

## EXTERNAL ASSISTANCE

This Annexure gives in brief, the nature and magnitude of assistance in the form of loans, grants and commodities received from friendly foreign countries and International Organisations. The estimates of receipts of external assistance and of repayments of principal and interest payments during the years 2000-2001 and 2001-2002 are summarised in the following table:-

	(In crores of Rupees)		
	B.E. 2000-2001	R.E. 2000-2001	B.E. 2001-2002
<b>A. Loans*</b>	<b>9129.23</b>	<b>10494.77</b>	<b>11463.10</b>
<b>B. Cash Grants</b>	<b>704.58</b>	<b>637.75</b>	<b>656.76</b>
<b>C. Commodity Grant Assistance</b>	<b>24.09</b>	<b>88.66</b>	<b>41.06</b>
(i) Food	...	...	...
(ii) Others	24.09	88.66	41.06
<b>D. Total(A+B+C)</b>	<b>9857.90</b>	<b>11221.18</b>	<b>12160.92</b>
<b>E. Repayments:</b>			
(i) Loans	9173.37	9920.39	9598.25
(ii) Trust Fund	...	...	...
(iii) Special Credit	...	...	...
<b>F. Total</b>	<b>9173.37</b>	<b>9920.39</b>	<b>9598.25</b>
<b>G. External Assistance (Net of Repayments)</b>	<b>684.53</b>	<b>1300.79</b>	<b>2562.67</b>
<b>H. Interest Payments</b>			
(i) Loans	4357.29	4482.73	4458.34
(ii) Trust Fund Borrowings	...	...	...
(iii) Special Credit	...	...	...
<b>I. Total</b>	<b>4357.29</b>	<b>4482.73</b>	<b>4458.34</b>
<b>J. External Assistance</b>			
(Net of Repayments and Interest Payments)	-3672.76	-3181.94	-1895.67
<i>* Includes receipts under Revolving Fund</i>	<i>661.20</i>	<i>583.12</i>	<i>699.75</i>

Two statements viz. Statement 1 showing the receipts and repayments of external loans and Statement 2 showing the grants and commodity assistance are appended to this Annexure.

A brief write-up on the assistance extended by different countries and organisations is given in the succeeding paragraphs.

**I. AUSTRALIAN DEVELOPMENT ASSISTANCE TO INDIA**

In October, 1990, two agreements on bilateral cooperation were signed with the Australian Government. These were: (i) Agreement on Development Cooperation, and (ii) MOU relating to Small Activity System. Australian aid to India is extended under the aegis of the above agreements.

2. Details of the ODA expenditure (for previous years) and outlook (current Year) for India are as under:

Year	(In A \$ million)	
	Disbursement amount	
1993-94	15.8	
1994-95	20.4	
1995-96	24.6	
1996-97	21.7	
1997-98	20.2	
1998-99	19.2	
1999-2000	18.7	
2000-2001	19.3	

3. The programme is designed to assist India to help meet our priority development needs while fostering mutually beneficial economic links in areas where Australia has specialist expertise and internationally competitive technology. The on-going development cooperation projects are as under:

Sl.No.	Name of the Project	Amount in Aus \$ Million
1.	Railway Technology Project	5.455
2.	Waste Water Management Project, Hyderabad	7.293
3.	Ghatsila Smeltar Complex Development (Plant A)	4.033
4.	Primary Education Enhancement Project through UNICEF	10.400
5.	Child Survival and Safe Motherhood Programme (UNICEF)	7.320
6.	Directorate General of Mines Safety	2.600
7.	Bangalore Water Supply & Environmental Sanitation Master Plan Project	7.524
8.	Indo Australian Training and Capacity Building Project	15.000

**II. BELGIUM**

Belgium has been providing assistance since 1962-63. However, over the years the quantum of assistance has become rather meagre.

2. The 20th state to state credit agreement with Belgian Government was signed on 30.3.1993 for BFr. 250 million. Belgian Government has provided an assistance of BFr 129.514 million for the installation of a Medical Cyclotron in Calcutta in August 2000.

**III. CANADA**

Canada has been providing assistance to India since 1951. Canadian Development aid is channelised through its agency, namely, Canadian International Development Agency (CIDA). Canadian assistance was in the form of loans and grants till 31st March 1986. Since 1st April, 1986 CIDA assistance has been entirely in the form of grant.

2. The three main objectives of CIDA's country policy programme for India are:-

- (i) To promote economic and social policy reforms in India.
- (ii) To contribute to India's capacity to promote environmentally sound development.
- (iii) To assist in building a stronger economic relationship between India and Canada's private sectors.

