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Foreword

Ambassador Shyam Saran
Chairman, RIS

In recognition of the growing importance of India-Africa ties and prospects for much closer cooperation, it was decided to convene regular India-Africa Forum Summits (IFAS). These Summit have laid the foundation of a new architecture for a structured interaction and cooperation between Indian and our African partners in the 21st Century. The first such Summit was held in April 2008 New Delhi, the second in May 2011 at Addis Ababa, Ethiopia and the third Summit would be held at New Delhi in October 2015.

The first Summit had adopted the historic Africa-India Framework for Cooperation, which sought to foster beneficial cooperation in a very comprehensive format encompassing economic and political cooperation, and cooperation in science and technology, research and development, information and communication technology and cooperation in social development and capacity building. Thus, India-Africa development cooperation truly reflects the philosophy of the modern concept of a ‘development compact’ which works at the five different levels that include trade and investment, technology, skills upgradation, line of credits, and concessional grants. In fact, the framework of India-Africa cooperation is a unique initiative in the history of South-South cooperation, placing development cooperation within a much broader context of overall relations between India and African countries. It looks at development not merely in economic terms but as a process that is sustained only if located within a larger political, social and intellectual environment. India-Africa development cooperation is conceived in a unique three-tiered pattern, encompassing bilateral, regional and pan-African cooperation.

RIS since its inception has given India-Africa development cooperation a prominent place in its work programme. As a part of this, it has organized a number important seminars and conferences and also brought out a number of publications. On the eve of the forthcoming IAFS, RIS is bringing out this unique volume on successful implementation of several projects in the sectors such as sustainable livelihood and financial inclusion, cultural exchanges, scientific and technical exchanges, solar industry, tele-medicine and tele-education, gas power projects, thermal power plants, and hydro projects. We are certain it would not only be found of interest and use by all stakeholders but would be a source for inspiring many future success stories emanating from the India-Africa development partnership.
FORGING LIVELIHOOD PARTNERSHIPS: THE BASIX WAY

The African growth story and resurgence is once again in the global spotlight, with some of the world’s fastest growing economies located in sub-Saharan Africa. Influential British publication The Economist heralded “Africa Rising” on its cover story in December 2011, and since then there has been no dearth of cheerleaders for the continent’s immense potential. For India, which has made partnering in the African resurgence its driving mantra for engagement with the continent, the African growth story has presented new challenges and opportunities. In keeping with its multi-dimensional engagement with focus on capacity building, training, trade and technology transfer, India has been untiringly committing its resources and expertise to spur this African renaissance. India’s policy makers have rightfully realized that while growth has to be cheered, it should be equitable and inclusive to ensure the continent’s lasting transformation and its capacity to combat widespread poverty.

SOUTH-SOUTH MODEL: INCLUSIVE DEVELOPMENT

With the Indian government’s focus on inclusive growth and financial inclusion, there is a compelling case for deepening the India-Africa partnership in all-important areas of inclusive development, financial inclusion and poverty reduction. There is no alternative but to bridge the rich-poor divide and reduce socio-economic inequalities to take Africans out of the clutches of poverty, caused by a host of factors, including low agricultural productivity, deficit in vocational skills, and massive financial exclusion. The question is whether double digit growth in some African countries would make a difference in the lives of
the poor, for growth is not always inclusive. To ensure that growth benefited the poor more than just through “trickle-down”, efforts had to be made on the demand side by building capacities of and organising the poor. Given similar challenges faced by India, India has been specially proactive with its agency and network of global partnerships to cooperate with Africa on a creating a new paradigm of inclusive development.

In this regard, BASIX Social Enterprise Group, whose holding company is called Bhartiya Samruddhi Investments and Consulting Services (BASICS Ltd.), is playing a critical role in aiding sustainable livelihood and financial inclusion. BASIX, whose motto is “Equity for Equity” started operations in 1996 as India’s first “new generation livelihood promotion institution”.

**Financial Inclusion: Methods and Means**

The overall goal of BASIX’s African Livelihoods Partnership (ALP) was to enhance livelihoods of the poor in select African countries in a sustainable, scalable and innovative manner. ALP would work with vulnerable populations like smallholder farmers, including pastoralists and fishermen, women as micro-entrepreneurs and homemakers, and the youth, who are aspiring and jobless. Transformational change is catalysed through following three interventions:

- Inclusive financial services through access to savings, payments, insurance (crop and livestock insurance, health and life insurance) and credit, especially for women (for micro-enterprises, home lighting systems, water and sanitation). For youth, the focus would be on savings and micro-equity or participatory finance for start-up enterprises.

- Agriculture and rural development by increasing the output and productivity of smallholders by linking them with value chains, advisory services, and credit and insurance. Smallholder farmers were stuck in a vicious cycle of low output and low productivity, little disposable income, and thus low ability to invest in increasing output or productivity. The focus of ALP would be to mitigate their risks and help them participate in smallholder value chains of the commodities they produce.

- Human resource development focused on youth self-employment, promoting youth entrepreneurship through agro-enterprises and franchises, post
vocational education and training. The ALP focuses on entrepreneurship first and then work with local partners to catalyse the availability of vocational training and self-employment promotion services.

**Nature of South-South Cooperation**

ALP began work in March 2013 in Tanzania, Mozambique and Cameroon, representing eastern, southern and central/western Africa. BASIX has the primary responsibility of designing the programmes of ALP, building on the experience of the African strategic partners, after identifying gaps in the developmental efforts related to the three areas of intervention in each country. Best practices have been researched to find innovative solutions to fill the identified gaps.

**Field Innovation**

ALP implementation strategy leverages the strength of its strategic partners to act as or identify other organizations as Field Innovation Testing (FIT) Partners. These could be financial or promotional institutions working with low income households in target countries; networks of rural banks or MFIs; actors in agricultural value chains (public or private or cooperatives); and providers of vocational/entrepreneurial/self-employment training.

Selected best practices are tried out in the local context through carefully selected FIT Partners, who are local institutions, with the help of experts sourced from institutions worldwide. African knowledge partners such as universities/specialized higher education or research institutions would accompany the ALP interventions. They measure the impact in an objective way and share the lessons.

Field innovations, which find good local acceptance and have a positive impact, are then scaled up and mainstreamed through a key institutional partner. The lessons from Africa are systematically captured. ALP would disseminate these lessons to policymakers, first in the countries of intervention, then more widely in Africa and in India, through aid agency channels as well as the wider development fraternity. Thus, the learning is two-way and fed back to the project countries.

**Multiple Stakeholders**

Multiple stakeholders have been identified to promote and advocate for the lessons learned – knowledge
institutions, specialist NGOs, government laboratories, private sector projects, well-financed, well-run, private or public institutions, advocacy agencies, sectoral/national planning bodies, development scholars, media, civil society and political leaders.

SPECIFIC ACTIVITIES

LIVELIHOOD BUSINESS CENTRES

Currently, five Livelihood Business Centres (LBCs) have been set up, including two in Tanzania and three in Mozambique. LBCs have been designed as an inclusive business model ecosystem to provide farmers a bundle of financial services (credit, savings and insurance) along with technical assistance to improve agronomic practices that enhance agricultural productivity as well as fetch them higher and remunerative prices through aggregation and linkages to markets. Primary value addition that fetches better prices are part of this ecosystem through supporting budding entrepreneurs in establishing agro-based enterprises. Farmers, as partners in the LBCs, build their capacity to become self-dependent on their own finances and market infrastructure. The centres provide services to both members and non-members at a differential rates.

ALP also works with a few women’s economic groups (WEGs) in the rice and cassava value chains along the Beira corridor in Mozambique. Livelihood Business Centres were set up to offer:

- Financial assistance to implement the women’s business plans
- Skill development
- Secondary income generation activity
- Diversification of agriculture crops
- Access to additional raw materials to run processing centres at full capacity
- Access to quality fertilisers based on soil testing reports and agro-climatic zones
- Infrastructure for storage
- Market linkages and private sector involvement
- Entrepreneurship Development Programme
In Tanzania, ALP is engaged with youth to find innovative and sustainable solutions for livelihoods. ALP has partnered with the central, regional and local governments to train community development officers under Training of Trainers (ToT) mode for entrepreneurship development among rural youth and women by building capacities and improving existing livelihoods, or setting up new enterprises. The entrepreneurship development programme improved employability of youth and avenues for income generation and self-employment have been created.

**Caixa Mulher Microbank Project**

ALP is working with GAPI for capacity building of Caixa Mulher, a women-only microbank, at Matola in Mozambique. Caixa Mulher is owned equally (50:50) by GAPI and a group of private women investors. The capacity building intervention includes but is not limited to:

- Procuring and installing appropriate IT and MIS systems
- Introducing best practices for managing savings and loan portfolios
- Strengthening the bank's governance
- Building the capacity and knowledge of human resources
- Designing customer-centric products through market survey and pilot testing

**Youth Entrepreneurship**

ALP’s innovative model to raise the income of youth and make them self-sufficient was used in the Country Chicken Poultry Project. In 2014, the youth started forming Savings and Loans Associations (SLAs) in partnership with a local NGO in Busega. After the engagements of the groups in the SLA activities for six months, they were provided initial credit to buy local chicken. The chicken cooperatives were built with their own resources. After SLAs were formed, ALP organised them to be registered as a federation to manage day-to-day operational activities which enabled individual members to start SLAs accompanied with an income generating scheme. Forward and backward market linkages were set up with private players to provide inputs and for sale of produce. The federation opened a bank account for deposits members in the CRDB Bank. Currently, then membership stands at 236 members in 16 groups. The aim is to reach at least 300 self-sustainable members under Nyassa Youth Producer Business Center (NYPBC) and link them with formal financial organisations and markets.
• Increasing the outreach of the branch to 5,000 customers in 3 years
• Introducing mobile and other technology to lower cost of transactions both for the bank as well as the customer
• Pursuing social performance measures as per international guidelines
• Keep control over non-performing assets

Caixa Mulher has recently been permitted by the Bank of Mozambique to expand its outreach by growing its branch network as well as providing agency banking. By the end of 2015, ALP expects to expand this program to two other microbanks in other geographical areas of Mozambique.

**OUTCOMES AND IMPACTS**

ALP completed two years of operations in March 2015. Baseline surveys of livelihoods in all the three countries have been completed. While it is too early to talk of impact, the following outcomes have already emerged:

Food Security and Agricultural Value Chains: ALP initiatives have reached 1058 smallholder farmers under the LBC project (195 in Tanzania and 863 in Mozambique). The aim is to reach current services like quality inputs, training on best agricultural practices and group management, market linkage support and aggregation benefits to 3100 farmers (1600 in Tanzania and 1500 in Mozambique) by
the end of the current financial year. All these services are expected to raise production of better quality agro commodities and hence increase the income level of rural households along with resolving the issue of food security.

**Development of Entrepreneurial Skills**

ALP has worked with 823 young individuals to develop their entrepreneurial skills. A pool of professionally trained government officers in Mwanza and Dodoma regions of Tanzania has been created. ALP was able to reach 25 district youth officers and women development officers, who in turn reached 14 districts and through ward level youth and women development officers trained 587 youth and women group members to develop entrepreneurial skills. Under the programme to develop entrepreneurial skills in youth through local chicken rearing, ALP is working with 236 members from 16 groups.

**Access to Finance**

Financial inclusion services cuts across all the approaches and activities undertaken through ALP. Till date, ALP has touched 1698 individuals through SLAs, some of whom have been linked with mainstream financial services.

In the absence of a legal status within the countries, ALP encountered some operational barriers. It had to depend on local partners to even operate bank accounts and could not own project assets. To overcome such issues, ALP has registered LBI Tanzania as a local organization and plans are afoot to register LBI Mozambique.

The slew of programs launched so far have acquired a momentum of its own and BASIX is attempting to make them sustainable in order to provide uninterrupted services to fulfill ALP’s mission. A revolving fund had been set up in the Livelihood Business Centers for smallholder farmers in Tanzania and Mozambique to provide credit for crop inputs. ALP is working on some strong potential proposals for this financial year to receive donor funds in the area of livelihood promotion. ALP will also be bolstering partnerships with an approach to garnering donor funds in the areas of agricultural value chains, financial inclusion and youth employment.
Mr. Anoop Kaul  
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Dear Mr. Kaul,  

I am delighted to send here with a copy of the publication *India-Africa Partnership towards Sustainable Development*, brought out specially as a background document for the New Delhi India-Africa Forum Summit.  

Needless to say that your valuable contribution has enriched its contents. It has been received very well by all in the policy making community. The Ministry of External Affairs has made its copies available to all the delegates participating in the IAFS Summit.  

I also take this opportunity to thank you for accepting our invitation to contribute to the volume at a short notice. We also look forward to more such occasions of working together with you for the cause of promoting the agenda of sustainable development of all developing countries.  

With warm regards,  

Yours sincerely,  

Sachin Chaturvedi