

INTRODUCTION

External assistance made available by various multilateral and bilateral sources to India comprises of loans and grants. World Bank extends assistance through its concessional lending window - International Development Agency (IDA), semi-concessional lending through International Bank for Reconstruction and Development (IBRD) and Asian Development Bank (ADB). These form the principal source of multilateral external assistance to India. The significant bi-lateral sources offering external assistance include Japan, Germany and United Kingdom. While external assistance does not play a significant part in Indian economy in terms of financing of plan outlays, Gross Capital Formation etc, this has been a major source for financing major infrastructure projects, projects in the social sector, building up institutional capacity and in managing balance of payments.

2. This Brochure, which is the **40th** in the series, contains a comprehensive account of economic assistance received by the Government of India from friendly foreign countries, International Institutions and other Organisations right from 1951-52 onwards upto 2001-02.

3. Part I of the Brochure contains salient features of external assistance extended by each donor. External assistance extended by each donor is indicated loan-wise/grant-wise under three different annexures in Part II. These indicate the total authorisations, cumulative drawals, cumulative repayments and cumulative interest payments in addition to details of drawal, repayment and payment of interest during the year.

4. Part III contains five Statements (1 to 5) reflecting donor- wise summary of loans/Grants authorisations, utilisation, repayment of Principal and payment of Interest during the year and upto 2001-02 in respective loan currency, Commitment Charges paid during the year, undisbursed value of Grants and disbursed and outstanding debt. Part IV of the Brochure contains Statements 6 to 23 providing period based information on classified Disbursed and Outstanding Debt in U.S.\$, Plan yearwise summary of authorisation, utilisation and debt servicing payments, disbursements ratio of loans and grants, ten year details of disbursement, repayments and payment of interest in rupee terms for Govt loans and four year details for Non-Govt. loans, all in Rupees. Undisbursed balances at the close of preceeding 4 years have also been provided in Rupees for purpose of comparison. Part V contains Statements 24 and 25 providing Sector-wise details in Indian Rupees. Part VI contains two Statements 26 and 27 providing State-wise details of external assistance in rupee terms for past ten years.

5. Arranging under above mentioned six parts has been attempted for the first time, with a view to facilitating ease of use and reference. It is hoped that this document would be useful to the users who require data on External Assistance to India. Suggestions and comments for its improvement will be very much appreciated. Suggestions/Queries can be e-mailed to 'caa@alpha.nic.in'. Soft copy of the Brochure can also be accessed on our website address: <http://www.finmin.nic.in/caa>

Note: External assistance write-up for Ford Foundation and Rockefeller Foundation shown in Brochure upto 2000-01 has not been included .

Chapter 1

ABU DHABI FUND

1.1 The Abu Dhabi Fund for Arab Economic Development was established in 1971 initially as an agency of the Government of Abu Dhabi to help Arab countries and later its scope was widened to cover other developing countries in their economic development through provision of loans etc. India has so far received one loan from the Fund, in 1976, for financing part of the Garwhal-Rishikesh-Chilla Hydro-Electric Project in Uttaranchal. The Loan amount of UAE Dirhams 68 Million (US\$ 17 Million) for the project has been fully drawn.

1.2 The details of loans, utilisation and debt servicing thereof are given in Annexure-A.

Chapter 2

AUSTRALIAN DEVELOPMENT ASSISTANCE TO INDIA

2.1 Australian Development Assistance to India started in the year 1951. This is now being channeled through the Australian Agency for International Development (Aus.AID).

2.2 At present, Australia provides grants in the form of technical assistance and equipment supply as necessary for the implementation of Development cooperation Projects. The priority sectors for Australian assistance are primary Education, Rural Development/Poverty Alleviation, Water and Sanitation, Health, Environmental Management and Capacity Building.

The Australian ODA to India in previous year is given below :

(Channelised outside Government budget)

Year	Disbursement Amount(in Aus \$ million)
1995-96	24.6
1996-97	21.7
1997-98	20.2
1998-99	19.2
1999-2000	18.7
2000-01	19.3
2001-02	20.5
2002-03	22.1(Estimated)

2.3 Following is the list of the ongoing projects under Australian Development Cooperation:

S.No	Name of the Project	Amount in Aus \$ million
1.	Primary Education Enhancement Project through UNICEF Phase-II (July 2001-June 2006)	14.7
2.	Bangalore Water Supply & Environment Sanitation Master Plan Project (February 2000-May 2002)	7.524
3.	Indo-Australian Training and Capacity Building Project (IATCBP) (Jan 1999-Dec 2002)	15.00

2.4 AusAID also provides small grant assistance for grassroot projects to be implemented by Indian NGOs in social sector. This assistance is coordinated by Australian High Commission and Department of Economic Affairs gives No-Objection on the basis of FCRA clearance from MHA, political No-Objection of MEA and technical clearance from the line Ministry.

2.5 AusAID have committed an estimated total aid flow of Aus \$ 22.1 million (Rs 55 Crores approx) for the Financial Year 2002-03. This includes Aus \$15 million (Rs 38 Crores approx) under the bilateral country programme to India. The remaining Aus \$ 7.1 million (Rs 17 Crores approx) is for funding in India of regional and Global Programmes in the areas of Poverty Alleviation, Women Development etc. implemented through Australian NGOs.

2.6 Under the Australian assistance to India since 1951, more than 2900 officials have undergone training/higher studies in Australia till December 2001. At present Indo Australian Training and Capacity Building Project (IATCBP) is being implemented under which various sub projects relating to training and capacity building in diverse sectors are undertaken.

2.7 A High Level Consultation (HLC) on Indo-Australian Development Co-operation was held on 10-4-2001 in Department of Economic Affairs, New Delhi. In the HLC, the Australians have proposed their bi-lateral aid programme to India to be focussed on the health, education and water sectors in the states of Himachal Pradesh, Sikkim and in the North East region only.

2.8 Govt. of Australia had also imposed economic sanctions in the aftermath of Pokhran-II which they lifted in the month of May 2000. Australia was the first country to have lifted the sanctions.

2.9 The details of Loans and Grants are given in Annexure A and B respectively.

Chapter 3

AUSTRIA

3.1 Austria has been extending financial assistance to India since 1962-63 through Government and other credits. These have been made available for financing the import of capital goods, components, machinery, raw materials and services of Austrian origin.

3.2 The total assistance given by Austria upto 31st March,2002 is as follows:

	<i>Million A.Sch.</i>
a) Government credits for Capital Goods (including credit of A.Sch.120 M signed in Dec.1991)	1302.80
b) Food Aid	6.48
c) Refinancing credit towards debt relief	371.61
Total	<u>1680.89</u>

3.3 The details of credits, utilisation and debt servicing payments are given in Annexure-I. The details of grants are given in Annexure B.

Chapter 4

BELGIUM

4.1 Belgium has been providing assistance since 1962-63. However, over the years the quantum of assistance has come down.

4.2 The 20th State to State credit agreement with Belgian Government was signed on 30-3-1993 for B Fr. 250 million.

4.3 The details of loans and grants are given in Annexure A and B respectively.

Chapter 5

CANADA

5.1 Canada has been extending economic assistance to India since 1951. Canadian development aid is channelised through the Canadian International Development Agency (CIDA)

5.2 Since 01 Apr 1986, all CIDA assistance has been in the form of outright grants. 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 and

- iii) To assist in building a stronger economic relationship between India's and Canada's private sector.

5.3 CIDA's programmes now focus on projects of humanitarian nature which emphasize poverty (reduction), gender equity, environment, human rights and child labour.

5.4 CIDA is assisting various on-going bilateral projects such as India Canada Environment Facility Project, Capacity Development of Revenue Administration Project, Energy Infrastructure Services Project and HIV/AIDS. During 2000-01 MoU for HIV/AIDS was signed on 7-2-01 for Canadian dollar 12748700 and another MoU for EISP-II was also signed on 14-3-2002 for Canadian dollar 50 million.