CIDA's programme focus on projects of humanitarian nature which emphasize poverty reduction, gender equity, environment, human rights and child labour.

3. There are at present 13 CIDA assisted on-going bilateral project. These include Tree Growers 'Cooperative Project, India Canada Environment Facility Project, Capacity Development of Revenue Administration Project, Energy Infrastructure Services Project, Institute Industry Linkage Project and Environment Institutional Strengthening Project.

4. During 1999-2000, the total disbursement of CIDA grant assistance through the Government of India budget was Rs.6.45 crore.

**IV. DENMARK**

India has been receiving Danish aid since 1963. Upto 31.12.2000, a total of Dkk 5273.14 million has been committed by Denmark which includes loans and grants. During 2000-2001 (upto Dec.'2000) Govt. of Denmark has committed to provide Dkk 28.30 million grant (Rs.15.74 crore) through a new agreement that has been signed in the field of agriculture (Women & Youth Training & Extension Project, Phase III in Karnataka). Against an estimated receipt budget of Rs.18.30 crore for the year 2000-01, a total of Rs.15 crore has been received in Government of India account upto October, 2000 from Government of Denmark.

2. Danish aid is mainly in the form of grant available for tied imports related to specific projects and also for local cost projects. The projects are basically for poverty alleviation in the State of Orissa, Madhya Pradesh, Karnataka, and Tamilnadu. Technical assistance is also made available in the form of grants. Besides, grant assisted Private Sector Development Programme (PSD) is also under operation to support long term collaborations between Danish and Indian business enterprises.

**V. FEDERAL REPUBLIC OF GERMANY**

Germany is India's largest bilateral European donor. Germany provided technical assistance of DM 22.5 million in 1998 and DM 20.2 million in 1999. No new project was considered for fresh commitment. Ongoing projects are not affected and agreements in respect of previously committed projects are being finalised and signed.

2. The total disbursement during 2000-01 till November, 2000 is DM 116.35 million (excluding TC). This amount also includes DM 85.16 million, which has been disbursed directly to the implementing agencies by KfW in respect of disintermediated projects. The disbursement (excluding TC) during 1999-2000 was DM 194.96 million (Rs.445.07 crore) against a target of DM 194.69 million.

3. The Government of Germany has offered DM 159 million (including grant) under the Financial Cooperation and DM 19 million under the Technical Cooperation by way of new commitment as well as by reprogramming earlier commitments for the year 2000. The proposal is under consideration of Government of India.

**VI. FRANCE**

Government of France started extending economic assistance to India in 1968 and total French assistance committed from April 1968 to March 2000 amounted to FF 15443.86 million. French assistance in the form of mixed credits have been utilised for various sectors like Power, Coal, Railways, Petroleum & Natural Gas, Mining, Agriculture, Health, Water Supply etc.

2. French assistance is tied to imports of French goods and services. Grant assistance has been restricted to a few low value technical cooperation projects. French assistance is mainly in the form of mixed credit with soft treasury loan and export credit at OECD consensus rates of interest. The Last Indo-French protocol was signed on 23.11.98 for an amount of FF 68.8 million.

3. As regards disbursement during 1999-2000 (i.e. November 1999) an amount of FF 96.99 million (Rs.65.93 crore) was utilised. In the current financial year, an amount of FF 44.50 million (Rs.27.30 crore) has been disbursed upto October 2000.

4. As per new French Policy, the annual protocol system has been discontinued and aid cases are decided as and when projects acceptable to both sides are available.

**VII. ITALY**

Italian assistance is available for specific projects and is generally tied to the financing of Italian goods and services.

2. During the Indo-Italian cooperation meeting of June 1996, the Italian side committed soft loan upto an overall amount of Lira 100 billion out of which Lira 50 billion would be devoted towards establishing an open credit line with NSIC for financing supplies of capital goods and related technical assistance for the development of the Indian small and medium enterprises. The Financial Convention for the 1st tranche of 10 billion Lira was signed by NSIC for this credit line on 21.3.2000. The Credit line has become operational since 17.07.2000 and will be valid up to 16.07.2001. The remaining amount is to be used for financing projects in the priority sectors of (a) Water Treatment, (b) Environmental Protection and Infrastructure with positive Environmental Impact and (c) Medium Enterprises Development. The soft loan will be highly concessional (80% grant element).

3. Under the general Technical Cooperation Agreement concluded in 1981, Italy had also agreed to provide technical assistance grants on a tied basis. In 1999, Italy has offered to extend to India a grant of Lira 15.4 billion to finance cooperation projects in the areas

of basic child and maternal health care in rural areas, abolition of child labour through educational and training programmes and establishing regional centres for the disabled.

