

5. EXTERNAL ASSISTANCE

This Annexure gives in brief the nature of External Assistance being received from Multilateral and Bilateral Sources. The estimates of receipts of external assistance and repayments of principal and payment of interest during the years 2019-2020 and 2020-2021 are summarized in the following table:-

	(In ₹ crores)			
	Actuals 2018-2019	B.E. 2018-2019	R.E. 2019-2020	B.E. 2020-2021
1. Loans	50,609.45	44,673.00	57,016.00	57,557.00
2. Less-External loans for State Projects	14,351.41	12,262.05	17,972.88	15,547.35
A. Net External Loans (1-2)	36,258.04	32,410.95	39,043.12	42,009.65
B. Cash Grants	833.20	650.00	361.00	400.00
C. Commodity Grant Assistance	229.99	356.00	613.00	412.00
D. Total(A+B+C)	37,321.23	33,416.95	40,017.12	42,821.65
E. Repayment of loans	30,738.77	35,363.00	34,110.00	37,338.00
F. External Assistance (Net of Repayments) (D-E)	6,582.46	-1,946.05	5,907.12	5,483.65
G. Interest Payment on loans	8,149.62	9,765.00	10,537.00	10,178.00
H. External Assistance (Net of Repayments & Interest Payments) (F-G)	-1,567.16	-11,711.05	-4,629.88	-4,694.35

A brief write-up on the Assistance being extended by different countries and organizations is given below:

(A) MULTILATERAL SOURCES

1. WORLD BANK GROUP

The World Bank is one of the UN's specialized agencies. India has been accessing funds from the World Bank mainly through IBRD and IDA for various development projects.

(a) INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

India is receiving assistance from International Bank for Reconstruction and Development (IBRD) since 1949. IBRD loans, though non-concessional, offer relatively favorable terms compared to commercial sources. IBRD Sovereign loans are primarily utilized for infrastructure project and poverty alleviation, rural development and human resource development, etc. IBRD aims to reduce poverty by promoting sustainable development, through loans, guarantees and non-lending services.

Some of the major on-going projects with IBRD assistance are Water Sector Improvement Project, Swachh Bharat Mission Support Operation, National Ganga River Project, Second Karnataka state Highway improvement project, Eastern Dedicated Freight Corridor and Power sector projects. IBRD also provides sovereign guaranteed loans mainly to Central Public Sector Undertakings.

(b) INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

IDA is the concessional arm of the World Bank and plays a key role in supporting the Bank's poverty reduction mission. Now, India is out of the ambit of concessional Loans. Majority of the Projects being executed in our country are in Social and Education sector. Some of the ongoing projects include National cyclone risk mitigation, Bihar kosi Basin development and Bihar rural road etc.

2. ASIAN DEVELOPMENT BANK (ADB)

ADB is a major regional financial institution established in 1966 and India is a founding member of ADB. India started borrowing from ADB in 1986, to broad base our resources.

ADB's operations now extend beyond the power, transport and urban sectors into financial institution sustainable livelihoods, skill development and Bihar New Ganga Bridge Project, Visakhapatnam-Chennai Industrial Corridor Development Program. Some of the major on-going projects through ADB assistance on Government account are - MP District Connectivity Sector Project, Rural Connectivity Investment Program Project-3, South Asian Sub Regional Economic Corporations Road connectivity Investment Programme.

ADB also provides sovereign guaranteed loans mainly to Power Sector CPSUs and Financial Institutions.

3. EUROPEAN INVESTMENT BANK (EIB)

EIB was established in 1958 under the Treaty of Rome to provide financing for capital investment. Lucknow Metro Rail is assisted by EIB.

4. NEW DEVELOPMENT BANK (NDB)

NDB has been established by BRICS (Brazil, Russia, India, China and South Africa) countries in Shanghai, China. At present, eight projects are on going with assistance provided by NDB.

5. ASIA INFRASTRUCTURE INVESTMENT BANK (AIIB)

AIIB is multilateral bank, extending loans primarily in energy, transportation and telecommunications, rural infrastructure and agriculture development. At present, five projects are under execution with assistance provided by AIIB.

6. INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT (IFAD)

IFAD was set up in 1977 as the 13th specialised agency of the United Nations. IFAD has assisted in 32 Government projects in the Agriculture, Rural Development, Tribal Development, Women's Empowerment, Natural Resources Management and Rural Finance Sector.

At present, total 12 projects assisted by IFAD are under implementation. Some of the major on-going projects are integrated Livelihood Support Project and Jharkhand Tribal Improvement and Livelihood Project.

7. GLOBAL FUND ORGANIZATION

The Global Fund to fight AIDS, Tuberculosis and Malaria (GFATM) is an international financing organization that aims to attract and disburse additional resources to prevent and treat HIV and AIDS, Tuberculosis and Malaria. The organization began operations in January, 2002. GFATM assisted programmes in India are implemented by Ministry of Health and Family Welfare.

There are three on-going projects presently executed with the assistance of Global Fund Viz. Global Fund Assisted HIV Aids control Project 'Increasing Access and promoting comprehensive Care', 'Support and Treatment', 'Intensified Malaria Control Project-3' and 'Tuberculosis'.

(B) BILATERAL SOURCES

1. JAPAN

Japan has been extending official development assistance (ODA) to India since 1958. Japanese ODA in the form of loans, Grant Aid and Technical Assistance to India is received through Japan International Cooperation Agency (JICA). Japan is the largest bilateral donor to India. JICA projects are spread across sectors like Transport, Power, Irrigation, environment & investment promotion.

Some of the major on-going projects through JICA assistance are Delhi Mass Rapid Transport System Project, Dedicated Freight Corridor project, Kolkata East-West Metro project, Chennai Metro Project, Bengaluru Water Supply & Sewerage project, Bengaluru Metro Rail project and Ahmedabad Metro project.

2. GERMANY

The Federal Republic of Germany is providing financial and technical assistance to India since 1958. Financial Programmes assisted by Germany are implemented through KfW, the German Government's Development Bank and Technical Assistance Programmes are through GIZ. The present priority areas for bilateral Development Cooperation are: Energy, Environmental Policy, Protection and Sustainable use of Natural Resources, Sustainable Economic Development. Some of the major on-going projects

through KfW assistance are Chennai Water Production & Demand Management Projects, Shoogetong-Karcham Hydropower Project-HP and Green Energy Corridor Intra Transmission System in Himachal Pradesh and Andhra Pradesh.

3. RUSSIAN FEDERATION

Development Co-operation between India and the Russian Federation (erstwhile USSR) started in the early sixties. Kudankulam Nuclear Power Project units 1 & 2 have been built under an Inter-Governmental Agreement (IGA), signed in November 1988 and amended through a supplement in June 1998. Unit No. 3 & 4 are under construction.

A protocol No 2 to the Agreement dated December 5, 2008 was signed in July 2017 for construction of additional nuclear power plants (Units 5 & 6) at Kudankulam.

4. FRANCE

The Government of France has been extending development assistance to India since 1968. French development assistance is being provided through the French Agency for Development (AFD). The priority areas for AFD financing in India are energy efficiency, renewable energy, urban infrastructure (public transport, water). Some of the major on-going projects through AFD assistance are - Deothal Chanju and Chanju-III Hydro Power Project (HP) and Bengaluru Metro Rail Project-II.