5.5 The project proposals for bilateral projects are posed to CIDA by the Department of Economic Affairs. For this purpose, the project proposals are required to be forwarded to Department of Economic Affairs (AC Division) through the concerned line ministry. The projects of NGOs outside the bilateral programme, funded through Small Funds Mechanism, are to be sent to the Development Cooperation Section, Canadian High Commission. The NGOs should have necessary clearances under FCRA.

5.6 The details of assistance extended as loans and grants upto 2001-02 are given in Annexure A & B respectively.

Chapter 6

REPUBLIC OF CZECH & REPUBLIC OF SLOVAK

6.1 The Government of Czechoslovakia started its economic assistance to India in 1959 and upto 31.3.1992 three credits were extended for an aggregate amount of Rs.176.20 crores.

6.2 The first credit of Rs. 33.20 crores dated 24.11.59 was intended for imports from Czechoslovakia of equipment and spares for various projects of the Heavy Engineering Corporation Ltd., BHEL, Tiruchy and Hyderabad units and the same was fully utilised. The second credit of Rs.63 crores dated 11.5.1964 was meant for projects such as Ennore Thermal Power Project of Tamil-Nadu State Electricity Board, Ramagundam Thermal Power Project, Talcher Fertilizer Project of the Fertilizer Corporation of India, various projects under the Heavy Engineering Corporation Ltd., and this credit too was fully utilised. The third credit of Rs.80 crores dated 5th December, 1973 comprised Rs.50 crores as project segment and Rs.30 crores as component segment for financing import of components from Czechoslovakia by Indo-Czech Project. The total utilisation against the third credit was only 60.80 crores as on 31.8.90. The balance amount of Rs.19.20 crores had lapsed.

6.3 Project segment of the loan is repayable in 15 years (inclusive of a grace period of 3 years) and the Component segment is repayable in 11 years (inclusive of grace period of 1 year). Both the segments carry an interest-charge at the rate of 2.5% per annum.

6.4 An important feature of these credits is that the debt servicing payments are made in non-convertible Indian Rupees, for utilisation by the Czech authorities to purchase Indian goods for export to Czechoslovakia in accordance with the Indo-Czech Trade Agreement in force from time to time.

6.5 By an agreement dated 11th May 1962 Czechoslovakia has also provided technical assistance to India for total value of Rs.0.95 crores for the establishment of the Central

Machine Tools Institute at Bangalore. The total utilisation amounted to Rs.0.63 crores in the form of machinery and equipment, tools and essential spares.

6.6 After the division of Czechoslovakia into two Republics i.e. Czech Republic and Slovak Republic with effect from 1.1.1993, India has signed two Trade agreements separately with Czech and Slovak on 15.3.1993 and 14.5.1993 respectively. Therefore, since 1.1.1993, the rupee payment arrangements with these countries has now ceased to exist and trade with both the Republics is being conducted in freely convertible currency.

6.7 Now, after the division of erstwhile Czechoslovakia into two Republics and based on the requests received from these Republics, the outstanding debt of the Govt. Credit and also the outstanding debt of the Non-Convertible Rupee Accounts pertaining to the Czechoslovakia have been settled through the signing of two Tripartite Arrangements Agreements on 18-4-2000:-

- Tripartite Arrangement between Ceskoslovenska Obchodni Banka (CSOB), Govt. of India and Narodna Banka Slovenska(NBS); and
- Tripartite Banking Agreement between Ceskoslovenska Obchodni Banka, Narodna Banka Slovenska and Reserve Bank of India.

6.8 The total liability of the Govt. of India arising out of Government credit towards the former Czechoslovakia stands divided between Czech and Slovak in 2:1 ratio. The second Tripartite Banking Arrangement envisaged the outstanding debt of Non-Convertible Rupee Accounts pertaining to former Czechoslovakia with Reserve Bank of India stands transferred to Slovak Republic and that maintained with State Bank of India stands divided between Czech and Slovak Republics

6.9 Details of loans , utilisation and debt servicing thereof are given in Annexure A. The details of Grants are given in Annexure B.

Chapter 7

DENMARK

7.1. Denmark has been giving assistance to India since 1963. The assistance has been in the form of soft loans and grants. Tied grants were meant for large value projects and Untied ones for local cost projects. Upto 31.3.2002, a total of Dkr.5273.14 million has been committed by Denmark to India, of which Dkr.1326 million as loans and Dkr.3947.14 million as grants. At present DANIDA assistance (through DANIDA) is entirely in grant.

Loan Assistance

7.2 The earlier loans were mainly extended for financing import of goods and services of Danish origin, basically for industrial projects. The loans were interest free repayable in 35 years with a grace period of 10 years involving a grant element 86%. Some of the major projects covered under loan assistance in the past were Aonla Fertilizer Plant, Laxmi Cement Plant and Incineration Plant at Delhi etc.

7.3 Denmark also provided Credit Lines in the form of interest-free loan with overall concessionality of 35% for the use of Private sector. Danida grants were used by Denmark for payment of interest on the loan portion to the Danish lending agency. The projects covered under the Credit Lines during 1997 were IREDA's Private Sector Wind Farm

Project and ICICI backed projects in the Food Processing sector. No loan is available under the Credit Line as this has since been closed.

Grant Assistance

7.4. **Tied Grants:** Danish tied grants have been used for large value projects. Till March 1991, three tied grant agreements were signed (for DKr 250 mln. DKr 142 mln and DKK 184.7 mln respectively), and the projects such as WindMill Farm Project, Toolroom Training Centre and Optic Fibre Project were covered.

7.5 **Social Sector grant:** Denmark also provides grants for local cost projects in the areas of poverty alleviation covering sectors like Agriculture, Rural Water & Sanitation Health and Environment etc. Grant assistance is also available to NGOs such as CAPART and FRLHT under the bilateral aid schemes to India.

7.6 **Grant for PSD (Private Sector Development) Programme:** This is one of the instruments for Industrial Development to support long term collaborations between Danish and Indian business enterprises. Agreement for a Pilot phase initially in the area of Food Processing were signed with Denmark in 1993 for DKK 58.70 million. Subsequently, on 16.12.1996 Government of India signed an agreement for the Main Phase under this Programme covering all Sectors all over India. Denmark have allocated DKK 750 million for twelve countries. No country specific allocation has been made by Denmark for the programme and as such the disbursement entirely depends upon the absorption capacity of the recipient country.

Technical cooperation Agreement

7.7 In 1989 Govt. of India signed a new Agreement which provides various facilities available to expatriate advisers attached to Indo-Danish projects in India and training programmes offered by Denmark to Indian personnel attached to Danish projects.

7.8. The details of credit authorisation, utilisation and debt servicing thereof, are given in Annex-A and the particulars of grant are given in Annex. B.

Chapter 8

FRANCE

8.1 The Government of France started extending economic assistance to India since 1968 and total French assistance from April 1968 to March 2002 was as under :-

Category	French Francs (In Million)	+ Euros (In Million)
Project Assistance	12935.302	+ 10.641
Non-Project Assistance	1800.817	
Grant	297.55	
Debt Relief Credit	410.00	
Total	15443.669 (Approx.)	+ 10.641

8.2 The last Indo-French Financial Protocol was signed on 04-12-2001, by which France provided an amount of Euro 10.641 Million mainly for the following projects :-

- (a) Loan Assistance for Sewage Infrastructures for the city of Imphal, Manipur. Euro 8.735M
- (b) Loan Assistance of Euro 1.906M
 - (i) Supply of Laboratory Equipment to Geological Survey of India- Euro 914,694.10
 - (ii) Supply of Laboratory Equipment to Indian Bureau of Mines- Euro 990,918.61.

The above Treasury Loan is repayable within a period of 22 years including a grace period of 5 years at an interest rate of 2.8 % p.a.

8.3 The French assistance is tied to the import of goods and services from France. French Govt. makes commitments only against specific projects where contracts have been won by French companies and where a substantial value of French products/services are to be imported.

8.4 The practice followed earlier was that an umbrella Protocol Agreement was signed with the French Government fixing allocations for specified projects. Separate financing agreements were then used to be concluded for each project with french banks for mixed financing in the ratio of 50:50. However, due to change in the policy of the French Government, now no umbrella Protocol is being signed now. Assistance is now considered on project basis and a separate Protocol Agreement is to be signed for each assistance.