#### VIII. JAPAN

Japan is India's largest bilateral aid donor. For the ongoing projects the expected disbursement during 2001-2002 would be as under:

JBIC (erst while OECF)	Rs. 2900 Crore
Grant-in-aid	Rs. 40 Crore

2. Japan also gives grant-in-aid of about Rs.3-4 billion normally on an annual basis. Individual imports are taking place under Japanese Debt Relief Grant Assistance which is not affected by the Japanese sanctions. The details of such ongoing imports are as under:

Organisation	Amount (in Rs. Crore)
NHAI	4.00
Govt. of NCT Delhi	10.00
EPTRI	2.48
Bangalore City Corporation	4.00
Punjab State Tubewell Corp. Ltd.	9.84
Regional Cancer Institute, Thiruvananthapuram	5.00
Kamla Nehru Hospital, Allahabad	0.23
Indraprastha College, Delhi	2.00
NEEPCO	9.50
Already disbursed upto 30.9.2000	15.14
<b>Total</b>	<b>62.19</b>

#### IX. KUWAIT FUND FOR ARAB ECONOMIC DEVELOPMENT

The Kuwait Fund for Arab Economic Development has been extending economic assistance to India since 1976. So far the Fund has extended eight credits for an aggregate value of KD 92.30 million. The total utilisation of credits upto 31st March, 2000 is KD 82.353 million. These loans are for the following projects:

	(KD million)
(a) Kalinadi Hydro-Electric project Stage-I	15.00
(b) Kopili Hydro-Electric project	9.40
(c) Anpara Thermal Power Project Stage-I	16.00
(d) Anpara Thermal Power Project (Coal Transportation) Stage-II	9.00
(e) Thal Fertilizer Project	14.30
(f) South Bassein Project	14.60
(g) Kalinadi Hydro Electric Project Stage-II	7.00
(h) Kerala Fisheries Development Project for Prawn Culture	7.00
<b>Total</b>	<b>92.30</b>

2. So far credits at (a), (c), (d) and (e) have been fully utilised and that for Kopili Hydro Electric Project has been drawn down to the extent of KD 8.938 million and for South Bassein Project to the extent of KD 11.615 million and the loan accounts had been closed. Loan account for the Kerala Fisheries Development Project for Prawn culture has been shortclosed in 1998. The utilisation of credit under this project is for KD 0.538 million only.

3. Out of the eight loans mentioned above, credits at (a) to (f) carry interest at the rate of 3.5% and a service charge of 0.5% per annum. The credits at (g) and (h) carry interest at the rate of 4.5% and a service charge of 0.5% per annum. The first five loans are repayable in 25 years including an initial grace period of 5 years. The loan for South Bassein Project is repayable over a period of 20 years including 4 years grace period. The credits at (g) and (h) are for 20 years including 5 years grace period.

#### X. NETHERLANDS

Netherlands has been extending economic assistance to India since 1962-63 in the form of general purpose credits, debt relief assistance, suppliers credits (Financial Export Credits) and grants. The grant is extended for local cost expenditure and technical assistance.

2. The sectors in which the Netherlands assistance is received are Environment, Drinking water supply, Irrigation and Water Transport, Education and Agriculture.

3. Earlier, the Netherlands Government provided assistance under an annual cash ceiling and upto 1991, this commitment amounted to NLG 200 million, which was divided into loans and grants on roughly 50:50 basis. The loans were repayable in 30 years with 8 years grace period and carried an interest rate of 2.5% per annum. From 1992 onwards, the Netherland assistance is completely in the form of grants and balance against earlier loan commitments is to be disbursed out of grant funds.

4. The disbursement during 1999-2000 was NLG 65.611 million (equivalent of Rs.133.38 Crore approximately). The Netherlands Government has discontinued extension of macro-economic support post-1996. During 2000-01 (April-November) the disbursement has been NLG 30.267 million (equivalent to Rs.56.209 crore).

5. The Netherland Government also provides ORET grants to Government of India to subsidise costs of import of selected capital goods from the Netherlands upto 40% of the total cost of individual project.

6. Due to recent changes in the policy of the Netherlands Government, henceforth, the Dutch assistance will be focussed in the States of Andhra Pradesh, Gujarat and Kerala. In addition, a sectoral approach to development cooperation will replace the Project Approach. The Sectors selected will be in consultation with the concerned State Governments under the aegis of Department of Economic Affairs, Ministry of Finance.

#### XI. NORWAY

Assistance extended by the Norwegian Government is through the Norwegian Agency for Development Cooperation (NORAD). Norwegian assistance is in the form of grant.

