

# Inside a partnership approach in India

India is transitioning from an international aid recipient to a donor, but what role do private sector partners play in helping the country forge a new way forward? Vikesh Mehta, Grant Thornton India, shares his views on the dynamic future of India's economic and social development arena.

India is on the rise, continuing its transition from international aid recipient to donor. The country's aid spending more than doubled the amount it received from foreign donors in **2014-2015**. So much so that last year, the **United Kingdom announced** "rapid growth and development progress" had made its ongoing aid unnecessary, and it would transition away from direct financial support.

Vikesh Mehta has seen firsthand how India has grown over the past few years (**India saw economic growth of 7.5 percent in 2015 — faster than growth in China**)<sup>1</sup>. His team work directly with government partners, donor organisations and the not for profit sector overseeing public-private partnership projects. He firmly believes that private sector partners will play a huge role in India's future economic and social development, helping the country forge a way forward.

In this Q&A viewpoint, Vikesh shares his team's experience; the changes they have witnessed, the impact on their role in the sustainable development of Indian Government and the local learning for countries.

"The future focus will be on sustainable development through financial inclusion, digital empowerment, smart and safe cities, and skill development."

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<sup>1</sup> <http://www.bbc.co.uk/news/business-35519671>



**How has the team leveraged experience and relationships in the development space across India?**

By drawing on expertise from Grant Thornton member firms across the world we are able to understand how development programmes are run, what the challenges are and how they should be designed properly. We've continually applied this learning to our work in India. Our public sector clients also gain from a number of strategic teaming partners that enhance development projects by providing support to donors regionally and locally.

"We are seeing an increase in public sector involvement in private sector programmes."

**What are the main obstacles you have faced when building partnerships?**

Our largest buyer tends to be the Government and it can be a challenge to meet their expectations. They want their advisors and implementing partners to bring in every kind of skill – technology, human resources and multi-faceted professionals. Yet, it's rarely possible for any single service provider to have all this expertise.

"We feel that sustainable and strategic partnerships are the key to responding to the often challenging needs of government and donors in the country. We ensure that any partners we bring on board are aligned to our objectives and those of our clients."

**How do you think Corporate Social Responsibility practices, impacted on international development in India?**

We're committed to delivering lasting impact and improving people's lives at a community level, through our global and local work.

Interestingly, what we're seeing now is the increasing involvement of the private sector in government programmes and the divide between government and private sector disappearing. So the private sector is progressively not only the "private" in the PPP but also the implementing partner in large Government development programs, such as the Skill India, Clean India and Digital India initiatives.

Our engagement with **Wal-mart**, which opened its first store in India in 2009 and since has been pushing for additional commercial expansion, is one of the best examples in India. Several multinational corporations including Wal-mart and Pepsi are teaming up with government and donors such as the World Bank to provide funds and management expertise. This includes helping farmers to create farmer producer organisations from which the multinationals can procure produce directly,— thereby reducing the value leaked in the intermediary chain.

This is a great example of large, multinational companies investing in India and benefiting from government policy interventions with the help of the wider domestic community and advisors like us.

### How do you think the Sustainable Development Goals have made you re-think your mission and work across India?

We recognise the power and potential of the SDGs as a framework for private, public and not-for-profit sectors to come together using a common language for sustainable development. There has been a significant increase in awareness and partnerships among these sectors that we did not previously experience in India.

We're seeing that the Sustainable Development Goals are altering the objectives of many of our programmes. For example, historically in sustainable agriculture, more than half of fresh produce in India would have gone to waste because of a lack of storage facilities. Now, creating sustainable agriculture is one of the objectives of the government that we're helping to achieve. Renewable energy is also one of their priorities and that too is playing an important role in the work we do.

### How has your work evolved and how do you see it developing over the coming years?

Over these past 15 years, the work we do and partnerships we have built have evolved with the needs of the country's economy, which is very dynamic.

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"India's economy is very dynamic."

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The needs of international donors and the local Government keep changing too. We have adapted quickly and responded to these changes.

We've witnessed — and been integral to — three phases of development. When we began our involvement, the country depended on external aid from multilateral organisations, like the World Bank. Our work was largely centered around development projects — such as livelihood projects to eradicate poverty and offering small loans to help people become more sustainable. As the country progressed to phase two, government policy shifted towards infrastructure creation.

Phase three is where we're at now as the economy has grown and the government is not as dependent on external support. That said, poverty eradication and inclusion remains a focus. There continues to be large-scale development in skilling, digitisation, and in the widespread use of IT and technology in general. All with stronger participation of the private sector.



"Over the next few years I think we'll do more work around sustainable and economic development."


In line with the SDGs and with the current Government, I think we'll do more work around sustainable and economic development — creating jobs rather than providing microfinance loans that by themselves are not sustainable. Reducing carbon emissions; clean, renewable energy; smart water management, especially in the context of agriculture; sustainability reporting; and CSR are all areas we see emerging rapidly. Looking further to the future, the focus will be on financial inclusion, digital empowerment, smart and safe cities, and skill development.

It can be a challenge for large organisations to work cohesively, but the learning locally in India has significantly contributed to our global development strategy and we will continue to leverage the experience of our global specialists in the region and beyond.

**What can you take from experience towards the next phase of the member firm's engagement in India?**

As our member firm in India grows, we're increasingly involved with programme and project management, working on projects that span across a number of years and require multi-disciplinary skills. Government clients no longer want to buy only financial management, feasibility or IT services — they need end-to-end solutions, from strategy to implementation with measurable outcomes. We're learning from our larger global counterparts and I think we're going to see some tangible differences as a result.

Our focus has shifted from infrastructure and development to become a driver of growth and economic development. I think we'll continue to see our services to our clients evolve, driven by partnerships within our network around the world and also through local influences. We sit at the intersection of private, public and NFP sectors and recognise that the lines between all three are now blurring. Therefore it is important that we're close to — and remain watchful of and agile to — the needs of the country, in order to continue to provide valuable contributions to India's attainment of the global goals.



“Government clients need end-to-end solutions with measurable outcomes.”

To find out how our development experience could apply in your country, contact Vikesh Mehta ([Vikesh.mehta@in.gt.com](mailto:Vikesh.mehta@in.gt.com))