8.5 The details of credits such as authorisation, utilisation, debt service payments etc. are given in Annex. A & C and details of grants is given at Annex. B.

Chapter 9

GERMANY

9.1 Federal Republic of Germany (FRG) has been providing assistance for India's economic development since 1958. FRG has extended a total financial assistance of the order of DM 15802.60 Million till 31-3-2002. Out of this DM 2491 Million was provided as loans outside GOI budget (Non-Government loan), DM 12363.90 Million as loan through Government and DM 947.70 Million as grants

9.2 FRG provides both Financial and Technical Assistance to India under the Indo-German Bilateral Development Cooperation Programme. Financial Assistance is provided as soft loan, grants and commercial credit. The soft loan is available at an interest rate of 0.75% p.a. with a repayment period of 40 years including a grace period of 10 years. The loan also carries a commitment charge of 0.25% on the un-disbursed amount. Commercial credit is provided at the prevailing market rate with a repayment period of 10 years including a grace period of 5 years. Technical assistance is provided in the form of grants.

9.3 The Annual Negotiations of Indo-German Bilateral Development Cooperation was suspended by Germany in 1998 as a response to India's nuclear tests. The Negotiations were resumed in November 2001. During the Negotiations, the German side identified the following areas for future cooperation, namely

-health, family planning, HIV/AIDS,

- environment policy, protection and sustainable utilization of natural resources,
- strengthening the economic sector, especially the private sector potential,
- energy

9.4 However, the Indian delegation requested the German side to adopt a more inclusive approach for identifying priorities. Both sides noted that the period since the resumption of the dialogue had possibly been too short to allow for a far-reaching agreement on a new set of priorities. It was emphasized that the programme of Indo German Cooperation and its perspectives should be consistent with the development priorities of the Government of India, which were laid down, inter alia, in the Approach Paper to the Tenth Five Year Plan (2002-2007). As agreed by both sides, discussions on this subject is being continued.

9.5 The State of Madhya Pradesh, Himachal Pradesh, Karnataka, Maharashtra, Rajasthan West Bengal and Orissa are the regional priorities of Indo-German Cooperation. However, this concept of regional priorities is linked only to the State Sector Projects and not to Central Sector Projects.

9.6 With the introduction of dis-intermediation procedure since 1994, German aid to Central PSUs is being provided without Government of India intermediation i.e. outside the Union budget.

9.7 The details of loans and Grants are given in Annexure A and B.

Chapter 10

HUNGARY

10.1 The Government of Hungary had extended a credit of Rs 250 million in 1966 comprising Rs 175 million as Government-to-Government Credit and Rs 75 million as Suppliers credit. The utilisation of the Government-to-Government credit was about Rs 123 million. With the termination of the rupee payment arrangements between the two countries on 31-12-1978, the Indo-Hungarian trade is conducted in convertible currency from 1-1-1979.

10.2 The credit carried a rate of interest of 4.5% and is repayable over 15 years, including a grace period of 3 years.

10.3 The credit utilization and debt servicing thereof are given in Annexure-A.

Chapter 11

IRAN

11.1 Under an agreement dated 4.11.1975 between Government of Iran and Steel Authority of India Limited, the former extended a loan of US\$ 630 million to Steel Authority of India Limited, subsequently assigned to Kudremukh Iron Ore Company Limited, towards financing the cost (including local cost) of implementation of Kudremukh Iron Ore Project in Karnataka, for production and delivery of 15 million tonnes of Iron Ore concentrates to the National Iranian Steel Industries Company over a period of 20 years commencing from the latter half of 1981.

11.2 The loan is repayable in 31 equal semi-annual instalments beginning 5 years after the effective date of loan that is 9.2.1976 and carried an interest of 2.5% and a management fee of 0.5% per annum. The project has been completed and an amount of US\$ 255.18 million had been received against the claims for disbursement.

11.3 The details of the credits and the conditions thereof are given in Annexure A.

Chapter 12

IRAQ

12.1 The Government of Iraq had extended three credits aggregating to US \$287.91 million for financing a part of the cost of crude oil imported from Iraq during the years 1974-75 to 1980-81. The actual utilisation was however US \$ 182.75 million. The cost of imports in a calendar year was partly paid in cash and the balance covered by credits.

12.2 In addition, in order to assist the developing countries by providing them with long term loans for the amounts equivalent to official increase in the oil prices for the period from 1-6-1979 to 31-12-1979 the Government of Iraq extended another interest-free loan of US\$ 104.16 million. However a service charge of 0.5% per annum was payable on this loan. No utilisation took place against this loan as Iraq did not make this loan effective.

12.3 Details of credit utilisation and repayments are given in Annexure A.

Chapter 13

ITALY

13.1 During 1966 to 1976 Italy had provided government credits of Lira 33,125 Million for Fertilisers and Debt Relief. Apart from this, Italian assistance was mostly in the form of supplier's credits. The amount of Supplier's credit offered upto 1981 was US\$ 401 million against which the utilisation upto 30th September 1982 was US\$ 328 million. This facility was available only upto 30th September, 1982 .

13.2 In February 1981 an Inter-governmental agreement was concluded for technical cooperation under which Italy agreed to provide expert services and related equipment on grant basis for specific approved projects. During the Indo-Italian Cooperation meeting held in June, 1996, the Italian side informed that technical cooperation grant projects will not be considered any more.

13.3 Since 1981-82, a total of US\$ 161.2 million and DM 144.2 million of soft credit has been utilised. The credit carries an interest rate of 2% per annum and is repayable over 20 years including a grace period of 10 years.

13.4 During the Indo-Italian Cooperation meeting held on 5th June, 1996, the Italian side committed 100 billion Italian Lira soft loan with 60% concessionality. Out of this, 50 billion Lira has been allocated for establishing an open credit line for financing supplies of capital goods and related technical assistance for the development of the Indian Small and Medium Enterprises. Government of India has designated National Small Industries Corporation of India for this credit line. The Financial Convention for the 1st tranche of 10 billion Liras was signed by the National Small Industries Corporation on 21-3-2000 and the letter of Guarantee was signed by DEA on 28-4-2000. The credit line has become operational since October-2000 and will be valid up to 18-11-2002. The remaining Lira 50

billion is to be used for financing Water Supply and Solid Waste Management Project in West Bengal

13.5 The details of the Loans are given in Annexure A.

Chapter 14

JAPAN

14.1 Japan has been extending financial assistance for India's development programme since 1958. Initially Japanese aid to India was channelised through the Government owned Export-Import Bank of Japan (J-EXIM). During 1975-76, aid was channelised through the Overseas Economic Cooperation Fund (OECF) of Japan. From 1976-77 onwards, both project and commodity aid was being channelised through the OECF. With effect from 1st October, 1999, J-EXIM and OECF have merged and the new agency Japan Bank for International Cooperation (JBIC) is the channel for both-ODA operations as well as the international economic co-operation.

14.2 JBIC is a financial institution of the Government of Japan with a mandate to support the efforts of the developing countries towards establishing a more integrated and balanced development.

14.3 Japan has emerged as the largest bilateral donor to India over the last ten years. Japanese assistance is mainly in terms of soft loans from the JBIC and a small part of the assistance comes in the form of grant and technical assistance.

14.4 Consequent upon the nuclear test conducted by India in May 1998, Government of Japan imposed economic sanctions on India and froze Yen credit for the year 1998-99. After a number of high level discussions with the Government of Japan, only one project named Bakreswar Thermal Power Station Unit –3 Extension Project-II of West Bengal Power Development Corporation Limited could be pledged and signed on 24.3.1999 for an amount of yen 11537 million. Similarly, second and third tranche loans for Simhadri Thermal Power Project and Delhi Mass Rapid Transport System Projects were signed and effectuated.

