustworthy regional cooperation.

These enduring historical connections have laid the groundwork for the deepening of strategic partnerships in recent decades, reflected in India's focused engagement with the Mekong countries. In the contemporary, the Mekong subregion, which includes Cambodia, Laos, Myanmar, Thailand, and Vietnam, is integral to India's foreign policy towards Southeast Asia. From the widely known Look East Policy (LEP) to the Act East Policy (AEP), the region has been recognized as a cornerstone of New Delhi's regional engagement. The rising geopolitical contestation in the Indo-Pacific makes this region even more crucial for India and vice versa. India's regional presence offers Southeast Asian governments a counterbalance to China's growing influence (Grossman, 2024). For India, it has also envisaged the need to reduce the region's heavy dependence on Beijing, while expanding its own influence (Malik, 2012). Hence, this creates a convergence of strategic interests between India and its eastern neighbors. As part of its broader engagement in Southeast Asia, India has been playing a significant role in offering development support to developing countries in the Mekong region reinforcing its quest for leadership in Global South.

While significant attention has been given to the Mekong subregion's major development partners, such as China, Japan, the US, and the EU, India has not received enough focus, especially from local perspectives. In this context, the paper seeks to provide a comprehensive overview of India's development partnership pursuits and unfold their contribution to the Mekong subregion's socio-economic development through bilateral and multilateral cooperation frameworks. The paper has two research questions: (a) despite being one of the biggest aid recipients, why does India still provide foreign aid to other developing countries, and what are its foreign aid model and motivations?; and (b) how have India's development assistance and aid projects contributed to the Mekong countries, including Cambodia? The paper posits that India's development partnership in the Mekong subregion is a crucial component of its foreign policy strategy. This partnership not only enhances regional cooperation and economic integration but also underscores India's ambition to establish itself as a leading power in the developing world. By fostering strong ties with the Mekong countries, India aims to bolster its benign image in Southeast Asia, thereby contributing to its broader geopolitical objectives and reinforcing its status on the international stage.

The paper utilizes India's foreign aid data to explore the amount, geographical distribution, and targeted sectors. It relies on secondary sources, including books, scholarly articles, newspapers, speeches, and official websites, to comprehend the motives behind the Indian development partnership with the Mekong countries amid its emerging status as a global power. First, the paper examines the concept of foreign aid as a foreign policy instrument and delves into India's development partnership model. Then, it provides case studies of India's impact in the Mekong subregion and sheds light on its contribution to Cambodia's socio-economic development through development projects, human resource development, and capacity building and delineates the challenges and opportunities inherent in the development partnership, followed by a concluding section.

2 Understanding Foreign Aid as a Foreign Policy Instrument

Foreign aid plays a crucial role in advancing foreign policy objectives by projecting the benevolent image and influence of the donor country in recipient countries

(Apodaca, 2017). Both traditional and emerging donors use foreign aid as a foreign policy instrument aiming to achieve economic benefits and enhance diplomatic relationships and strategic interests with partner countries. To understand foreign aid, it is important to examine its various terminologies, underlying motives, and the evolving landscape surrounding it.

It is imperative to understand the different aid-related terms, such as foreign aid, development assistance, development cooperation, and development partnership. According to the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), foreign aid encompasses financial transfers, technical support, and goods aimed primarily at fostering economic development and improving welfare (OECD, 2024). This development component excludes aid for military or other non-development purposes and is provided in the form of grants or subsidized loans. Thus, foreign aid is closely related to the development assistance concept. On the other hand, the terms 'development assistance' and 'development cooperation' have different implications. The term development assistance implies an unequal relationship where the donor provides foreign aid, and the recipient receives it (Breuning, 2002). In contrast, the term development cooperation denotes a joint effort between the donor and the recipient to achieve the common goal of development. It indicates a more equal partnership between the two parties. In a broad sense, development cooperation is closely related to development partnership. The development partnership, on the other hand, emphasizes a more equal and mutually beneficial relationship between partners involved, where all parties contribute and benefit from development projects, such as infrastructure development or educational programs.

There are various motives for traditional and non-traditional aid donors to give foreign aid. First, foreign aid serves as both incentive and behavior modification. It can be used as a tool to influence a recipient country's policy choices or behaviors. Foreign aid can reward friendly or compliant regimes and induce changes in behavior by providing economic support. On the other hand, withdrawing aid can create economic hardship or destabilize unfriendly regimes (Apodaca, 2017). Second, foreign aid is also used to achieve strategic and commercial objectives. States utilize foreign aid to secure alliances, support friendly foreign leaders, and

gain influence within international organizations (Gamso, 2024). Aid can facilitate trade partnerships and investment opportunities; this is often called 'aid for trade' (Pettersson and Johansson, 2013). Aid for trade focuses on supporting trade-related projects and programs. This includes measures like building roads, ports, and telecommunications infrastructure that link domestic and global markets. It also involves investing in industries and sectors to diversify exports and improve economic growth.