2. **Areas of Cooperation:** Earlier Norwegian assistance was concentrated in the social sectors. In 1990, the Norwegian Government took a decision to gradually reduce aid to India and to shift their focus on the industrial sector. They continue to give priority to issue relating to the development of women and environment.

3. **Norwegian Aid Policy for India:** The policy of the Norwegian Government on Aid to India has undergone a radical change since 1991-92. Previously, approximately 60 per cent of the aid allocated to India was oriented towards social sectors and for eradication of poverty. However, they have now taken a decision to withdraw from these sectors and concentrate only on institutional cooperation and promotion of their industrial sector. They would, however, continue their assistance in the environment sector and for the development of women. The volume of Norwegian aid to India has shrunk to almost one third of what it used to be in 1990. As compared to NOK 140 million in 1990, it was NOK 45 million in 1995. Under Norway's new aid policy, India no longer enjoys the status of a programme country after 1995. From 1996, no allocations are being made for India under the country programme. All commitments made by the Norwegian Government under the country programme on projects for which agreements have already been signed will be fulfilled. Norway is moving away from the country framework i.e. they will not earmark funds countrywise but will have global funds which can be accessed by all countries with suitable projects.

Recently, the Norwegian Government has informed that with regard to the new guidelines for Development cooperation with India, adopted by Norwegian Parliament, Education, Child labour and environment will be the priority areas. Allocations to India would be financed by NORAD's Regional Fund for Asia. Productive Sector Projects will be gradually phased out. The global funds for Industrial Development Cooperation will be open for India comprising of financing of mixed credit schemes and Investment support.

4. **Disbursement of Norwegian Assistance :** No amount was pledged by Norway at the India Development Forum (IDF) meeting since 1996. As against a target of Rs.12.07 crore, the total disbursement of Norwegian assistance during 1998-99 was of the order of Rs.13.53 crore. As against BE of Rs.4.75 crore and RE of Rs.4.59 crore, the total disbursement of Norwegian assistance through Government of India budget during 1999-2000 is of the order of Rs.7.25 crore.

#### XII. ABU DHABI FUND FOR ARAB ECONOMIC DEVELOPMENT

The Abu Dhabi fund has extended a loan of dinar 68 million (U.S. \$ 15 million) against Garhwal Rishikesh Chilla Hydro Electric Project, U.P. The entire amount of Credit has been utilised. This loan carries a rate of interest of 3.5% and service charge of 0.5%. Its repayment period was 15 years with a grace period of 5 years.

#### XIII. OPEC FUND FOR INTERNATIONAL DEVELOPMENT

The OPEC Fund for International Development was established by OPEC member countries with the object of reinforcing financial co-operation between OPEC member countries and other developing countries by providing financial support to the developing countries in their economic and social developmental efforts.

2. The OPEC Fund has so far extended fourteen loans for a total sum of US \$ 218.800 million. The total utilisation of credits upto 31st March, 2000 is US \$ 188.817 million. These loans are for the following projects:

	<i>(US \$ in millions)</i>
(1) Balance of Payment Support	21.800
(2) Bombay High Off-Shore Development Project	14.000
(3) Korba Thermal Power Project	20.000
(4) Ramagundam Thermal Power Project Stage-II	20.000
(5) Second Bombay High Off Shore Project	30.000
(6) Second Ramagundam Thermal Power Project	30.000
(7) Railway Modernisation Project	22.500
(8) Rehabilitation of fertilizer Projects	7.000
(9) Line of Credit to NABARD	8.000
(10) Rewa Hospital Project M.P.	10.000
(11) Basti District Hospital Project	6.500
(12) Raichur District Hospital Project	9.000
(13) Kerala Rainfed Farming Development Project	10.000
(14) Shimla Sewerage Project	10.000
<b>Total</b>	<b>218.800</b>

**XIV. SAUDI FUND FOR DEVELOPMENT**

Saudi Fund for Development, an autonomous legal entity, was set up with the objective of providing loans for developmental projects in developing countries and has so far extended four credits for a total value of Saudi Riyals 769.200 million. The total utilisation of credits up to 31st March, 2000 is SR 630.915 million. These loans are for the following projects:

	<i>(S.R. in million)</i>
(a) Srisaillam Nagarjunasagar Power Project	353.000
(b) Koraput-Rayagada Railway Project	103.200
(c) Ramagundam Thermal Power Project	172.000
(d) Jawaharlal Nehru Port Trust Project (Nhava Sheva Port Project)	141.000
<b>Total</b>	<b>769.200</b>

2. The credit for Srisaillam Nagarjunasagar Power Project has been drawn down to the extent of SR 350.442 million, for Ramagundam Thermal Power Project Stage II to the extent of SR 93.786 million and for the Jawaharlal Nehru Port Trust Project to the extent of SR 108.570 million and the loan accounts have been closed. The Project at (b) above is under implementation.