14.5 After lifting of the economic sanctions by the Govt of Japan in October 2001, the following two projects have been pledged and signed on 10th May 2002 in Tokyo:

- (a) Simhadri & Vizag Transmission System Project (II) (Yen 6,400 million)
- (b) West Bengal Transmission System Project (II) (Yen 3127 million)

14.6 A government mission from Japan visited India during March 2002 for policy dialogue of Japanese ODA. The mission identified economic infrastructure, environmental protection and basic human needs like health, education, water & sanitation as the areas for possible assistance. On the basis of discussions held with the mission, a list of fresh proposals for JBIC loan assistance and general grant-in-aid proposals for the year 2002-2003 has been posed to Government of Japan.

JAPANESE GRANT ASSISTANCE

14.7 Apart from the Project tied aid from JBIC, Japan also gives grant aid of following kinds:

- General grant
- Cultural grant
- Debt Relief grant
- Increase in Food production grant and
- Grants for fisheries

Quantum of Assistance and Sectoral Approach

14.8 The Government of Japan provides Grant Aid of 3 to 4 billion Yen per year (approximately Rs 140 Crores) to India for procuring products and services necessary for development projects. The major targets of Grant Aid are projects for Basic Human Needs, which essentially have low economic viability and as such, not deemed suitable to be funded by loans. The priority sectors covered are (i) Public Health and Medical Care, (ii) Agriculture and Rural Development, (iii) Environmental Conservation and Protection, and (iv) Improvement of economic infrastructure.

Effect of Japanese Sanctions on Grant Since May, 1998

14.9 No new grant aid proposals in general were considered in 1998-99, 1999-2000, 2000-01 in view of Japanese Economic measures against India in the aftermath of India's Nuclear Explosion in May 1998. However, proposals of Emergency, Humanitarian and Grassroots nature were not affected by the Japanese sanctions. In the year 1998-99, five grant aid projects approved prior to May, 1998 were implemented including one new project on "Eradication of Poliomyelitis" for JY 392 Million which was approved in July, 1998 on Humanitarian ground. Four more projects on "Eradication of Poliomyelitis" were also implemented directly through signing of Agreements between the Government of Japan and UNICEF in July, 1999, May 2000, May 2001 and May 2002. Government of India was not a signatory to these Exchange of Notes and funds were not accounted for in Government of India Account.

Statement of Commitments and Disbursements for the last five years

(Japanese grant assistance(FY April-March)in Japanese Yen Million)

FY	Actual commitment/Agreement signed	Disbursement
1997-98	3010.071	3807.20 (Rs115.31 Crores)
1998-99	599.801	3226.20 (Rs112.00 Crores)
1999-2000	147.063	901.60 (Rs 34.90 Crores)
2000-01	52.846	650.00 (Rs 25 Crores)
2001-02	124.682	606.05 (Rs 22.95 Crores)

Note: The commitment and disbursement came down substantially because of Japanese sanctions on new grant projects. For the year 1999-2000 and 2000-01, the commitment/disbursement shown above is because of some Debt Relief Grant not affected by sanctions.

Lifting of Sanctions and Resumption of Grant Aid Programme

14.10 Sanctions have since been lifted with effect from 26-10-2001. The Grant Programme is likely to resume in the year 2002-03. Out of 28 proposals for general grant aid pending with the Government of Japan, 11 proposals were prioritised by us for consideration in 2002-03. Response of Government of Japan on these proposals is awaited.

Government of Japan have also invited proposals for Cultural Grant for the year 2003-04. Four proposals have already been posed and a few more are likely to be sent by end of June 2002.

Debt Relief Grant

14.11 The economic sanctions imposed by Government of Japan after Pokhran-II did not affect the Debt Relief Grant to India. The Government of Japan has, since last 23 years, extended a total of approximately 26 billion yen of Grant Aid to India, under this scheme. If converted at current exchange rate, the total debt relief grant so far works out to approx. Rs 976 crores. Debt Relief Grant Assistance is received to the tune of Yen 0.2-0.3 billion per year. This is non-project tied and can be utilized for import of equipment, spares and raw materials as per agreed terms between the two Governments. The amount of Debt Relief Grants given to India during the last five years are as follows :

Year	Amount in Yen million
1997-98	251.07
1998-99	207.00
1999-2000	147.06
2000-01	52.85
2001-02	124.82

14.12 The grant is to be exclusively utilized for import of equipments and material in areas of low profitability and addresses basic human needs such as health, education, environment etc.

14.13 Implementation of general Grant Aid from Japan is facilitated by the Japan International Cooperation Agency (JICA) who is mainly responsible for implementation of Technical Cooperation programmes like development studies, feasibility studies, project type technical cooperation, expert dispatch programme and training of personnel from Government organisations of various sectors in Japan. Technical Cooperation Programmes were not affected by the Japanese sanctions.

Green Aid Plan

14.14 Govt. of Japan also provides technical assistance under Green Aid Plan through the Ministry of Economy, Trade and Industry of Japan to support the self-help efforts of the Indian industries to cope up with the issues in the area of energy and environment. This programme was also not affected by the Japanese sanctions.

14.15 A standard MOU already accepted by both sides will enable in taking up model projects through signing of individual MOUs by NEDO, (a subsidiary of METI) with the Indian parties. Currently, the following two projects are under implementation.

(i) Model Project for Waste Heat Recovery System of Cement Plant at India Cement Ltd. Hyderabad. (M/o Industry).

(ii) Model Project for utilisation of Sensible Heat from Blast furnance Hot Stove Waste Gas at TISCO, Jamshedpur. (M/o Steel)

14.16 The details of loan utilisation and debt servicing payment are given in Annexure A & C. Details of the grant are given in Annexure B.

Chapter 15

KUWAIT

15.1 The Kuwait Fund for Arab Economic Development was established in 1961 as the main agency of the State of Kuwait for the provision of loans and technical assistance to Arab Countries for the implementation of their Development Programme. Its scope of operation was extended to cover all the developing countries. The Fund is a Kuwait Public Corporation with independent legal personality and financial and administrative autonomy.

15.2 India received its first loan of Kuwaiti Dinars of 15 million (about US\$ 50 million) from the fund in 1976 for the Kalindi Hydro-Electric Project Phase-I in Karnataka, which has been fully utilised by October, 1978. Since then the Fund has extended loans for various projects namely: Kopily Hydro Electricity Project (KD 9.4 million), Anpara 'A' Thermal Power Project (KD 16 million) and Anpara Power Project (Coal Transportation and Handling project) KD 9 million), Thal Vaishat Fertilizer Project (KD 44.3 million), South Bassein Gas (Development Project (KD 14.6 million) and Kalinadi Hydro Electric Project Stage-II (KD 7.0 million) Kerala Fisheries Development Project for Prawn culture (Phase-I) (KD 7.0 million).

15.3 Out of the total commitment of KD 91.84 million upto the end of FY 2001-02, KD 82.353 million have so far been utilised.

15.4 The Government of Kuwait also made a cash grant contribution of Rs. 12.03 crores (Rs. 7.93 crores in 1980-81 and the balance in 1981-82) towards the cost of construction of an Indoor Stadium for the Asian Games held in 1982.

15.5 The utilization and debt servicing details of the loans are given in Annexure-A. The details of Grants are given in Annexure B.

Chapter 16

NETHERLANDS

16.1 Netherlands has been extending economic assistance to India since 1962-63 mainly in the form of general purpose credits, debt relief assistance and supplier's credits. The total value of loan assistance provided by the Netherlands upto 31-03-02 amounts to NLG 2604.95 million including NLG 12 million out of Industrial Development Fund. The total general purpose and specific programme extended by the Netherlands upto 31.3.02 amounts to NLG 2573.77 million.

16.2 Till December, 1991, Dutch assistance comprised both loans and grants on roughly 50:50 basis and was mainly in the form of local cost financing. The loans carried an interest of 2.5% p.a. repayable over 30 years with eight years grace period.

16.3 From 1992, onwards Dutch assistance is completely in the form of Grants. Apart from financial assistance Netherlands also provides technical assistance grants for experts services, for appraisal of projects and training. The technical assistance is not reflected in the budget of Govt. of India.

16.4 The major sectors in which Dutch assistance is being received are environment, drinking water supply and irrigation. Earlier, the Dutch assistance had concentrated in the five States namely Kerala, UP, AP, Karnataka and Gujarat

16.5. The Netherlands Government now wish to adopt a sectoral approach instead of the conventional Project Approach and would like to concentrate development efforts in few states; namely; **Gujarat** (in the sectors of Education, Health and water Management/Conservation), **Kerala** (Sectors yet to be finalised) and **Andhra-Pradesh** (in the sectors of Urban Development, Rural Development and Education).