The landscape of foreign aid is evolving, as developing countries such as India and China now provide foreign aid alongside traditional donors, drawing attention from scholars to their significant contributions to the study of foreign aid as a foreign policy instrument (Fuchs and Vadlamannati, 2013; Woods, 2008). Non-traditional donors often avoid placing conditions on their aid, which is different from the motives of traditional Official Development Assistance (ODA) donors, which press for human rights, democracy, transparency, and good governance (Apodaca, 2017; Dreher and Fuchs, 2015; Fuchs and Vadlamannati, 2013). With the emergence of non-traditional donors, 'foreign aid may be further reduced to the crass, self-interested motivations of commercial or political interests' (Apodaca, 2017). On the other hand, fungibility is a key challenge of foreign aid allocation, as aid can be diverted if recipient preferences differ from donor intentions (Apodaca, 2017). Imposing conditions also risks aid effectiveness and recipient sovereignty (Cherkaoui, 2022). Therefore, development partners need to be transparent about their aid intentions and accountable for ensuring that aid meets the needs and priorities of recipient countries. Development partnerships should aim for mutual benefit while balancing humanitarian welfare with commercial and political interests and going beyond traditional donor-recipient relationships.

3 India's Development Partnership Model

Over the past decades, India has evolved from being a recipient of aid to becoming a significant provider of development assistance to other developing nations under bilateral and multilateral initiatives. India is frequently referred to as an emerging donor, although it has its own resource constraints and began its foreign aid program, especially for capacity building, since its independence (Chanana, 2009). As a non-traditional donor, New Delhi has significantly increased its level of

development assistance to developing countries. The Mekong subregion holds a crucial strategic position in India's regional engagement and development partnership under the LEP and the AEP, in addition to its Neighborhood First Policy. Indeed, geographical, and cultural proximity plays a significant role in guiding India's foreign development cooperation practices. To understand this, we need to delve into the model and motivations, institutional structure, and direction of India's development cooperation.

3.1 Model and Motivations

India draws the motivations for its international development assistance from various sources. In consonance with Mahatma Gandhi's concept of patriotism, associating with 'the good of mankind in general,' the recently rising popular mantra of Vasudhaiva Kutumbakam or 'the world is one family,' and solidarity with other developing nations with a shared history and colonial experience, New Delhi adopts a distinctive development strategy focused on humanity, characterized by respect, diversity, and sustainable practices, ensuring care for the future (MEA, 2022a). From these motivations, India appears to stress the egalitarian ethos of engagement in its foreign aid policy towards the developing countries in the Global South.

It has been argued that since its independence in 1947, India's development partnerships are in line with the principles of South-South Cooperation (SSC), which involves technical collaboration among developing nations in the Global South (Chaturvedi, 2012). India's agenda during its G20 presidency indicates its alignment with these principles, as it declared that it represented the voice of developing countries in the Global South. To this end, New Delhi convened a virtual summit under the theme 'Voice of Global South Summit,' which saw the presence of leaders and ministers of more than 120 developing countries (including Cambodia), demonstrating India's 'coming-of-age as a global power' (Shah and Morande, 2024, p. 55). Subsequently, the India-led summit has been institutionalized as an annual event representing the voice of developing countries. India's most recent model of international development partnership is said to have been fundamentally guided by the needs, priorities, or demands of recipient countries and without any conditions. It is a unique 'demand-driven' approach that provides autonomy to aid recipients while contradicting the Western approach,

which imposes conditions such as respect for the rule of law, democracy and human rights. As in a quote featured on the front page of the Indian Technical and Economic Cooperation Programme (ITEC) website, Indian Prime Minister Narendra Modi emphasized that:

India has always played a constructive role on the world stage. Our offer of development aid, our development model is not based on 'give and take', but is guided by the developmental requirements of partner countries. Our focus has always been on Capacity Building and Resource Development. We have always strived for collective team work at all forums of our developmental partnerships. (ITEC, 2023)

By highlighting India's approach to international development, the statement emphasizes that India plays a positive role globally by providing development aid based on the needs of partner countries, rather than expecting something in return (e.g., natural resources). The focus is on building capacity and developing resources in these countries through teamwork and collaboration. Nevertheless, as an emerging economy and aid recipient, India prefers development partnership and development cooperation to development assistance. In other words, it favors being referred to as a development partner instead of an aid provider. In this connection, Saran (2014) differentiated India's foreign aid model from ODA by maintaining that:

The economic assistance which India extends to other developing countries is voluntary and not an obligation like ODA is. India characterizes such assistance as "development cooperation" and not foreign aid. Unlike ODA, we do not posit a donor-recipient relationship; in fact we see our assistance as a reflection of a mutually beneficial partnership. (p. 2)

