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India and Africa: Towards a Sustainable Energy Partnership

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ABSTRACT

The depletion of hydrocarbon resources, due to unprecedented growth in energy demand from developing countries, concerns over the disruption of energy supplies arising from political instability in the Middle East and the emergence of energy 'nationalism' in some oil-producing states, has resulted in major and emerging economies shifting their focus to finding alternative energy sources. To a large extent, Africa has emerged as a reliable and alternative supply source, particularly for oil and natural gas. However, this has resulted in a 'scramble' by various countries to gain access to the continent's vast energy and mineral resources. Unfortunately the focus is on resource extraction instead of resource generation, which has created a number of problems for Africa's people by turning what should have been an asset into a curse. More importantly, the resulting imbalance in the development of the continent's economy and growth could perpetuate Africa's status as an energy-poor continent. Under these circumstances, can Africa emerge as an effective and sustainable energy source that will contribute to the stability of the world energy market? Conversely, can the continent's energy (and mineral) resources become an instrument for its economic development and provide the wherewithal for a better standard of living for its people? And finally, can India, through its long-standing, traditional ties and large diaspora, successfully build partnerships with African states that will be different from those of other countries exploiting the continent's resource wealth? This study looks at the evolving energy-based relationship between Africa and India and makes some recommendations on how India should embed its policy and energy ties in Africa in a developmental framework.

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ABBREVIATIONS AND ACRONYMS

bcm	billion cubic metres
E&P	exploration and production
EU	European Union
LNG	liquefied natural gas
mbd	million barrels per day
mmscmd	million metric standard cubic metres per day
Mt	million tonnes
mtoe	million tonnes of oil equivalent
MW	megawatt
ONGC	Oil and Natural Gas Corporation
OVL	ONGC Videsh Limited
US	United States

INTRODUCTION

The world is on the brink of a potential reordering of the global energy market, both for consumers and producers. Until recently, the Organisation for Economic Co-operation and Development countries were the largest consumers of energy, the vast energy reserves of the West Asian (Middle East) region were the bulwark of the world's energy supplies (mainly oil) and the US was the guarantor of steady and affordable supplies to the world oil market. However, post 9/11, the diversification of supplies has become the mantra espoused by most countries that are increasingly dependent on energy imports. Given the fact that the Persian Gulf region's supplies are prone to disruption, alternative countries and regions are being sought to ensure that importers' energy supplies are secured. African countries have emerged as a crucial supply source, which has led to a 'scramble' to gain access to the continent's vast energy and mineral resources. However, can Africa emerge as an effective alternative energy source that will contribute to the stability of the world energy market? Conversely, can the continent's energy (and mineral) resources become an instrument for its economic development and provide the wherewithal for a better standard of living for all its peoples? What are the factors that are impeding the continent's economic and infrastructural development? Finally, is India's partnership with African states any different from that of other countries seeking to exploit the continent's resource wealth? And, if so, how does it differ? This study looks at the evolving energy-based relationship between Africa and India and assesses the merits and demerits of India's energy strategy; whether the strategy is any different from the strategies and policies of other actors present on the continent, and whether it has the wherewithal to evolve into a policy based on co-operation that will succeed in moving beyond the narrow confines of the energy trade to a more long-term, sustainable and mutually beneficial partnership? This study ends with recommendations on how India should embed its African policy and energy ties in a developmental framework.

INDIA AND AFRICA: LONG-STANDING TIES

India's ties with African nations have a long and traditional history, based on common experiences with colonisation and subsequent freedom struggles. Soon after independence in 1947, at the behest of its first Prime Minister Jawaharlal Nehru, India became a champion of the anti-colonial struggle with a special focus on Africa. This was supplemented by the Non-Aligned Movement during the Cold War era. However, during this era India–African ties remained limited, even marginal, as India struggled to deal with issues in and around its own neighbourhood, including several conflicts. Nevertheless, the large Indian diaspora that existed in several African countries ensured shared linkages, which were more sociocultural than economic ties. Certainly, energy issues did not figure in relations between African countries and India, partly because energy was not perceived as a national security issue, and partly because slow economic growth and the lack of industrialisation meant a low demand for energy.