16.6 Under the ORET programme, Dutch Government provides grants to subsidise development related exports from Netherlands. The grants cover 35% of the project (import) cost with the balance 65% coming from internal resources or through ECB.

16.7 The details of loans and grants are given in Annexure A and B respectively.

Chapter 17

NEW ZEALAND

17.1 New Zealand has been extending financial and technical assistance in the form of equipment, cash grants, services of experts and training facilities in New Zealand under the Colombo Plan since 1951-52.

17.2 The total assistance extended by New Zealand upto March, 1989 amounted to N.Z. \$ 11.99 Million.

17.3 The Government of New Zealand have also extended assistance for the All India Institute of Medical Sciences (AIIMS), New Delhi, Matrigara Dairy Project (West Bengal), the setting up of an artificial breeding center at Palampur (Himachal Pradesh) and for the construction of Obstetrics and Gynaecology Wing at Ludhiana Hospital. Assistance has also been provided in the fields of forestry and forest fire fighting.

17.4 Project assistance to India drew to a close in 1982-83 with the completion of a short-term technical assistance and provision of small items of equipment to AIIMS. Development assistance to India is now limited to the provision of training awards.

17.5 The details of Grants are given in Annexure B.

Chapter 18

NORWEGIAN ASSISTANCE

Background

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

Areas of Cooperation

18.2 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 to the industrial sector. They continue to give priority to issues relating to the development of women and environment.

Norwegian Aid Policy for India

18.3 The policy of the Norwegian Government on Aid to India has undergone radical change since 1991-92. Previously, approximately 60 percent 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 only concentrate 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.

18.4 Norwegian Government have now indicated that as per the new guidelines for development cooperation with India adopted by Norwegian Parliament, Education, Child labour and Environment will be the priority areas. Allocation to India would be financed by NORAD's Regional Fund for Asia. Productive Sector Projects will be gradually phased out. The global fund for Industrial Development Cooperation will be open for India comprising financing of mixed credit schemes and investment support.

Impact of Pokhran-II

18.5 The Nordic countries in general and Norway in particular, had reacted very strongly to India's Nuclear test at Pokhran in 1998. As an immediate reaction, the Norwegian Govt. announced the freezing of all aid to India except those directed towards Poverty Alleviation Programs. No new projects were taken up. With the passage of time, the Norwegian stand on sanctions has got softened in the sense that notwithstanding formal sanctions, all on going projects continued. The restriction on Norwegian facilities for export credit guarantees to India was lifted on 1-1-1999. On 19th September 2000, the Norwegian Government announced lifting of freeze on development aid.

18.6 The details of Grants are given in Annexure B.

Chapter 19

POLAND

19.1 Poland has so far extended three credits for a total value of Rs.366.35 Million (net of cancellation) and these were utilised for import of plant and machinery, equipment mainly for power generation, coal washeries and cellular concrete plants.

19.2 An important feature of the Polish credits was that repayment of principal and payment of interest were made in non-convertible Indian Rupees to facilitate purchase of Indian goods by the Polish authorities for export to Poland, in accordance with the Indo-Polish Trade Agreement in force from time to time.

19.3 The rupee payment arrangement with Poland has now ceased to exist with effect from 1.1.1991. From 1st January, 1991, trade with Poland is being conducted in freely convertible currency.

19.4 Details of credit utilisation and debt service thereof are given in Annexure-A.

Chapter 20

ROMANIA

20.1 The Peoples Republic of Romania started its financial and technical assistance to India in 1958. Upto 31.3.84 two credits for a total amount of Rs.45.59 crores were extended out of which Rs. 5.59 crores were for the establishment of refinery at Gauhati with a capacity of 0.75 million tonnes per annum and Rs. 40 crores were for economic and technical cooperation. Against the latter credit of Rs. 40 crores, only one contract for purchase of 10 ships was signed in 1969 for Rs. 39.10 crores, of which Rs. 33.24 crores (representing 85 per cent of the contract value) was covered by the credit. Of these 10 ships, four were for Shipping Corporation of India, five for the Moghal Lines and one for

the Chowgules. All the ships had been delivered and the repayments have been completed.

20.2 Presently there are no credit lines on Government-to-Government basis from Romania.

20.3 The significant feature of the Romanian Credit is that the debt servicing payments are made in Indian Rupee for utilisation by the Romanian authorities to purchase Indian goods for export to Romania under the Indo-Romanian Trade Agreement in force from time to time. The rupee payment arrangement with Romania was extended for a further period of five years from 1st January 1986 to 31st December, 1990 and continued till 31.3.1993. The Rupee payment arrangement with Romania has ceased to exist with effect from 1.4.1993. From 1st April 1993, the trade with Romania is being conducted in freely convertible currency.

20.4 The details of the credits are given in Annexure-A.

Chapter 21

SAUDI FUND

21.1 In September, 1974, under a Royal Decree, the Saudi Fund for Development was set up as an autonomous organisation with their own legal entity and autonomous financial status with the objective of financing, by way of loan for development projects in the developing countries.

21.2 India received its first loan of Saudi Riyals (SR) 353 Million (US\$ 100 Million) in June, 1977 for the Srisailam and Nagarjunasagar Power Project in Andhra Pradesh. Second loan of SR 100 million was extended for Koelkaro Hydro Electric Project. However, this loan was subsequently cancelled as the project implementation was not picking up due to various local problems. Since then the Fund have extended loans for 3 more projects namely; Koraput Rayagada Railway Line project (SR 103.2 million, Ramagundam Thermal Power Project Stage-II (S.R. 172 million in May, 1985) and for Nhava Sheva Port Project (Jawahar Lal Nehru Port Trust)(S.R. 141 Million).

21.3 The total commitments made by the Saudi Fund upto the end of March 2002 aggregated to SR 766.64 million. Out of this, SR 630.915 million have been utilized by the end of FY 2001-02.

21.4 The details of loans, are given in Annexure-A.

Chapter 22

SWEDEN

Background :

22.1 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 focused 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 which has been now reduced to 0.7%. The aim, however, is to restore the level to 1 per cent of the GDP as soon as the Swedish economy so permits.

Future strategy for Indo-Swedish Development Cooperation

22.2 The strategy for future Indo-Swedish Development Cooperation would be focussing on poverty alleviation and infrastructure. The broad areas of Swedish assistance are: -

- i) poverty oriented projects and programmes in the health sector;
- ii) environment, including natural resources management and the modern/industrial/urban sector; and
- iii) activities aimed at encouraging sharing of experiences and expertise between India and Sweden.

Impact of Pokhran - II

22.3 As an immediate reaction to Pokhran-II, Sweden terminated its three-year Development Cooperation Agreement with India (1997-1999) amounting to Swedish Kroner SEK 900 million (Rs 450 crores). As per the latest communication from Swedish Embassy received in Nov. 2000, the Swedish Government has decided to draw up new guidelines for Sweden's Development Cooperation with India. A total assistance of SEK 75-100M per year is envisaged. The above assistance excludes development credits for environmental projects.

22.4 Details of grant assistance received are in Annexure B.

Chapter 23

SWITZERLAND

23.1 The Government of Switzerland has been giving economic assistance to India since 1960. The total assistance excluding grants given upto 31.03.2002 has been of the order of approx. Swiss Francs(SFR) 282.638 million, details of which are given below:

	<i>(SFR Million)</i>
First Transfer Credit	123.640
Second Transfer Credit 1966	30.827
Third Transfer Credit 1973	37.286
Swiss Mixed Credit 1983	58.642
Swiss Mixed Financing 1991	32.243
TOTAL	282.638

23.2 At present Swiss are providing local cost grants only. These are channelled through the Swiss Agency for Development and Cooperation (SDC) with the objectives of improving the living conditions of the rural population and the weaker sections of the society. The Sectoral priorities of the SDC's programme in India are:-

- a) Improved land use
- b) Dairy farming and livestock production
- c) Rural cottage industry
- d) Human resources development and research.
- e) Environment and Renewable Sources of Energy.