Encompassing the above statements, the Delhi-based think tank, Research Information System for Developing Countries (RIS), makes India's development partnership model more coherent by consolidating nine essential principles. These principles encompass respect for national sovereignty, solidarity, national ownership, independence, equality, non-conditionality, non-interference, mutual benefit, and demand-driven (RIS, 2022). However, critics often draw parallels between India's and China's models of foreign aid, which are non-conditional with respect to democracy, human rights and the rule of law as opposed to traditional

donors (Apodaca, 2017). On the other hand, an empirical analysis indicates that 'India's aid allocation is guided by India's political and commercial self-interests' (Fuchs and Vadlamannati, 2013, p. 113). In this connection, Saran (2014) demonstrates that 'to the extent that we see our economic assistance programs as mutually beneficial partnerships, they can, in a long-term perspective, enlarge our own prospects by creating bigger trade and investment opportunities' (p. 4). In fact, it is widely acknowledged that self-interests play a role in India's development cooperation and foreign aid policy. At the same time, it produces positive results for broader political and socio-economic partnerships when it meets the development needs of the recipient countries. Therefore, India's development partnership is also motivated by 'aid for trade' prospects. It means that aid projects primarily focus on enhancing trade capabilities and infrastructure, including constructing roads, seaports, and airports (Bhokal, 2016). The aim is to reduce the time and costs associated with trading with these nations, thereby promoting economic growth.

3.2 Institutional Structure

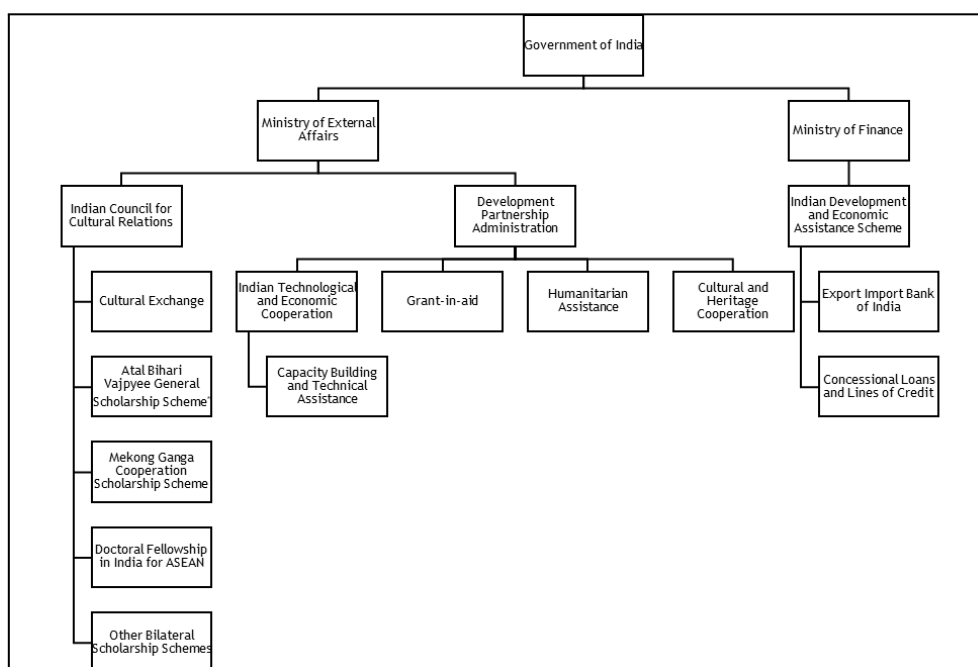
India's development partnership structure has gradually evolved to efficiently oversee foreign aid, yet it still exhibits fragmentation. However, India did not have a unified international development cooperation structure until the Development Partnership Administration (DPA) was formed within the MEA in early 2012, eventually bringing overall control of development cooperation under one central body (Howes and Pryke, 2016).

The DPA coordinates and manages bilateral development cooperation with developing countries. Its subordinate, the ITEC, is responsible for foreign capacity building, a key aspect of Indian development partnerships. The Ministry of Finance's Indian Development and Economic Assistance Scheme (IDEAS) is responsible for extending concessional loans and lines of credit (LoCs) to development partner countries through the Exim Bank of India on the recommendations of the MEA (Mathur, 2021). Additionally, the 1950-founded Indian Council for Cultural Relations (ICCR), which operates under the administrative oversight of the MEA, administers cultural exchanges, scholarships, doctoral fellowships, and other cultural activities with other countries. As can be seen from

Figure 1, the institutional frameworks of India's development cooperation remain 'fragmented' (in the sense that it has no an international development cooperation agency), and the Ministry of External Affairs + nodal institutions (Mukhopadhyay, 2022).

Like traditional donors, India employs several instruments to provide foreign aid to the partner countries. According to the DPA website, multiple instruments fall within development partnerships. These include LoC, grant-in-aid, capacity building and technical assistance, humanitarian assistance and disaster relief (HADR), and cultural and heritage cooperation (MEA, 2023).