For the Indian government, any energy issues were focused on oil imports. Natural gas comprised a very small portion of India's energy requirements and was reserved mainly for use in the fertiliser sector, while coal, which was and continues to be the bedrock of India's

power sector, was produced indigenously. By 1990, India was importing around 50% of its oil requirements. However in 1991, following the rise in global oil prices due to the Iraq–Kuwait war, India found itself in a worse situation than many other countries. Not only was India highly dependent on Kuwaiti and Iraqi crude supplies, but also escalating international crude prices had resulted in India's oil import bill increasing by about 60% in 1990–91, around 40% above the 1989–90 figure. Exacerbating the effect of the oil price increase was a more permanent disruption of oil supplies from Iraq with which India had long-term supply contracts.¹

The fiscal fiasco that India faced prodded its policymakers into thinking about formulating an energy security policy, which nevertheless took place at a slow pace. Part of the problem when defining such a strategy was India's highly disaggregated energy sector, which meant several ministries looked at various aspects of energy, usually in a non-synchronised fashion, and sometimes adopted policies that were at cross-purposes with one another.

However, with the end of the Cold War, which coincided with its economic liberalisation reforms, India's foreign policy became increasingly pragmatic and less ideological, focusing increasingly on economic and social development and trade expansion, not least to attract investments into all sectors, particularly its critical infrastructure sectors. Consequently, India attempted to improve relations with Western countries like the US and the European Union (EU), as well as Russia. It also began strengthening ties with the South-East Asian countries as part of its 'Look East' policy. In so doing, India appeared to be guilty of neglecting its earlier strong relations with other parts of the developing world, including Africa.

INDIA'S ENERGY COMPULSIONS AND STRATEGY

Only in the mid–1990s, when the importance of energy for sustained economic growth became apparent, did India begin to realise the need for an energy security policy. Nonetheless, several more years would pass before any concrete policy emerged. In July 2005, an Energy Co-ordination Committee (chaired by the prime minister) was constituted to enable a systematic approach to policy formulation, promote co-ordination in inter-departmental action and function as a key mechanism for providing institutional support to decision-making in the area of energy planning and security. The other members of the committee included the ministers of finance, petroleum and natural gas, power, coal, non-conventional energy sources, as well as the National Security Advisor and senior officials from the ministries, including the Atomic Energy Commission. Finally, in August 2006, an *Integrated Energy Policy* report was published, which looked at enhancing India's energy security in a holistic and sustainable manner. Energy was now perceived as critical for fulfilling India's development agenda, as the *Integrated Energy Policy* explains:²

India faces formidable challenges in meeting its energy needs and in providing adequate energy of desired quality in various forms in a sustainable manner and at competitive prices. India needs to sustain an 8% to 10% economic growth rate, over the next 25 years, if it is to eradicate poverty and meet its human development goals. To deliver a sustained growth rate

of 8% through 2031–32 and to meet the lifeline energy needs of all citizens, India needs, at the very least, to increase its primary energy supply by three to four times and its electricity generation capacity/supply by five to six times of their 2003–04 levels. With 2003–04 as the base, India's commercial energy supply would need to grow from 5.2% to 6.1% per annum, while its total primary energy supply would need to grow at 4.3% to 5.1% annually.

It is clear that India faces a daunting energy challenge and requires access to increasing supplies of sustained and affordable energy resources.

India's coal reserves are substantial but of poor quality, with the result that India is now accused of being one of the largest emitters of carbon and is under pressure to cut emissions. Over the last 10 years, India has been importing high-quality coal and currently imports around 80–100 million tonnes (Mt) of coal. According to the head of Northern Coalfields, one of India's state-owned coal mining companies, by 2020 coal imports are projected to nearly triple, to 250 Mt per year, in order to meet the country's plans to increase power generation capacity by 100 000 megawatt (MW) over the next 10 years.³

India's imports of oil and gas have grown rapidly, due to the country's low resource base: India has around 5.4 billion barrels (750 Mt) of crude oil reserves and 1 074 billion cubic metres (bcm) of natural gas reserves.⁴ The problem is that oil production has stagnated in recent years, while demand has grown exponentially, by 3–5% annually. India is the fourth-largest oil consumer globally and the sixth-largest oil importer. By 2008–09,⁵ oil imports reached nearly 2.4 million barrels per day (mbd), representing 75% of total consumption. The majority of oil imports currently come from the Middle East region and, based on the growing demand and no expected major increase in production, this dependency is projected to increase to over 90% by 2030.

The natural gas scenario is more positive, following the discovery of some major gas reserves in India's deep offshore basins. Nevertheless, by 2015, India's natural gas demand is expected to almost double, to 230–320 million metric standard cubic metres per day (mmscmd). Much will depend on the growth of the domestic gas market, as the demand for gas may well increase (from the current 166 mmscmd) if climate change pressures force India to look at replacing much of its coal-based power generation with gas. By 2015, domestic production is expected to increase to 254 mmscmd, while 58 mmscmd will be imported in the form of liquefied natural gas (LNG). Currently, India produces around 132 mmscmd from domestic fields and the rest is met by LNG imports.⁶ As of now, India imports all its LNG from Qatar, although negotiations are taking place with other countries for future LNG supplies.

As the above shows, energy security, along with food and water security, is top of the country's national imperatives. With a burgeoning population, many of whom have little or no access to modern forms of energy, and a goal of poverty eradication by 2020, the role of energy is undeniable if India is to sustain its high economic growth and its quest for global leadership. Moreover, India's policymakers have to ensure that the goal of providing modern forms of energy to all the citizens is met at the least cost to the environment. Hence, while India's energy strategy focuses on increasing domestic production in all energy sectors (non-renewable and renewable) an overriding concern for India's policymakers is the country's growing dependence on imports.

This concern is reflected in the *Integrated Energy Policy* document which states that:⁷

The growing dependence on energy imports raises several concerns. India's requirements of fossil fuels for the year 2030 based on various scenarios (Business as Usual, Low Growth and High Growth scenarios) are projected to be 337 to 462 million tonnes of oil (2 460–3 372 million barrels), 99–184 million tonnes of oil equivalent (mtoe) of gas and 602 to 954 mtoe of coal. If the global fossil fuel supply increases by only 1.7%, as projected by the International Energy Agency, will India get all the energy that it needs even if it is willing and able to pay the price? What will India do if supply is disrupted due to events outside its control? Also in a situation of conflict, an oil blockage may be imposed against India... How do we keep our economy going in such a situation? ... The threat to energy security arises not just from the uncertainty of availability and price of imported energy, but also from the possible disruption or shortfalls in domestic production.

To address these concerns, India's policymakers have formulated an international dimension for its energy strategy that includes finding multiple supply options and energy resources.

Based on this broad framework, India's international energy strategy entails the following:⁸

- Expanding and diversifying supply sources for hydrocarbons and, more recently, tying up sources for uranium supplies following the nuclear suppliers group waiver.
- Offering downstream co-operation in refineries, pipeline projects and other energy-related infrastructure.
- Offering stakes in the domestic energy sector through its National Exploration and Licensing Policy programme, not only to gain access to state-of-the-art technology for enhanced oil and gas recovery, but also to exploit clean-coal technology and renewable energy resources.
- Encouraging Indian companies to partner with their international counterparts and to participate in projects such as the International Thermonuclear Experimental Reactor, a joint international project involving research and development related to fusion power.
- Encouraging Indian state-owned and private energy companies to acquire assets, through the purchase of equity in oil, gas and coal blocks or stakes in exploration and production (E&P) companies abroad.

At the 9th Petrotech 2010 convention, Prime Minister Manmohan Singh spoke of India's wish to build strong, mutually beneficial economic partnerships with other hydrocarbon-producing countries and their oil and gas industries. He stated that 'hydrocarbons will continue to be our major source of energy for quite some time in the future... The demand in India over the next 10 years will increase by over 40%, whereas the increase in supply from maturing oilfields is expected to be around 12%.⁹ He reiterated the government's policy of focusing on the pursuit of equity in oil and gas opportunities overseas.

THE ROLE OF AFRICA IN INDIA'S ENERGY STRATEGY

Africa has always been an important source of minerals and raw materials (including energy resources), but in terms of sheer quantities, Africa's resource base in hydrocarbons is no match for that of the Middle East. However, following the events of 9/11, the Middle East is perceived as a region increasingly susceptible to instability where extremism is gaining ground, which in turn raises doubts about its status as a stable supplier. As a result, energy-importing countries are incorporating a diversification strategy into their energy policies. Soon after the demise of the Soviet Union, a rush ensued to gain access to the newly independent Central Asian countries' energy resources. More recently, Africa's energy resources have caught the interest of the world powers. Africa is increasingly being seen as an important alternative to the Middle East's hydrocarbon reserves. Although far less than those of the Persian Gulf, Africa contains 9% of the world's oil reserves (and contributes around 13% of global oil production); 7.9% of the world's natural gas reserves; 5% of coal reserves (of which South Africa with 3.7% comprises the bulk); and 38% of uranium reserves. Over the next 10–15 years, most of the new oil entering the world market is forecast to come from Africa.¹⁰

Some of the other reasons why Africa has become a favoured destination for energy seekers include the following:¹¹

- New technological advances mean that Africa's deep offshore resources have become accessible and available.
- African oil reserves are located offshore, which negates the construction of infrastructure to transport the same to ports for export.
- The high quality of African crude oil makes it easy for processing.
- African nations grant favourable contractual terms (profit-sharing agreements) to international and national oil companies.

As one of the largest consumers and importers of hydrocarbons, a priority for India is building and strengthening ties with oil- and gas-rich countries. Energy plays a role not only in the country's socio-economic and development goals, but also in its aim to emerge as a major regional, and eventually global, economic power. India's traditional energy policy was essentially oil-based and West Asian-centric. However, the country was forced to devise a supply diversification policy because of the perceived instability, and consequent potential for supply disruption, and the fact that India was denied preferential treatment by its traditional suppliers, even during periods of crisis. Africa as an important energy supplier now assumes special significance in India's foreign and energy policy.

Although in many ways a latecomer to Africa's energy sector, limited to oil trade with Nigeria, India has realised the importance of developing stronger and more enduring linkages with Africa's energy and other sectors. The deep inroads made by Chinese companies have meant that, despite its long-standing ties with the continent, India has taken a backseat to China in Africa. This perception was strengthened when Indian and other international oil companies lost out to their Chinese counterparts, who linked business with diplomacy to acquire oil and gas assets. The Chinese strategy of establishing joint ventures that extend beyond oil and gas to construction, infrastructure development and, in some cases, arms seemed to serve Chinese companies well in Africa.

In many ways, India's strategies for accessing Africa's hydrocarbon sector are similar to those of China, offering economic and infrastructure assistance (in the form of soft loans) in exchange for access to energy resources. India currently gets around 18% of its oil imports from Africa and, over the last few years, has increased its presence in the energy sector of several African countries. India's largest national oil company, Oil and Natural Gas Corporation (ONGC), through its overseas division ONGC Videsh Limited (OVL), has aggressively sought stakes in Africa's E&P sector. In 2005, it teamed up with London-based Arcelor, the world's largest steel maker owned by Indian Lakshmi Mittal, to form a new entity, ONGC Mittal Energy Limited, and signed a \$6 billion infrastructure deal with Nigeria in exchange for extensive access to production blocks. Subsequently, OVL acquired a 25% stake in Sudan's Greater Nile Oil Project (overcoming resistance from the China National Petroleum Corporation, which had a 40% stake in the project) and some minority interests in two other blocks in Sudan. Another Indian national oil company, Indian Oil Corporation, acquired an offshore block in Côte d'Ivoire,¹² while in January 2010 ONGC signed a memorandum of understanding with Sonangol, Angola's state oil company, in which both companies agreed to boost co-operation in the areas of exploration and refining, signifying a big step forward in India's efforts to enter the Angolan market, hitherto dominated by Western and Chinese companies.¹³ Other Indian oil companies have bought stakes in oil and gas blocks in Burkina Faso, Equatorial Guinea, Ghana, Guinea-Bissau and Senegal. Beyond hydrocarbons, Indian companies have also invested in countries with large mineral resources, such as Vedanta Resources' stake in Zambia's copper mines and a public-private Indian group's investment in Senegal's rock phosphate mines, which has led to a perception that India's focus in Africa has been on West Africa's resource-rich countries.¹⁴

Finally, monitoring the waters of the Indian Ocean, particularly off Africa's east coast, is an essential part of India's national security policy. Any disruption can have disastrous consequences for India's economic and energy security, given that nearly 90% of imports, including almost all energy imports, are sea-based. The recent upsurge in piracy off Somalia is another area of concern. Therefore, an issue, which drives India's desire to strengthen its presence in Africa, is co-operation with Indian Ocean littorals to monitor these vital sea lanes.¹⁵

STRENGTHS AND WEAKNESSES IN INDIA-AFRICA RELATIONS IN THE ENERGY ARENA

Energy resources may be a major attraction for external powers, but several issues need to be addressed before Africa can emerge as an important energy source, which in turn will help the continent's development.¹⁶

- The track record of many of Africa's energy-exporting countries, which failed to transform their hydrocarbon resources into economic growth in the 1970s and 1980s. Instead, Africa's energy wealth became a 'curse' and prevented the continent from taking its rightful place in the world economic order.
- African governments may have received financial windfalls from energy sales, but in most cases the only beneficiaries were the political leadership and elite who entered

into partnerships with oil companies. In effect, the countries have become ‘rentier’ states, where the leadership is not accountable to the people. The result has been socio-economic disparities due to poor governance, corruption and nepotism, leading to political instability and hiccups in production, and thereby contributing to oil price volatility at regular intervals.

- As hydrocarbons became the key export commodity and source of government revenue, other sectors of the economy, in particular the manufacturing and agricultural sectors that traditionally employed a majority of the African population, were neglected, leading to acute food shortages and poverty.
- The pursuit of a neo-mercantilist and neo-colonial approach to energy extraction in Africa has led not only to the non-development of local industry, but also in some cases to its demise by triggering imports of cheap manufactured goods.
- Many of the external players involved in Africa’s energy sector have tended to treat the host country as a provider of raw materials, without any regard for the concurrent development of downstream and auxiliary sectors. This situation could in time lead to Africa becoming a resource-poor country, dependent on energy imports.

India has placed its Africa energy ties within a broader ambit, having learned its lesson from the 1972 Ugandan experience, when Indians were driven out on the grounds that they were exploiting the country’s wealth without contributing to its development. Terming its engagement with Africa as ‘distinct and different from any other’¹⁷, New Delhi is in the process of evolving a model that combines resource extraction with long-term industry development in the host country or region. According to JP Pham, a senior fellow and director of the Africa Project at the New York-based National Committee on American Foreign Policy, India has adopted a policy of adding value to its investments and is attempting to integrate itself into the economy, rather than simply viewing the country as ‘a supply depot for resources’. The rationale is that helping Africa to develop allows for a more conducive and sustainable relationship between the two regions. He calls this a ‘hybrid model’, a cross between the Western model, which largely uses a strategy of private investment in Africa, and the Chinese and Russian models, which are state-driven.¹⁸ Hence, the Indian government is not only keen on buying more crude oil, sourcing larger volumes of LNG and investing in more upstream opportunities, but is also investing in capacity building, human resource and infrastructure development, bridging the information gap, forging closer cultural contacts by lending ‘skills, talent and technology’ to Africa, and taking up community development programmes in various countries. As India’s External Affairs Minister SM Krishna said when speaking about the distinctive features of India’s Africa policy, ‘We are committed to go by the priorities and wishes of our African friends, in crafting programmes of co-operation through a consultative process.’¹⁹

African governments seem to have received this policy well, judging by the response of some African leaders who attended the launch of the India–Africa Forum Summit in 2008. Many said that they appreciated India’s development-centric approach and lauded India as a rising economic and knowledge power. In an *Africa Quarterly* interview ahead of the 2008 summit held in New Delhi, former Ghana President John Kufuor said that, ‘If India’s experience is married to Africa’s vast natural resources, it will result in the accelerated development of Africa and assist African countries to develop their production base of non-traditional exports as well as add value to their traditional exports.’ Togo’s Prime Minister

Gilbert Fossoun Hounbo added, ‘What is very interesting and appealing is the Indian model of co-operation. India is a developing country but has achieved much. Africa can, therefore, learn from the trajectory of development in India and the Indian experience.’²⁰

India’s African focus also seems to have succeeded in delivering dividends: bilateral trade has increased from \$24,986 billion in 2006–07 to \$39,542 billion in 2008–09, and the target set for 2015 is \$70 billion.²¹ While this looks impressive, it loses some of its sheen when compared to Africa’s trade with China, which amounted to \$106.8 billion in 2008. Moreover, China’s investments in Africa total approximately \$8 billion, four times the size of India’s investment in Africa.

India recognises the challenges to its endeavour to build deeper linkages with African nations, and the serious competition it faces from other nations pursuing similar ties with Africa. However, what is more important is how African countries view India’s policy, notwithstanding the encouraging statements of African leaders at the India–Africa conclaves, and how receptive African states would be to its implementation. As Pham points out, the response varies from country to country.²² Democratically accountable nations with regular, competitive elections are more likely to prefer India’s long-term engagement policy that goes beyond simple resource extraction. However, as their terms are tenuous, military juntas or autocratic regimes prefer to deal with countries that are mainly looking for short-term gains. Host governments can gain huge revenues when countries, present in Africa for the sole purpose of extracting resources, leave decisions about revenue spending to their hosts and do not contribute to technology transfers and skills formation.

While China may seem to have a greater share of and leverage in the African market, India does have some advantages. In many ways India is better placed to understand the challenges facing African countries, as not so long ago it faced similar challenges and risks related to governance, security, infrastructure, and regulation – experiences that can be shared with the African people. Unlike some countries that have been accused of adopting a short-term, mercantilist approach based on resource extraction, India’s approach to African countries should be development-oriented, with the focus being on India’s long-term interest in Africa based on a template of training, technological assistance and trade. At the same time, tremendous opportunities exist for companies that can deliver low-cost, high-tech products in various sectors including energy, particularly renewable energy, healthcare, education, telecommunication, manufacturing, and agriculture.

BEYOND OIL AND GAS: ROADMAP FOR A MORE SUSTAINABLE PARTNERSHIP

Africa’s first priority is to use its energy resources to meet the development needs of its people. Very few of Africa’s hydrocarbon resources are being used domestically and, while some governments may reap rich dividends in oil and gas revenue, the people at large do not benefit. Indeed, several examples exist where the discovery of natural resources has been followed by economic instability, conflict and environmental damage. Furthermore, most African countries lack the technology, human resource skills and adequate infrastructure needed to convert their natural resources into modern and usable forms of energy; as a recent report of the World Energy Council states, ‘Africa is the least

illuminated continent of the world', with less than 20% of its population having access to electricity.²³ Without adequate energy infrastructure, both for industry, agriculture and residential purposes, African nations will continue to suffer from under-development.

India can provide assistance to African governments in its development agenda, as it has gone through similar experiences on its developmental path. However, such assistance would require private and public Indian companies to increase their investments in the African energy infrastructure sector and to expand and develop a pool of expertise within the continent. India has already initiated the Pan-African e-Network in partnership with the African Union, which links all 53 African states through tele-medicine, education and governance and plays a crucial role in fostering skills and human resources, all of which are required for Africa to develop in a sustainable way. Furthermore, as Foreign Minister Krishna announced in his opening address at the India–Africa Summit, India will establish 19 institutions to develop human resources and capacities in Africa, including the Africa–India Institute of Foreign Trade, the Africa–India Diamond Institute, the Africa–India Institute of Information Technology and the Africa–India Institute of Education Planning and Administration. An additional 10 vocational training institutes and five human settlement institutes will also be established.²⁴

India should also introduce initiatives in Africa to promote green technologies and to create expertise in the rural electrification process. It should also partner with African companies to produce alternative energy sources, as most African countries do not have large hydrocarbon resources and, those that do, require more sustainable and cleaner forms of energy to combat climate change pressures. As the first and only country with a dedicated Ministry of New and Renewable Energy, India is well suited to provide assistance in this area to African countries. The country has a long experience of developing indigenous, non-traditional energy resources – solar, wind and biogas – and its share of renewable energy has grown to around 10% of overall generation capacity. Some of the leading wind turbine manufacturers in the world are Indian. India also has an ambitious, national solar energy programme, whose goal is to generate some 20 000 MW of solar power, and is currently in the process of reviewing its biofuel programme. African countries can emulate such programmes and, like in the pharmaceutical industry, India can provide cheap and locally adapted technology to exploit Africa's rich renewable energy potential.

Most African states are well-suited to exploit the huge potential in renewable energy resources, particularly solar energy, given that the continent receives an average of 6 kilowatt-hour of solar energy per square metre every day. Moreover, as concerns over climate change rise, Africa will find itself under increasing pressure to find low-carbon alternatives to traditional fuels. Currently, an estimated 560 million people live without electricity in sub-Saharan Africa and 625 million rely on solid fuels such as wood or coal for cooking.

The number of renewable energy conferences held in various parts of the continent clearly shows that African leaders realise the potential of renewable energy, and the importance of developing capacity in this sector, to address their long-term demand for energy. At the March 2009 India–Africa conclave in New Delhi aimed at outlining a roadmap for India and Africa to work together, both sides saw great potential for co-operation in the power and non-conventional energy resources sectors, as well as energy conservation and transfer technology through the generation of renewable energy.

Several initiatives have been taken with a view to address climate change issues and to look at alternatives to hydrocarbons.²⁵ However, an impediment has been the lack of access to green technology, while the recent global financial crisis has seen funds and loans from foreign donors dry up in this sector. For example, some of Kenya's renewable energy projects, including the Turkana Wind Power, the largest wind farm in sub-Saharan Africa with a capacity of 300 MW and Olkaria 4, the country's biggest geothermal power project with a capacity of 280 MW, have not been able to reach financial closure after lenders pressed for sovereign guarantees and enhanced risk mitigation packages.

In entering a period of re-engagement with Africa, India must be aware that it is not alone in its attempt to build and strengthen linkages with the continent. Nor can it match the pace and extent of the engagement of other powers such as China, the EU or the US. Nevertheless, India in many ways appears to be emulating the Chinese model in Africa, albeit with less success, particularly in the hydrocarbon sector. Given that some of China's policies have come in for censure, India must be careful that its approach to Africa is not also perceived as mercantilist, interested only in resource extraction. So far, censure against India is more muted, thanks to India's democratic principles as well as its comparatively lower profile in Africa.²⁶ However, this may change in the future, particularly as India's presence and profile on the continent grows, which is already the case in Sudan. India's Africa policy is also perceived as lacking coherence and vision and thus fails to capitalise on the goodwill the country enjoys on the continent. India needs to carefully etch out its African policy by developing a distinct paradigm which, while continuing and strengthening its energy ties with relevant African nations, takes care to embed its energy access and acquisition policy in a developmental framework.

India should make the most of the advantages it has over other countries, such as the traditional ties based on a similar colonial heritage, the goodwill that exists between India and African countries and a keenness to enhance level of relations. African countries and India have largely agrarian economies with a vast pool of human resources. African countries can gain from India's development curve and learn how the Indian government has sought to empower its people by investing in their capabilities and by widening their development options. However, while government-to-government linkages are necessary, the relationship will be more as a facilitator, particularly in the case of India. In fact, India's officials think that the association with Africa should and will be powered by the private sector, with the focus being on employment generation instead of importing a workforce. Much of this thinking is because India's economic and industrial growth will be driven by the private sector or by public-private participation. Moreover, the substantial interests in Africa that several private players already have can be enhanced, albeit with more support from the government.

Judging from the reaction and statements of several African leaders, India's Africa policy appears to have met with some success. However, India should take care not to waiver from its policy of non-intrusive partnership with Africa as enunciated by its former Minister of State for External Affairs Shashi Tharoor at the sixth India-Africa business conclave.²⁷

The model of our co-operation with Africa is clearly one seeking mutual benefit through a consultative process. We do not wish to go and demand certain rights or projects or impose our ideas in Africa. But we do want to contribute to the achievement of Africa's development objectives as they have been set by our African partners.

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