23.3 The Swiss grants committed in recent times have been as under :

Sl No	Year of Agreement	Amount committed by the Swiss	Remarks
1	2	3	4
1.	1996-97	Rs39.197 Cr	
2.	1997-98	Rs 37.20 Cr	
3.	1998-99	Rs 45.00 lakhs	TC Grant Project-Meat Sector in Kerala
4.	1999-2000	Rs 17.97Cr	
5.	2000-2001	Rs 26.60 Cr	NABARD VII
6.	2001-2002	Rs 4.27 Cr SFr 1.56 million	ISP(NRM) A.P Ext. Agreement of ECOFRIG

23.4 The details of loans and grants are given in Annexure A & B respectively.

Chapter 24

SPAIN

24.1 Spanish Government had offered, in April '99, a financial facility for an amount upto US\$ 400 million to finance export of Spanish goods and services during the period 1999-2002. The facility will have a grant element of 35% and a mixed package of 50:50 of Commercial Credit and Soft Loan. The repayment period, including a grace period of 10 years would be 30 years. OECD guidelines will apply to the Commercial Credit.

24.2 Spanish Government give priority to the projects in the Sectors of Power, Roads, Telecommunications, Railways, Airports and Urban infrastructure.

24.3 Possibilities of availing of Spanish offer are being explored. Currently, however, there is no Indo-Spanish Bilateral Development Cooperation Programme.

24.4 Details of loans are given in Annexure A.

Chapter 25

UNITED KINGDOM

25.1 The Government of UK has been providing bilateral assistance to India since 1958. Such assistance was in the form of loans upto 1975 and thereafter in the form of grants. Bilateral assistance from UK to India is governed by a cash disbursement ceiling which is decided on the basis of expenditure likely to be incurred on the projects agreed by UK for each financial year. The actual drawal through the Government of India budget during 2000-01 was Pound 44.318 million. The drawal during 2001-02 was around Pound 116.861 million.

25.2 The major projects being financed under UK Aid are ::

(Pound in million)

Projects	Tied Costs	Local Costs	Total
Calcutta Slum Improvement Project State. IC	-	2.352	2.352
Andhra Pradesh Energy Efficiency Project Grant 1994	42.700	-	42.700
Eastern India RainFed Farming Project Grant, 1995	-	6.631	6.631
Cuttack Urban Services Improvement project	-	11.490	11.490
Orissa Family Welfare Project (Ph.III)	-	1.748	1.748
Andhra Pradesh District Primary Education programme	-	42.500	42.500
West Bengal District Primary Education programme	-	37.700	37.700
Cochin Habitat Improvement Project	-	11.469	11.469
Karnataka Watershed Development Project	-	4.489	4.489
Western India Rain Fed Farming Project(Phase II)	-	15.090	15.090
AP Urban Services for the Poor project	-	66.086	66.086
AP rural Livelihood Project 1999	-	40.076	40.076
Orissa Rural Livelihood	-	23.00	23.00
Partnership for Sexual Health in AP, Gujrat, Kerala & Orissa	-	18.940	18.940

Polio Eradication 1999	-	37.394	37.394
Shiksha Karmi Project Phase III	-	17.140	17.140
UK India Forestry Training		.936	.936
West Bengal District Primary Education Project(Expansion Phase)	-	30.00	30.00
Lok Jumbish Phase III	-	31.430	31.430
Revised National TB Control Project In AP	-	8.120	8.120
Support for Governance Reforms in AP	-	1.537	1.537
Rehabilitation of Cyclone Damaged Lift Irrigation Points in Orissa	-	4.00	4.00
Orissa District Primary Education Project	-	41.210	41.210
Calcutta Environment Project Grant, 2001	-	21.2	21.2
Orissa Post Cyclone Reconstruction of Primary School	-	30.7	30.7
Final Phase of Polio Eradication Programme	-	86.00	86.00
Budgetary Support for Govt. of Andhra Pradesh	-	65.00	65.00
Himachal Pradesh Forest Sector Reform Project	-	5.247	5.247

25.3 The details of loans and grants are given in Annexure A & B respectively.

Chapter 26

RUSSIAN FEDERATION

26.1 The Government of the former USSR had extended financial and economic assistance to India from 1955 to 1989. They had committed State credits for an aggregate amount of Roubles 9966.60 million. These credits have been used for public sector projects in basic and heavy industries and for other development projects included in the five-year Plans.

26.2 Until April 1977, the credits were repayable in 15 to 16 years, inclusive of a grace period of 3 to 4 years, with interest at the rate of 2.5% per annum. Repayment of credit given after that date is over a period of 20 years, inclusive of grace period of 3 years and carry an interest of 2.5% per annum.

26.3 USSR and India had signed an agreement in November 1988 for construction of a 2000 MW Nuclear Power Station in India and for this purpose the Soviet Government had agreed to provide credit 3200 million Roubles for the Project. A supplement to the main Agreement has been concluded on 21 June 1998. As per this supplement, the Government of the Russian Federation have agreed to provide a dollar denominated credit up to a maximum of US dollar 2.6 billion, including US \$ 57 million for preparation of Detailed Project Report. The loan carries an interest rate of 4% pa. Repayment period of credit would be 14 annual installments starting 12 months after the scheduled dates of commissioning of first and second power units of the NPS.

Repayment of former USSR credits

26.4 To address the issue of the rupee-rouble exchange rate following the dissolution of the USSR, bilateral arrangements were entered into between India and Russia in 1993. The agreement provided for the principal amount of the Rouble

denominated debt as on 1.4.92 being converted from roubles to rupees using the exchange rate on 1.1.1990 as denominated by the old 1978 Protocol (Rouble 1 = Rs. 19.9169). The amount of the principal debt as on 1.4.92 was also converted from roubles to rupees using the exchange rate on 1.4.92 as determined by the 1978 Protocol (Rouble 1 = Rs.31.7514). The difference in the two rupee amounts as calculated above was rescheduled to be repaid in 45 annual installments over a period of 45 years. This rescheduled portion carries no interest. It had no protection against any fluctuation in the value of the rupee for a period of 5 years. Thereafter, it was to be indexed to the SDR if the average annual depreciation of the rupee exceeded 3 percent over this 5 year period. Similar review was to be conducted at the end of every five-year period. The non-rescheduled portion of the debt is the amount in rupees corresponding to the conversion of the rouble debt at the exchange rate as on 1.1.90. This amount is now denominated in rupees and repayments of the principal and interest on this portion of the debt are being effected by India in accordance with the schedule in force for each of the relevant Inter-Governmental credit agreements. The rupee payments in respect of principal and interest of this non-rescheduled portion of the debt are, however, protected by adjusting the rupee amounts in line with changes in the rupee value of the SDR basket of 5 currencies. The rupee debt as above is being repaid through the export of goods and services from India to Russia.

26.5 The details of loans are given in Annexure-A.

Chapter 27

UNITED ARAB EMIRATES

27.1 The Government of United Arab Emirates first extended a loan of US\$ 50 million through an agreement dated 27.2.1975 to finance part of the cost of one million tons of crude oil supplied by them to India during 1975-76. They subsequently extended another loan of US\$ 20 million for economic development under an agreement dated 13.1.1976. Both these loans were fully utilised by the end of 1976-77.

27.2 Details of loan, utilisation and debt servicing thereof are given in Annexure-A.

Chapter 28

UNITED STATES OF AMERICA

28.1. US Economic Assistance to India started in 1951 and till 31st March, 2002, the total aid to India has been around US \$ 13.4 billion. The aid mainly comprises Development Assistance, Food and Technical Assistance. In absolute terms, India has been the largest recipient of US assistance after Israel and Egypt. US assistance is mainly administered through the US Agency for International Development (USAID). The assistance extended by USAID at present is in the form of grant.