3. While the first and fourth loan carry an interest rate of 4 per cent per annum, the second and third loan carry 3 per cent per annum. All these loans are repayable over a period of 20 years including an initial grace period of 5 years.

**XV. SWEDISH ASSISTANCE**

India has been a recipient of Swedish Assistance since 1964 although Sweden joined the Aid India Consortium as a full member only in 1969. The terms of Swedish assistance have become progressively softer over the years. After 1976, Swedish assistance is in the form of a 100% grant and is mainly focussed on the social sector and the energy sector. In addition to grant assistance, Swedish government, has extended soft loans for large power sector projects. Earlier, Sweden used to allocate 0.91 per cent of its GDP for development cooperation. This was reduced to 0.7 percent of its GDP in the last year. The aim, however, is to restore the level to 1 per cent of the GNP as soon as the Swedish economy so permits. Despite the cut in the Swedish aid budget, taking into account SIDA grant aid and concessional credits available from other Swedish Organisations, India becomes the largest recipient of Swedish assistance not only among the Asian countries but also among African and Latin American countries.

2. **Strategy for Indo-Swedish Development Cooperation (1997-1999)** : The strategy for Indo-Swedish Development Cooperation in the three year period of 1997-99 covered by the new Development Cooperation Agreement dated 28.11.96 focusses on poverty alleviation and infrastructure.

The broad areas of Swedish assistance are-

- i) poverty oriented projects and programmes in the primary education and health sectors;
- ii) environment, including natural resources management and the modern/industrial/urban sector;
- iii) energy saving and other areas of importance to more efficient use of energy resources;
- iv) consultancy fund;
- v) activities aimed at encouraging sharing of experiences and expertise between India and Sweden.

Sweden primarily concentrates its assistance in the States of Tamil Nadu, Orissa and Himachal Pradesh. During the negotiations held in November, 1996, the Indian side indicated that Swedish support should be extended as far as possible to more States. This was again discussed during Annual Review Meeting held in February, 1998 and it was agreed that a certain geographical spread would be considered by Embassy while initiating and identifying new projects.

3. **Disbursement of Swedish Assistance** : As against a target of Rs.39.17 crore, the total disbursement of Swedish assistance during 1998-99 was of the order of Rs.40.57 crore. As against BE of Rs.3.00 crore and RE of Rs17.75 crore, the total disbursement of Swedish Assistance through Government budget during 1999-2000, was Rs.30.74 crore.

**XVI. SWITZERLAND**

The Government of Switzerland has been providing assistance to India since 1964. Currently, Swiss aid is available for local costs/technical assistance. The aid is funded through grants which are channelised through the Swiss Agency for Development Cooperation (SDC).

The sectoral priority of Swiss assistance in India are improved land use, dairy farming and livestock production, rural cottage industry, human resource development, environment and renewable source of energy.

**XVII. UNITED KINGDOM**

India is the largest recipient of British Development Assistance. The bilateral assistance from 1975 onwards comes fully in the form of grants. The aid agency of the U.K. is Department for International Development which is a part of the Foreign & Commonwealth Office (FCO) and is headed by a Minister for Overseas Development.

2. The aid from U.K. is used for mutually agreed projects in various sectors viz. Education, Slum Improvement, Health and Family Welfare, Coal, Energy Efficiency (Power) and Forestry. The assistance comes in the following forms—

- (a) **Tied Grant Assistance:-** for goods and services of British origin for specific projects,
- (b) **Local Costs Grant:-** which are given, at present, mainly for poverty alleviation and environment improvement programmes.
- (c) **Technical Assistance Grant:-** through which project related and general consultancies, training and imports are financed.

3. U.K. is our largest grant donor and an increasing part of this aid goes for local cost expenditure in social sector projects.

4. During 2000-2001 Grant agreement worth pounds 89.090 million were signed upto October, 2000 for the following projects:—

(i) UK/India Forestry Training Project	£ 1.080 million
(ii) West Bengal D.P.E.P. Expansion- Phase	£ 33.000 million
(iii) Revised National TB Control Programme A.P-LCG	£ 20.570 million
(iv) Lok Jumbish Phase III	£ 34.430 million

### XVIII. UNITED STATES OF AMERICA

The United States of America have been extending economic assistance to India since 1951. The assistance provided by the US through USAID is in the form of grant. The total assistance extended by the United States of America upto the end of 2000 amounted to US \$ 11197 million.