Figure 1. Institutional Structure of India's Development Partnership



Formerly General Cultural Scholarship Scheme Source: Authors

3.3 Provision and Direction of India's Foreign Aid

In line with India's foreign policy objectives and development partnerships, the budget allocation for the MEA was increased over time and its Provision and Direction are primarily influenced by political and commercial interests and strategic consideration, for instance the Neighborhood First Policy.

According to the Union Budget of the Ministry of Finance (2023), the MEA received US\$2.3 billion (₹18,050 crore) for the financial year 2023-2024, an increase of around 4.64% from US\$1.32 billion (₹17,250 crore) in the previous financial year. In

the current financial year, the DPA comprising the MEA's 'aid-heads' continues to be a priority as it has aggregated at 32.40% of total budget allocation, approximately amounting to US\$745 million (₹5,848.58 crore). Apart from that, India has also extended concessional LoCs worth US\$30.59 billion to several partner countries across continents for developmental projects (MEA, 2022b).

Upon assuming office in 2014, Prime Minister Modi adopted the Neighborhood First Policy, designed to enhance India's ties with the countries of the South Asian Association for Regional Cooperation (SAARC). Under this policy, India prioritizes providing aid and LoCs to its immediate neighbors (Ministry of Finance, 2023). Interestingly, Bhutan remains the primary recipient of India's foreign aid, comprising 41.05% of the MEA's total foreign development assistance, followed by Nepal (09.40%), the Maldives (06.84%), Myanmar (06.84%), Afghanistan (03.42%), Bangladesh (03.42%), Sri Lanka (02.56%), and others (26.47%) (Ministry of Finance, 2023). Comparatively, Myanmar is the only member country of the Mekong Ganga Cooperation (MGC) that receives significant development aid from India. This is primarily driven by Myanmar's strategic significance in New Delhi's foreign policy, driven by the aim to counterbalance China's expanding influence in the region (Nikkei Asia, 2018). Further, the practical manifestation of India's development partnership model and approach is evident in its targeted projects across the Mekong subregion, as explored in the following case studies.

4 Case Studies: India's Impact in the Mekong Subregion

In Southeast Asia, the Mekong subregion has emerged as a significant geopolitical battleground following the maritime disputes in the South China Sea, drawing strategic interest from major powers such as the US, China, and India. Initially, India engaged with this region through the LEP, one of the pillars of its foreign policy, which was further strengthened by the Modi government under the AEP, seeking active engagement with the region. For this reason, India renders development assistance to the Mekong countries through ASEAN mechanisms, such as the Initiative for ASEAN Integration (IAI), the MGC initiative, and bilateral initiatives with development partners. As a developing country, Cambodia has gained significant socio-economic benefits from this regional cooperation.

4.1 The Mekong Subregion in India's Strategic Interest

With cultural and civilizational proximity, India and the five Mekong nations were determined to enhance and strengthen regional partnerships. India and these five countries established the MGC in November 2000 in Vientiane, Laos. As the region's oldest forum of its kind, the MGC has four traditional areas of cooperation: tourism, culture, education, and transportation (which were expanded further in the later stage). With the launch of the MGC at the turn of the twenty-first century, India was considered the first major power to institutionalize its engagement with Mekong countries, much earlier than other regional initiatives. These include the US-led Lower Mekong Initiative, established in 2009, and upgraded to the Mekong-US Partnership in 2020, and China's initiated Mekong-Lancang Cooperation, founded in 2016.

The MGC is a subregional initiative in India's broader regional engagement with ASEAN under its LEP, developed in the early 1990s when the country liberalized its protectionist, heavy-state interventionist economy. At the outset, India's foreign policy interest in the Mekong subregion was driven by four factors. First, India's liberalization and reform that opened up its economy in the post-Cold War perceived Southeast Asia's fast-growing economies with attraction; second, the expansion of ASEAN to include CLMV (Cambodia, Laos, Myanmar, and Vietnam), which were least developed, provided India with opportunities to extend aid, assistance, and technology transfers to these countries; third, ASEAN expansion led to the establishment of the geographical connection between India and Southeast Asia via its northeast region while offering opportunities for New Delhi to develop this strategically important region as a gateway to the Mekong countries; and fourth, the unprecedented rise of China which renewed the US interest in the Mekong subregion and the geopolitical contestations between them by establishing and upgrading the competing regional initiatives, namely, the MLC and the MUSP, respectively, has invigorated Indian interest to revitalize the MGC (Singh, 2022). In other words, the end of the Cold War and the disintegration of the Soviet Union suggested that ideological polarization no longer shaped international politics the way it used to be, and that India was compelled to move beyond its traditional non-aligned foreign policy, which became less relevant in the unipolar world order dominated by the US. The LEP was, therefore, one of the milestones in India's

foreign policy shift towards Southeast Asia while also receiving bipartisan support from New Delhi's political establishment (Sundararaman, 2016).