Pledges and Utilisation of US Assistance

28.2 The amount of assistance pledged by USA at India Development Forum (IDF) meetings in 1994, 1995, 1996 and 1997 for US Fiscal Years (October – September) 1995, 1996, 1997 and 1998 is as under:

US Fiscal Year	US \$ Million
1995	155
1996	171
1997	163
1998	135

28.3 The pledges comprise Development Assistance, Food Aid under US Public Law 480 (PL 480) and Housing Guarantee. No IDF meetings were held in 1998 and 1999 as a sequel to the sanctions. In 2000, the meeting of IDF was held at Paris on 22-24 June, but no specific pledges had been made by any country.

Utilisation of US Assistance

28.4 Utilisation position of US assistance during the last five financial years is as under :

(US \$ Million)

Year	Grant through Budget	Grant as technical Assistance	Grant on account of food aid @	Total Grant
1997-98	14.592	21.214	95.587	131.393
1998-99	14.846	13.898	94.870	123.614
1999-00	14.390	11.810	90.000	116.200
2000-01	16.634	10.320	96.600	125.554
2001-02	14.04	14.770	72.000	102.810

@ Food aid is given through US NGOs like

CARE – Cooperative for American Relief Everywhere CRS – Catholic Relief Services

Important Projects (Grant through budget)

Innovation in Family Planning Services (IFPS), UP (Total grant \$ 225 mil)

AIDS Prevention and Control (APAC), TamilNadu (Total grant \$ 10 million)

AVERT (Relating to HIV/AIDS), Maharashtra (Total grant \$ 41.5 million)

(Grant as technical assistance)

Technical Assistance & Support project (TASP)(Total grant \$ 21 mil)

Energy Management and Consultation (EMCAT) (Total grant \$ 27 mil)

Energy Conservation and Commercialization (ECO)(Total grant \$ 25 mil)

Salient Features of US Assistance

28.5 Initially, the main thrust of US assistance to India was on projects that were designed to strengthen key institution and transfer of resources for infrastructure programs in agriculture and social forestry. Since mid-1980, the priority has been diversified to include science and technology dimension focussing specifically on the commercialization of technology. Health and Family Welfare is also one of the top priority areas.

The four priority areas are

- . Improve financial and regulatory environment;
- . Increase productivity of Indian enterprises;
- . Promotion of smaller and healthier families; and
- . Prevention of HIV/AIDS

Ongoing Projects

28.6 At present there are 10 ongoing projects supported by USAID. A statement showing the financial details of 10 projects is annexed.

PL 480 Title I

28.7 Under PL 480 Title I, the US had been providing concessional sales of food commodities to India. The commodities include Rice, Wheat and edible Oil. The total value of such food aid, extended over the years 1956 and 1978 was of the order of \$ 4.8 billion. Since 1978 there has had been no Title I assistance.

PL 480 Title II

28.8 Under Title II, the US have been donating agricultural commodities as outright grant. The commodities are processed food and wheat products. The commodities are used in school's mid-day meals, pre-school child feeding and nutrition programmes and oil seeds grower cooperative development. The supplies are received through voluntary agencies such as CARE and CRS.

CARE – Cooperative for American Relief Everywhere
CRS _ Catholic Relief Services

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).

PL 480 Title III

28.9 Under Title III, the USAID extended a grant of US \$ 48 million worth of assistance in the form of edible oil over two years US FY 1992 and 1993. The assistance was entirely in grant form and the local currency generated was given to the National Renewal Fund (70%) and to the ICICI (30%) for supporting its Agricultural Commercialisation and Enterprises (ACE) credit programme. Under this programme a total quantity of approx. 84,689 Metric tonnes of soyabean oil was received and monetised by STC which handled the various shipments. As a result of monetisation, STC deposited about Rs 184 crores in Special Budget Head of Govt of India. Transfers to National Renewal Fund have already taken place and Rs 55 crore has been transferred to ICICI from Govt. of India for implementing the ACE project

US India Rupee Fund

28.10 US India Rupee Fund (USIF) was established on 7.1.1987 for a period of 10 years with an initial capital of Rs 127.49 Crores out of the interest bearing US hold rupees on 7-1-1987. USIF Agreement was extended for one year upto 7.1.98.

This fund, along with interest accruing thereon from time to time, was being utilized for approved collaborations in the field of Science & Technology, Education and Culture.

As proposed by the US Embassy, MEA and DST, it was decided to utilise the balance USIF money for the Indo-US S&T Forum for which agreement was signed during the visit of U.S President in March, 2000.

US Assistance for Gujarat Earthquake Victims

28.11 USAID initially worked with other partners to assist with relief efforts for the welfare of people affected by the devastating earthquake that hit Gujarat on January 26, 2001. USAID provided assistance of approximately US \$ 8.3 million for relief to the victims in Gujarat. The US Department of Defence also contributed a sum of US \$ 4.3 million by way of airlifting of relief supplies and equipment. They also proposed to provide an assistance of US \$ 10 million during financial year 2001-02 for the Gujarat rehabilitation, reconstruction and recovery efforts aiming to bring Gujarat back to life. This assistance was to be provided

directly by USAID through US private voluntary organizations like CARE CRS and World Vision and through multilateral organizations like UNDP and UNICEF working in partnership with other NGOs in Gujarat.

Under-mentioned table shows the financial status of on-going projects assisted by USAID
US \$ million

Project No	Project Title	Agreement period	Assistance committed	Grant obligated	Disbursed as on 31-3-02
0544	AVERT:HIV/AIDS Prevention	30.9.99 30.9.06	41.50	7.40	0.27
0525	Aids Prevention and Control (APAC)	30.9.92 31.3.07	25.25	9.21	6.00
0527	Innovations in Family Planning Services (IFPS)	30.9.92 30.9.02	225.00	100.49	68.93
0496	Programme for Advancement Commercial Technology (PACT)	30.8.85 31.7.07	49.55	41.58	35.20
0530	Trade in Environmental Services & Technology (TEST)	30.9.92 30.9.02	29.95	21.60	18.81
0531	Financial Institutions Reforms and Expansion (FIRE)	27.9.93 30.9.05	44.00	36.81	24.79
0534	Greenhouse Gas Pollution Prevention (GEEP)	10.4.95 31.3.05	39.00	25.72	18.52
0542	Energy Conservation and Commercialization (ECO)	28.1.00 30.9.04	25.00	8.90	3.15
0517	Energy Management and Training (EMCAT)	28.6.91 31.12.02	27.00	27.00	24.70
0531	Financial Institutions Reforms and Expansion(FIRE)	27.9.93 30.9.05	44.00	36.81	24.79
0515	Technical Assistance Support Project (TASP)	31.8.88 31.8.03	21.00	21.00	18.64

Chapter 29

YUGOSLAVIA (Former)

29.1 Yugoslavia has so far extended two credits amounting to Rs. 596.42 million (net of cancellation) for financing the purchase of Capital Goods, equipments and ships etc. The first credit dated 21st January, 1960 was for an amount of Rupees 284.80 million and the same was entirely a Government to Government credit. The amount utilised upto 31st March, 1983 against this credit was to the tune of Rs.265.99 million. The second credit dt. 18.6.1986 was for Rs.600 million. However contracts could be concluded only to the value of Rs. 311.62 (Rs.1.02 Million against Government to Government Credit and Rs.310.60 Million under Supplier's Credit) and therefore the balance amount of Rs. 288.38 million was treated as lapsed. Thus, total credit extended works out to Rs.577.61 million. The credits have been utilised for the purchase of ships, power equipments, crawler and tractors etc.

29.2 The repayment of principal and payment of interest were made in Indian Rupees for utilisation by Yugoslavian authorities to purchase Indian Goods for export to Yugoslavia in accordance with Trade Agreement between the two countries.

29.3 The details of loan, utilisation and debt servicing thereof are shown in Annexure-A.

Chapter 30

EUROPEAN COMMUNITY (EC)

30.1. The EC has been extending economic assistance to India since 1976. The EC assistance to India is entirely in the form of grant which can be used to finance the rupee costs and the foreign exchange costs 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.

30.2 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 on the part of EC from project assistance to sectoral funding. There are two ongoing Sector Development Programmes, one in the Education Sector (District Primary Education Programme) with a total contribution of Euro 150 million (approximately Rs 675 crore) and the other in the Health Sector with a total contribution of Euro 200 million (approximately Rs 900 crores). EC has also provided an additional amount of Euro 40 million, (approximately Rs 180 crore) for the redevelopment of earthquake affected health and infrastructure services in Gujarat.