2. USAID's development assistance authorised for US fiscal year 2000 which ended on 30th September, 2000 amounted to US\$ 24.570 million and covers the following 8(Eight) Amendatory agreements, namely:

Sl. No.	Name of the Project	Grant Amount ( US \$ million )	Date of Amendatory Agreement
1.	APAC	2.100	15.9.2000
2.	PACT	2.900	15.9.2000
3.	FIRE	1.200	15.9.2000
4.	FIRE	3.500	27.9.2000
5.	GEEP	1.000	28.9.2000
6.	IFPS	9.670	4.8.2000
7.	TASP	1.000	29.9.2000
8.	ECO	3.200	22.9.2000

Under PL 480 Title II programme, commodity assistance of US \$ 96.859 million (including freight) has been disbursed by USAID during US FY 2000(October 99-September 2000).

### XIX. INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

The IBRD raises most of its money from bonds and other debt securities issued in the World financial markets, based on the guarantee of share capital subscriptions from its members. Other sources of Bank funds are shareholder's capital and retained earnings. IBRD loans, though non-concessional, are available at relatively favourable terms than commercial sources. The repayment period for IBRD loans is, at present, 20 years, inclusive of 5 year grace period. India is currently borrowing US\$ Loans on Single Currency loans on variable spread basis. In such loans, interest rate is variable and revised semi-annually in accordance with the Bank's own cost of borrowing funds and 75 basis points towards its margin. The current rate of interest is around 6.99+0.41% for single currency loan and 5.36% for multi-currency loan. The commitment charge on undisbursed balance is at present 0.75%. A front-end fee of 1% of the loan amount is also payable. Interest waiver ranging from 0.15 to 0.25% is however, permitted for timely repayment of World Bank loans. The cumulative lending of the IBRD as of June 2000 is US \$ 26.10 billion.

2. The total commitments made by IBRD by way of loans upto 31.12.2000 for which agreements were signed during this year is US\$ 23.854 million. The commitments were against projects in various sectors like Power, Energy, Telecom and National Highway etc.

3. During the year 2000 (upto 31st December, 2000) agreements for the following new projects with a loan amount of US \$ 1189 million have been signed.

Sl. No.	Name of the Project	Amount of Assistance ( US \$ million)	Date of Agreement
1.	UP Power Sector Restructuring Project	150.00	19.05.2000
2.	Indian Renewable Energy Development Agency	80.00	11.08.2000
3.	Telecom Sector Reforms TA	62.00	11.08.2000
4.	Third National Highway Project	516.00	11.08.2000
5.	Gujarat State Highway Project	381.00	18.10.2000
		<b>1189.00</b>	

### XX. INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

IDA, the soft loan affiliate of the Bank, depends largely on contributions made from time to time by the wealthier member countries for its financial resources and repayments from earlier credits.

2. IDA commitments which are known as "Credits", presently have a 10-year grace period and are to be repaid over 35 years. The credits to India approved upto 30.6.87 are repayable in 50 years, inclusive of a grace period of 10 years and those approved from 1.7.1987 are repayable in 35 years inclusive of a grace period of 10 years. IDA credits carry no interest charge but a service charge of 0.75% is levied on the disbursed portion of the credit. Commitment charges on undisturbed balances are fixed every year upto a minimum of 0.5%.

3. IDA assistance to India began in June 1961 and has been an important component of the external assistance programme. For the period ending 31.12.2000, IDA have extended credits to the Government of India for total value of around US \$ 26,576 million. This includes assistance in the form of non-projects credits for Industrial Imports & Credits for various sectors. The major sectors for which assistance is provided are Energy, Poverty, Rural Water Supply, Immunization Strengthening and Education etc.

4. During the year 2000 (upto December 31, 2000) IDA have extended credits amounting to US \$ 962.00 million for the following projects/programmes:

Sl. No.	Name of the Project	Amount of Assistance	Date of Agreement
1.	Indian Renewable Energy Development Agency	30.00	11.08.2000
2.	Technical Assistance	45.00	19.05.2000
3.	AP Distt. Poverty Initiatives Project	111.00	12.05.2000
4.	Raj-District Poverty Initiatives Project	100.50	19.05.2000
5.	M.P. District Poverty Initiatives	110.10	5.12.2000
6.	Kerala Rural Water Supply & ESP	65.50	31.12.2000
7.	UP-DPEP-III	182.40	23.02.2000
8.	UP Health Systems Dev.	110.00	19.05.2000
9.	Immunization Strengthening Project	142.60	19.05.2000
10.	Technical Education-III	64.90	18.10.2000
		<b>962.00</b>	

#### XXI. ASIAN DEVELOPMENT BANK (ADB)

The Asian Development Bank (ADB) is a major regional institution and India needs to play a leading role in it. To this end, India's subscription to the ADB's capital stock is the fourth largest of all member countries after Japan, USA and the People's Republic of China.

2. Ever since its inception in 1966, India had voluntarily refrained from borrowing from the ADB. However, it was considered desirable to diversify the sources from which we receive external assistance, and India started borrowing from ADB in 1986. The total value of loans upto 31.12.2000 approved by ADB for public sector loans amounted to US \$ 9.04 billion. The sectors for which loans have been extended by ADB are mainly Power, Petroleum, Ports, Railways, Roads, Telecommunications, Social (Urban Development). During the year 2000, loans for US \$ 1330 million has been approved by ADB for the following projects:

- (i) Surat Manor Tollway Project (US\$180 million)
- (ii) Power Transmission Improvement (sector) Project (US\$250 million)
- (iii) Housing Finance II Project (US\$300 million) [HUDCO US\$100 million, ICICI-US\$80 million, HDFC-US\$80 million and National Housing Bank-US\$ 40 million]
- (iv) Gujarat Power Sector Development Program (US\$ 350 million) [US\$ 200 million for Gujarat Power Sector Development Project Loan and US\$ 150 million for Gujarat Power Sector Development Program Loan]
- (v) Calcutta Environmental Improvement Project (US\$ 250 million)

#### XXII. RUSSIAN FEDERATION

In accordance with a Supplemental Agreement signed between Government of Russian Federation and Government of India, the former has agreed to extend a State credit of upto US\$ 2600 million for the construction of Kudankulam Nuclear Power Project. The utilisation of the assistance during 2000-2001 and 2001-2002 is expected to be Rs.138.82 crore and Rs.8.58 crore respectively.

#### XXIII. EUROPEAN COMMUNITY (EC)

The EC has been extending economic assistance to India since 1976. The EC assistance to India is entirely in the form of grant and can be used to finance the rupee as well as foreign exchange cost of identified projects. In the area of Development Cooperation, the cumulative total of EC's financial and technical assistance since 1976 is around Euro 2 billion.

2. EC assistance is being provided for ongoing projects in the sectors of Watershed management, Irrigation, Forestry, Education and Health. There has been a shift of focus from project assistance to sectoral funding. There are two ongoing sector development programmes, one in Education Sector (District Primary Education programme) with a total contribution of Euro 150 million ( Rs.675 crore approximately) and the other one is in Health Sector with total contribution of Euro 200 million (approximately Rs.900 crore). In 2000-01, EC has committed Euro 200 million, approximately Rs.900 crore, for a new Sector Development Programme in Education Sector entitled Sarva Siksha Abhiyaan. The Financing Agreement is yet to be signed.

3. During the Indo-EC Sub-Commission meeting in November 1999, it was agreed that priority should be accorded to sectoral programmes with environment as the new focal area in addition to primary education and health. EC has expressed its willingness for a potential new commitment in the elementary education sector. It was also agreed that priorities of common concern would emerge as an outcome of a workshop, which was to be organised in April 2000 to discuss the various alternatives for opportunities of EC-India cooperation programmes in environment. EC side has informed in the Indo-EC Sub-Commission meeting held in Brussels on 17.11.2000 that they are in the process of contracting an agency for holding the workshop some time in 2001.

4. The disbursement of EC assistance for ongoing development cooperation projects during this financial year is Euro 3.220 million (Rs.13.54 crore approximately) as on 31.10.2000.

**XXIV. UNITED NATIONS FUND FOR POPULATION ACTIVITIES (UNFPA)**

Commodity/cash grant assistance of the value of Rs.0.31 crore is expected to be received during the year 2000-2001. Similar assistance to the tune of Rs.0.30 crore is also expected during the year 2001-2002.

**XXV. UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)**

Under this programme, technical assistance is being received in the form of equipments, services of experts and training facilities for Indian personnel abroad.

2. During the year 2000-2001 cash grant assistance to the extent of Rs.14.89 crore is expected to be received. Similar assistance of the value of Rs.17.62 crore is expected to be received during 2001-2002.

**XXVI. UNITED NATIONS INTERNATIONAL CHILDREN'S EMERGENCY FUND (UNICEF)**

Cash grant assistance is received for training of I.C.D.S. functionaries, training of doctors and non-formal education for women and girls. The total quantum of cash assistance during 2000-2001 is expected to be around Rs.0.50 crore and Rs.1.05 crore during 2001-2002.

**XXVII. WORLD HEALTH ORGANISATION (WHO)**

Commodity assistance to the extent of Rs.19.90 crore is anticipated to be received during the year 2000-2001. Rs.15.70 crore is expected during 2001-2002 for the National Leprosy Control Programme.

**XXVIII. UNITED NATIONS EDUCATIONAL SCIENTIFIC AND CULTURAL ORGANISATION (UNESCO)**

Cash assistance to the extent of Rs. 0.04 crore each is expected to be received during 2000-2001 and 2001-2002.

**Statement 1**  
**External Loans**

(In crores of Rupees)

Name of the Country/ Institutions	Receipts			Repayments		
	Budget	Revised	Budget	Budget	Revised	Budget
	Estimates 2000-2001	Estimates 2000-2001	Estimates 2001-2002	Estimates 2000-2001	Estimates 2000-2001	Estimates 2001-2002
<b>Multilateral</b>						
I.B.R.D.	1286.63	2416.55	2699.00	3269.60	3901.87	2938.00
I.D.A.	3971.55	4079.41	4933.90	1662.19	1681.51	2025.23
I.F.A.D.	71.20	55.31	63.58	25.15	24.87	27.30
A.D.B.	971.48	1259.86	752.90	495.74	546.34	630.23
E.E.C.(SAC)	...	...	...	5.48	4.75	4.84
O.P.E.C.	26.96	40.04	17.52	43.97	47.28	26.49
<b>Total (Multilateral)</b>	<b>6327.82</b>	<b>7851.17</b>	<b>8466.90</b>	<b>5502.13</b>	<b>6206.62</b>	<b>5652.09</b>
<b>Bilateral</b>						
Australia	...	...	...	4.92	5.15	7.66
Austria	...	...	...	9.70	8.47	9.37
Belgium	...	12.81	...	24.42	20.67	20.88
Canada	...	...	...	58.57	60.51	60.67
Czech & Slovakia	...	...	...	4.28	4.28	4.28
Denmark	...	...	...	27.24	25.64	25.21
Germany	50.60	28.85	40.90	558.57	495.17	475.12
France	42.32	41.30	36.71	219.24	188.49	198.46
Italy	...	...	...	73.62	71.61	84.85
Japan	2554.00	2411.32	2900.00	1348.88	1493.74	1726.70
Kuwait Fund	...	...	...	64.41	64.61	55.29
Netherlands	10.00	...	...	214.96	190.42	184.75
Saudi Fund	10.50	10.50	10.00	11.95	17.63	7.23
Sweden	...	...	...	146.31	154.93	156.08
Switzerland	...	...	...	24.07	22.76	18.90
Spain	...	...	...	17.56	18.32	18.96
U.S.A.	...	...	...	607.60	630.32	649.26
Russian Federation	133.99	138.82	8.59	254.94	241.05	242.49
<b>Total (Bilateral)</b>	<b>2801.41</b>	<b>2643.60</b>	<b>2996.20</b>	<b>3671.24</b>	<b>3713.77</b>	<b>3946.16</b>
<b>Grand Total</b>	<b>9129.23</b>	<b>10494.77</b>	<b>11463.10</b>	<b>9173.37</b>	<b>9920.39</b>	<b>9598.25</b>

## Statement 2

## Grants and Commodity Assistance from Friendly Foreign Countries and International Bodies

(In crores of Rupees)

Name of the Country/ Institution	Budget Estimates 2000-2001	Revised Estimates 2000-2001	Budget Estimates 2001-2002
<b>Multilateral</b>			
I.F.A.D.	5.00	...	...
IDF Grants	10.00	8.03	10.00
Swiss Grant (IDA)	2.00	1.00	...
IBRD Japanese Grant (WB)	11.09	5.93	2.15
IDA Japanese Grant (WB)	...	8.84	...
<b>Bilateral</b>			
Canada	1.00	1.00	6.00
Denmark	19.41	30.54	37.18
France	3.37	2.20	1.33
Germany	97.78	54.04	114.51
Japan	24.01	62.53	40.15
Netherlands	109.01	67.50	75.88
Norway	6.43	14.07	9.00
Switzerland	1.32	...	...
U.K.	116.00	264.28	151.78
U.S.A.	86.44	70.81	90.14
E.E.C.	156.00	100.00	124.99
<b>International bodies:</b>			
UNFPA	3.23	0.31	0.30
UNDP	39.65	14.89	17.62
UNICEF	16.85	0.50	1.05
W.H.O.	20.00	19.90	15.70
UNESCO	0.08	0.04	0.04
<b>GRAND TOTAL</b>	<b>728.67</b>	<b>726.41</b>	<b>697.82</b>