In 2014, Prime Minister Modi transformed the LEP into the AEP, signifying a more proactive and action-oriented approach towards Southeast Asia, consequently giving new momentum to the MGC initiative. Accordingly, since 2016, the MGC has expanded to new areas of cooperation, namely MSME cooperation, agriculture and allied sectors, public health and traditional medicine, water resources management, science and technology, and skill development and capacity building, in addition to the four sectors mentioned previously (MGC, 2021). At the same time, India has also expanded its development assistance in the Mekong subregion bilaterally and multilaterally.

4.2 The Initiative for ASEAN Integration Mechanism

In the post-Cold War period, the Mekong subregion gained traction in India's regional engagement in Southeast Asia. In that, its relations with ASEAN have continued to grow over time and its leading role in development cooperation has grown. Given the least developed status of most Mekong countries, such as CLMV, New Delhi has had the opportunity to contribute to bridging the development gap within ASEAN, particularly between its older Member States (Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand) and the newer CLMV Member States, mainly through development programs under the IAI framework.

Within the ASEAN cooperation frameworks, India supported the IAI, which was launched in 2000. The IAI activities aim to narrow the development gap between the regional grouping's older and newer Member States, thus enhancing their capacity to fully participate in the regional economic cooperation and integration process. Under the IAI, wealthier ASEAN countries and ASEAN development partners are galvanized to support the development of CLMV in a wide area of capacity building and technical assistance. As one of the ASEAN Partners, India has been actively involved in various projects under the IAI for socio-economic development in CLMV over the past three decades. These projects include the Training of English Language for Law Enforcement Officers in CLMV and the training of professionals dealing with capital markets in CLMV by the National Institute of Securities Management Mumbai. To foster India-ASEAN people-to-people

contact and deepen ASEAN-India relations, India has also implemented several programs, including Scholarships for ASEAN students for higher education at Nalanda University (NU), ASEAN-India Network of Universities with NU as the nodal institution, Doctoral Fellowship in India for ASEAN at the Indian Institutes of Technology (IITs), Training of ASEAN Civil Servants in drought management, disaster risk management, and sustainable groundwater management. Moreover, India also implemented Training Program for ASEAN Diplomats as well as Participation of ASEAN students in the National Children's Science Congress. Similarly, India and ASEAN countries hold various high-level annual events, such as the Delhi Dialogue, ASEAN-India Eminent Persons Lecture Series, ASEAN-India Network of Think Tanks, Exchange of Parliamentarians, ASEAN-India Youth Summit, and ASEAN-India Media Exchange.

Digital connectivity has become a new frontier in India's engagement with the Mekong countries. Further boosting digital connectivity with this region would provide India with unprecedented opportunities to increase its presence in Southeast Asia, given its competitive strengths in this area. To this end, India is committed to promoting IT skills in CLMV by setting up four Centers of Excellence for Software Development and Training (CESDT) using the ASEAN-India Cooperation Fund. For one center in Cambodia, the CESDT is situated at the Cambodia Academy for Digital Technology, Phnom Penh. Earlier, India also established various human resource development centers to boost skill development across Mekong countries, including Entrepreneur Development Centers (EDCs), Centers for English Language Training (CELTs), and Vocational Training Centers (VTCs).

India has also been active in providing humanitarian assistance to the partner countries during natural disasters and pandemics and it is a vital component of the AEP. For instance, New Delhi delivered COVID-19 vaccines to over 150 countries worldwide through its Vaccine Maitri (Vaccine Friendship) initiative and ASEAN Quad Vaccine Initiative during the global pandemic. In solidarity with ASEAN countries during the humanitarian crisis, India provided US\$1 million in aid to ASEAN's COVID-19 Response Fund and expanded support to the ASEAN Member States through bilateral mechanisms in fighting the COVID-19 pandemic (ASEAN, 2022). India's humanitarian support reinforces its commitment to ASEAN, fostering stronger diplomatic and economic relations.

4.3 The MGC Initiative and Bilateral Development Partnership

The MGC, as a subregional cooperation between India and the Mekong nations, provides a meaningful platform for developing regional partnerships. It supports India's broader foreign policy goals under the AEP towards Southeast Asia. In addition to providing LoCs and concessional loans, the Quick Impact Project (QIP) scheme under the MGC mechanism is one of India's latest examples of modest foreign aid in this region. The ITEC, on the other hand, is the key capacity-building program that the Indian government bilaterally uses to share its socio-economic development experience and build stronger ties with countries in the Mekong subregion.

The QIP is the major element of India's development partnership in the Mekong subregion. Under the MGC framework, India launched QIPs in 2012, but actual projects started in 2015-2016. This initiative expands India's foreign aid to the Mekong subregion while expanding its focus beyond human resource development and capacity building. The value of QIPs is relatively small, not more than US\$50,000 per project, and their implementation period is short, aiming to complete the project within one year. Still, their impact is quick and visible, targeting the priority areas of social development that immediately benefit the local communities in CLMV. The projects cover a wide area, such as physical and digital infrastructure, education, health, environment, agriculture, sanitation, water resource management, and women's empowerment. To finance the QIP, the Indian government established an India-CLMV QIPs Revolving Fund, which has committed an annual contribution of US\$1 million through this fund for various projects in CLMV. The amount was increased to US\$1.25 million in 2018 and again to US\$2 million in 2020 to cover implementing ten projects in each country yearly, an increase from five QIPs (MGC, 2023, 2024).

So far, India implemented 105 QIP projects in Cambodia, Laos, and Vietnam between fiscal year 2015-2016 and 2023-2024, at a total cost of US\$3.9 million (MGC, 2023). Of these projects, 48 were in Cambodia (34 completed), 11 in Laos (7 completed), and 46 in Vietnam (37 completed) (see Table 1). There is no evidence of the implementation of QIP in Myanmar. However, at the time of writing this

paper, India and Myanmar signed two QIPs to construct a multi-purpose hall, a bridge, a route and four box culverts (Myanmar News Agency, 2024).\

Table 1: India's Quick Impact Projects in CLMV

<i>Sanctioned year</i>	<i>Cambodia</i>	<i>Laos</i>	<i>Myanmar</i>	<i>Vietnam</i>
QIPs sanctioned in 2015-2016	5	-	-	-
QIPs sanctioned in 2016-2017	5	-	-	5
QIPs sanctioned in 2017-2018	5	-	-	5
QIPs sanctioned in 2018-2019	1	3	-	-
QIPs sanctioned in 2019-2020	10	-	-	5
QIPs sanctioned in 2020-2021	8	-	-	12
QIPs sanctioned in 2021-2022	4	4	-	10
QIPs sanctioned in 2022-2023	7	4	-	-
QIPs sanctioned in 2023-2024	3	-	-	9
Total	48	11	-	46

Source: Authors' compilation based on data from the official website of the MGC, 2024

Some other initiatives in the MGC framework regarding India's role in the region should be mentioned. First, under the Mekong Ganga Scholarship Scheme (MGSS) of the MGC capacity building contribution, the Indian government has since 2005 provided 50 scholarships annually for students from the Mekong countries to undertake various study programs at Indian universities. Second, to exhibit the rich cultural heritage of the MGC member countries, the Indian government provided a grant of US\$1.8 million to establish the MGC Asian Traditional Textile Museum (ATTM) in Siem Reap, Cambodia (Embassy of India in Phnom Penh, 2023). The MoU for the museum between India and Cambodia was signed in June 2004, and the museum was subsequently opened to the public in April 2014. The ATTM displays

textiles from the Mekong-Ganga region while also providing interactive facilities and holding cultural activities. It has a training center and workshop in textiles as well as an ethnic fashion design and development center. The museum was headed by an Indian director appointed by the ICCR. The ATTM is considered one of MGC's apparent successes in the field of cultural cooperation.

India also proposed a US\$1 billion LoC for ASEAN countries at the India-ASEAN Summit in Kuala Lumpur in November 2015, a shift in its traditional non-monetary approach to foreign development assistance. In line with New Delhi's AEP goals, the LoC is utilized to finance projects that enhance physical and digital connectivity between India and ASEAN, thereby diminishing ASEAN countries' exclusive reliance on China (Singh, 2018). However, it was reported that after 40 months, only a few ASEAN countries were interested in acquiring LoCs from India. Thus, India decided to offer a grant of US\$40 million for pilot projects in CLMV to provide an impetus to the credit line (Singh, 2018). No exact reason for the lack of interest from the region was reported. However, the likely reason is that the terms of reference for India's LoC might not be attractive to the targeted countries, especially when compared to China's. Recent media reports confirmed this, and the Indian government is considering reviving the LoC rule to make it more attractive (Grover, 2023).

Particularly, India has extended the LoC to the Mekong countries for development projects over the years (since 2003). LoCs were granted to CLMV under the bilateral track, totaling approximately US\$1.76 billion for various projects, including hydropower, water resource development, infrastructure development, digital connectivity, rural electrification, irrigation, and the installation of transmission lines (MGC, 2023).

The ITEC program is a key element of India's dedication to enhancing capacity building and human resource development in the Mekong subregion, as it shares its best practices, knowledge and skills in economic development with partner countries. Established in 1964 and administered by the DPA of the MEA, the ITEC is a bilateral flagship program for international capacity building. Through this program, more than 200,000 officials from more than 160 countries in the Global South have been trained to date. Nearly 400 training courses include themes related to public administration, industry, agriculture, management and

entrepreneurship, power/renewables, and development studies (ITEC, 2023). It also provides customized courses for specific ministries in partner countries upon request. So far, it offers fully funded in-person training and scholarship opportunities to nearly 10,000 persons across the globe to study at Indian premier institutions every year.

4.4 India's Role in Cambodia's Socio-Economic Development

Over the past decades, India has contributed positively to Cambodia's socio-economic development under bilateral and multilateral cooperation concerning technical assistance, development projects, capacity building, and skill enhancement. The development partnership covers many areas, including culture, education, health, science, and information technology. Despite relatively small bilateral economic relations, Cambodia has been one of the major recipients of India's development assistance in the Mekong subregion. While recognizing India's contributions, it is essential to address certain shortcomings to enhance the efficiency and effectiveness of its development partnership in Cambodia.

ITEC Program. India has contributed meaningfully to Cambodia's capacity building and human resource development through the ITEC program with customizable training courses. The ITEC program also offers technical assistance to Cambodia, particularly to restore and preserve cultural heritage. The Archaeological Survey of India (ASI) sent its experts to Cambodia to carry out various projects funded by the Indian government to conserve and restore ancient Hindu-Buddhist temples, including Angkor Wat (1986-1993). The ASI also undertakes restoration work for the other two temples. Restoration work on Ta Prohm began in 2003 with a grant of US\$4.20 million for phase one, followed by US\$4.10 million for phase two (2014-2015), and US\$4.50 million for the current third phase. Additionally, India allocated a grant of US\$5.50 million for the restoration of Preah Vihear during the 2020-2021 period (RIS, 2022). The conservation and restoration of ancient heritage sites have boosted the cultural tourism industry in the Kingdom. Currently, the ASI team is undertaking restoration work at Ta Prohm temple. Along with China, India is also co-chair of the International Coordinating Committee for the safeguarding and development of the UNESCO-listed Preah Vihear. All of these have been implemented under the ITEC program.

Training and skill development under the ITEC program are unique components of India's development assistance. This program has been particularly beneficial for Cambodian civil servants from various departments and ministries. The number of slots available for Cambodian civil servants in the ITEC program has increased from 150 in 2018 to 250 in 2022 (MEA, 2022c). More than two thousand Cambodian civilians and defense officers have received training under the ITEC scholarship program for a period ranging from a few months to twelve months (Khmer Times, 2023). Reflecting a demand-driven development partnership, the ITEC program can also be tailored to meet Cambodia's specific training needs and priorities. In this manner, India has provided customized training courses to groups of 10 to 40 government officials from various notable Cambodian ministries, including Ministry of Foreign Affairs and International Cooperation, Ministry of Rural Development, Ministry of Justice, Ministry of National Defense, Ministry of Women Affairs, Ministry of Planning, and National Bank of Cambodia.

Further collaboration is expected to strengthen civil service capabilities and promote effective governance and public administration in Cambodia. India and Cambodia signed a Memorandum of Understanding (MoU) in April 2024, aimed at enhancing human resource development in civil service (Press Information Bureau, 2024). The key objectives of the MoU include enhancing dialogue between India's Personnel Administration agencies and Cambodia's Ministry of Civil Service, implementing targeted training and development initiatives for Cambodian civil servants, and fostering connections between governance institutions of both countries for better governance practices. In the fiscal year 2024-2025, plans are set to expand these initiatives, with six programs scheduled to accommodate 240 Cambodian civil servants. This MoU represents a deepened commitment between India and Cambodia to strengthen civil service capabilities, promote effective governance, and enhance human resource development while contributing to a more coherent development partnership mechanism for government officials.

Scholarship Program. The scholarship program is a longstanding instrument for India to boost people-to-people connection with Cambodia. India has provided Cambodian students with scholarships under various schemes to pursue higher education in its prestigious universities. These include the Mekong Ganga Cooperation Scholarship Scheme (MGCSS) with ten slots, the Atal Bihari

Vajpayee General Scholarship Scheme (ABVGSS) with 20 slots, the ASEAN Scholarship at Nalanda University with five slots, and other scholarships announced by various Institutions of Government of India (Embassy of India in Phnom Penh, 2025). During Vice President Dhankhar's visit to Cambodia, India agreed to raise the total number of scholarship slots under various schemes for Cambodian students at Indian universities under the ICCR from 30 to 50, starting from the 2023-2024 academic year (MEA, 2022c). This gesture was to commemorate the 70th anniversary of Cambodia-India diplomatic relations and respond positively to Cambodia's request.

QIP Program. As mentioned earlier, Cambodia also significantly benefits from the QIPs program under the MGC initiative compared to other member countries. Interestingly, India launched the first five QIPs in Cambodia in fiscal year 2015-2016. After that, various projects were annually implemented in critical areas of social and physical infrastructure. According to the MGC website, the Kingdom has received 48 QIPs, the highest number of projects sanctioned by India in CLMV since its inception (see Table 1). Of these 48 projects, 34 were completed in critical areas of social infrastructure such as water resource management, women empowerment, information and communication technology, and community development. Some completed projects under QIPs in Cambodia include, for instance, Improving Community Livelihood through Small Scale Water Supply and Integrated Food Security (2018), Women's Economic Empowerment through Information and Communication Technology undertaken by the Ministry of Women's Affairs (2019), Building Capacity on Digital Public Services Implementation and Cyber Security for Government Agencies (2021-2022) and the fully equipped SBU IT Centre undertaken by Preah Sihanouk Raja Buddhist University (2023). These projects have a quick and visible impact on the lives of the local communities, thereby generating goodwill for India.

The ITEC training courses and various scholarship schemes have contributed to boosting the skills and knowledge of government officials and students, while the QIP directly benefits the local communities in the recipient countries. However, India faces certain challenges and opportunities in its development cooperation in the Mekong subregion concerning scholarship utilization and project management. First, the allocated slot of scholarships, and the utilized slot of scholarships did not

match, particularly in Cambodia. For long, the number of Cambodian applicants admitted to Indian universities through the ICCR scholarship program was lower than the allocated slots (authors' observation). Second, the ITEC courses are currently targeted at government officials. To be more inclusive, it should also be available to non-government applicants from civil society organizations, research institutions, academia, and the private sector, who are interested in undertaking training in India. And third, there appears to be a discrepancy between the promises made and the actual number of annual QIPs approved. After approving 20 projects for CLMV in 2020-2021, the number decreased to 18 in 2021-2022, 11 in 2022-2023, and 13 in 2023-2024 (see Table 1). Also, there have been delays in completing some of the projects, making the QIP impact slow. Moreover, it has been observed that India's development projects have certain deficiencies, such as bureaucratic delays and poor implementation and management (Arora and Mullen, 2017; Deshpande, 2023). Accordingly, addressing these challenges will enhance India's development partnerships and achieve the core objective of building a positive image in the recipient countries and expanding political and economic cooperation in the Mekong subregion.

Above all, development cooperation is a key component of India's engagement in the Mekong subregion under the broader framework of the AEP. Scholarship programs and ITEC training schemes not only contribute to capacity building and skill development for the partners but also enhance people-to-people connections. On the other hand, the QIP program is significant to the AEP. These projects have a direct link between India and the beneficiary communities, villages, and towns and help generate goodwill among the people; this goodwill is the most significant capital in the business of diplomacy (Deshpande, 2023). As testimony to that, the subsequent joint statements of the MGC meetings show that leaders of Mekong countries 'appreciated' India's socio-economic development assistance under the QIP program (MGC, 2023).

5 Conclusion

Development assistance and foreign aid play a crucial role in the world's advanced economies in establishing stronger ties with recipient countries. However, it is a puzzle why some developing countries also provide foreign aid to other developing

countries. India has been the case as it has been recognized as an emerging player in the development assistance arena. Like other countries, India's foreign aid strategies are closely aligned with its national interests by linking its development assistance with trade and targeting countries with cultural, political, and economic significance for New Delhi. Such strategies are part of a broader foreign policy framework aiming to build partnerships and influence on the global stage and establish itself as a leading power of the Global South.

New Delhi's development partnership is characterized as a responsive and demand-driven model, aiming to generate long-term employment and income for the receiving partner countries by focusing on productive sectors. India's foreign aid program focuses on delivering non-monetary development assistance through technical assistance and capacity building, while also providing concessional loans and grants to other developing countries. The mutually beneficial development cooperation is crucial to the country's overall diplomatic strategy. A significant share of its development aid goes to its immediate neighbors driven by the Neighborhood First Policy. At the same time, India has actively engaged with its extended neighbors in the Mekong subregion under the AEP, providing foreign development assistance to the region through bilateral, multilateral, and project-based mechanisms.

Cambodia has comparatively gained significant benefits from India's development partnership under the IAI, the MGC initiative, and other bilateral cooperation, although the overall amount remains relatively small compared to other major development partners. In fact, Cambodia was chosen as the location of ATTM under the MGC and received the first and largest number of QIPs completed and under implementation compared to other member countries. Moreover, thousands of Cambodian officials have benefited from technical training and human resource development under the ITEC program while Cambodian students have benefited from various scholarship opportunities under the ICCR. At the same time, it is crucial to address development cooperation deficiencies, including bureaucratic delays and poor implementation and management of the projects, and to promote and enhance the effectiveness and efficiency of scholarship utilization.

Nevertheless, the bilateral cooperation initiatives have certainly contributed to capacity building and human resource development in the Mekong subregion while

also strengthening the overall bond between the two regions. This underscores the importance of India's development partnership with the region as one of the fundamental aspects of its foreign policy and its quest for leadership of the Global South, while also providing the foundation for long-lasting relationships between the Mekong and Ganga regions and particularly for the expansion of bilateral cooperation between Cambodia and India.

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