30.3 EC has, through an Agreement signed on 22-10.2001, committed Euro 200 mln, (approximately Rs 900 crores), for a new Sector Development Programme in the Education Sector, namely, Sarva Shiksha Abhiyaan.

30.4. During the Indo-EC Sub Commission meeting held in Brussels on 17-11-2000 it was agreed that priority would be accorded to Primary Education, Basic Health and Environment sectors.

30.5 The disbursement of EC assistance for ongoing development cooperation projects during 2001-02 is Euro 43.742 million (Rs 181.89 crore approx.).

30.6 The details of grants are given in Annexure B .

Chapter 31

OPEC FUND

31.1 The OPEC Fund for International Development (earlier known as OPEC Special Fund) is a multilateral agency for financial cooperation and assistance. It was established by OPEC member Countries and endowed by them with an international legal personality. The objective of the Fund is to reinforce financial cooperation between OPEC Member Countries and other developing countries by providing financial support to assist developing countries in their economic and social developmental efforts. The Fund does this by providing loans for balance of payment support and for the implementation of developmental projects and programmes. The Fund also finances technical assistance activities.

31.2 The Fund has extended fourteen loans to India amounting to US \$ 218.800 million till the end of FY 2001-02, out of which US \$ 202.706 million have been utilised upto 31st March, 2002. The first loan of US \$ 21.80 million in 1977 was for balance of payment support and the subsequent thirteen loans for various development projects. Last loan was for the Shimla Sewerage Project.

31.3 The details of utilisation of loans and debt servicing payment thereof are given in Annexure A.

Chapter 32

UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

UNDP-Background

32.1 United Nations Development Programme (UNDP) is the largest source of development cooperation in the UN system. It has 136 offices world-wide headed by a Resident Representative, who is also designated by UN Secretary- General as the United Nations Resident Co-ordinator.

Funds Allocation

32. UNDP derives its funds from voluntary contributions from various donor countries. India has been contributing US \$ 4.5 million per year to UNDP since 1999. Government of India also pays the local office cost over and above our annual contributions. India is the largest single contributor to UNDP resources from amongst the developing countries

UNDP's approach to development:

32.3 The UNDP's approach has shifted and as per the new UN mandate, UNDP assistance would now be based on the Sustainable Human Development (SHD), which encompasses a variety of dimensions like poverty elimination, good governance, building equity, employment, empowerment and environmental regeneration

UNDP assistance to India

32.4 India has been a net recipient of UNDP assistance, which increased from US \$ 50,000 in the first cycle (72-76) to US \$ 156 million in the fifth cycle (92-96). With this allocation of US \$ 156 million, India was the third largest beneficiary of UNDP assistance after China and Bangladesh during the fifth programming cycle. India is the largest recipient of UNDP core assistance fund which is US \$ 135 million during 6th Programme Cycle (1997-2002).

32.5 UNDP has now changed its approach from project to programmes. Instead of several scattered projects across the country, UNDP will now concentrate on few programmes.

The areas in which UNDP assistance has been receiving range from research and development in Science & Technology to agricultural cooperation, transport and communication, environment, industry etc.

Programme Development of CCF-I:

32.6 The Government of India, in close cooperation with UNDP Country Office, had formulated the CCF-I (1997-01). For India, it was felt that there is a strong case for approaching UNDP's SHD mandate through building on past or ongoing programme initiative especially in the area of technology management, which has been delivering good results. Interventions should as far as possible focus on areas where there is a stated demand among end users.

32.7 Since 1994, when Sustainable Human Development was adopted as the main goal of UNDP, a process has been underway to re-orient the Country Programme in accordance with this new mandate and the need of the stake holders, goals of the country and the sectors where the country has a comparative advantage. A series of high level programmes and policy review meetings during the last two years have prepared the base for more SHD oriented programmes under the Country Programme/Country Cooperation Framework (1997-2001). CCF-I thus focuses on growth with equity and with poverty alleviation and Human Development as its central concerns. The CCF-I goals are to be achieved through the following twelve mutually reinforcing programmes (see table below) in the thematic areas of employment and sustainable livelihood, access to basic services, focus on technology up-gradation and capacity building as a means to achieve the objectives.

Name of the Programme	Revised Allocation (\$ million)	No of Sub Programme
Food & Nutrition Security Programme(DOAC)	US\$ 10.170 million	6
Primary Education Support Programme(HRD)	US\$ 8.700 million	7
Economic Reforms Support Programme(DEA)	US\$ 1.840 million	6
Capacity Building Programme(DOPT)	US\$ 9.250 million	9
Community-Based Pro-poor Initiatives(MORD)	US\$ 11.110 million	17
Technology Management Programme(DST)	US\$ 8.730 million	6
Rural Energy Programme(MNES)	US\$ 3.200 million	3
Environment Programme(MOEF)	US\$ 8.000 million	21
Leather Programme(DIPP)	US\$ 9.450 million	21
Fibers & Handicrafts Programme(MOT)	US\$ 6.940 million	5
Village & Small Industries Programme(SSI)	US\$ 3.380 million	2
Stand Alone Programmes: -HEALTH.	4.500 million	3
- HDR,SPICES	3.220 million	2
TOTAL	88.490 million	109

32.8 The GOI-UNDP country review of CCF-I is currently in the process of being completed as it comes to an end by 2002. Simultaneously preparations are on to prepare the broad contours and thrust/thematic areas of CCF-II (2003-2007) which would synchronise with the Xth Five Year Plan.

(A) UNITED NATIONS CHILDREN'S FUND (UNICEF)

32.9 The United Nations Children's Fund (UNICEF) has supported programmes in India to assist the improvement of the status of women and children, since 1949, when it first set up its office here. UNICEF's current programme cycle for India covers the years 1999-2002 with a budget allocation of US \$ 120 million in general resources and US \$ 180 million in special resources. During the year 2000, the organisation provided assistance totalling US \$ 85.2 million as against US \$ 68.6 million in 1999.

32.10 UNICEF has cooperated with the Government of India in successfully eradicating guineaworm in this programme period. Intensive polio campaigns organised in collaboration with GOI and other UN agencies have brought down the occurrence of polio cases from 28,000 in 1987, to 43 in 2001. The priority areas during this programme cycle are.

- Early childhood care for survival, growth and development, with a focus on the 0-3 age group, to give children the best start in life delivered through the Integrated Child Development Services network.

- Reduction of infant and under-5 mortality rate to at least 50 and 70 per thousand live births

- Reduction of maternal mortality rate from around 500 to less than 300 deaths per100,000 live births
- Decrease severe and moderate malnutrition to atleast half the 1990 levels
- Universalise access to quality primary education
- Eliminate child labour, especially bonded and hazardous child labour
- Universalise access to safe drinking water
- Increase access to sanitation from the present level of 38% to atleast 75% of households

32.11 UNICEF mobilised US \$ 29 million for relief and rehabilitation of the earthquake affected areas of Gujarat of January 2001. Major support was given for construction of prefabricated health sub centres, anganwadis and schools. This has been the largest emergency operation globally supported by UNICEF till date.

32.12 Given the size and complexity of natural calamities that happen in India, emergency response is being mainstreamed into the country programme strategy to enable swift and focused response.

(B) WORLD FOOD PROGRAMME

32.13 WFP has provided more than \$ US 1 billion in food and development assistance to India since the start of its first project in the country in the year 1963. Over the years, WFP's more than 70 development projects have included supplementary feeding, supported forestry, livestock and dairy development, irrigation, and rural development activities. Food aid has also been given for over 14 emergency response operations. In addition, two Protracted Relief and Rehabilitation Operations were undertaken.

32.14 WFP India's has five year Country Porogramme (1997-2002) goals and objectives are as follows :

- Improve nutrition and quality of life for the most vulnerable at critical times in their lives.
- Make sustainable improvements in household food security for the poorest, especially for women and children, and invest funds in development for long-term security
- