



Department
for International
Development



Press release

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Greening announces new development relationship with India

No new British financial aid grants will be made to India with immediate effect, International Development Secretary Justine Greening announced today.

The UK's programme in India will be restructured and traditional financial grant aid ended responsibly, so programmes already underway will be completed by the end of 2015 as planned. But Justine Greening will not sign off any new programmes, and financial aid programmes to the country will end completely in 2015.

From now, all new programmes will focus on sharing skills and expertise in priority areas such as growth, trade and investment, skills and health; and on investments in private sector projects designed to help the poor while generating a return. That work will see a 'hub' of specialists in India working alongside the Foreign Office, UKTrade and Investment and other government departments to share advice and skills with the Government of India.

The shift reflects India's successful transition to become a key part of the global economy. The decision follows Justine Greening's visit to India this week which saw the conclusion of talks with senior Indian politicians and Government of India officials about the future of UK-India development cooperation.

Justine Greening said:

"After reviewing the programme and holding discussions with the Government of India this week, we agreed that now is the time to move to a relationship focussing on skills-sharing rather than aid.

"Having visited India I have seen first hand the tremendous progress being made. India is successfully developing and our own bilateral relationship has to keep up with 21st Century India. It's time to recognise India's changing place in the world.

"It is of course critical that we fulfil all the commitments we have already made and that we continue with those short-term projects already underway which are an important part of the UK and Government of India's development programme."

Notes to editors

- The programme restructure is expected to see a total saving of around £200m over 2013-2015 compared to the Bilateral Aid Review plan.

- No existing projects will be cancelled
- The UK's Technical Assistance presence in India post-2015 is expected to cost around one tenth of the current programme.
- Post 2015 the relationship will consist of Technical Assistance and returnable capital investments.
- In 2010, bilateral trade between the UK and India grew by 20%, bringing the total to £13 billion. UK goods export to India grew by 37% and goods imports from India rose by 27%.
- Faster and more inclusive growth continues to be India's top priority. India's development efforts have pulled 60 million people out of extreme poverty in the last 5 years.
- Absolute public spending on education has more than doubled since 2006 (from £15 billion in 2006 to £35 billion in 2011), as has absolute spending on health since 2006 (from £7 billion in 2006 to around £15 billion in 2011).
- In 2011-12, India invested 25% of its budget on health, education and rural development.
- We have agreed with the Government of India that from 2015 Britain's role will be focussed on:
 - Technical cooperation. We will maintain a hub of development expertise within India. This will share advice and skills with the Gol on poverty reduction.
 - Private Sector. We will continue the programme we launched last year to invest in private sector projects bringing opportunities to poor people in the poorest parts of India.
 - Global partnership. The UK will collaborate with India on development and areas of mutual interest internationally. We will work together to help other poor countries learn from India's experience and on areas like trade, food security, climate change and health that can benefit everyone.

DFID - the Department for International Development

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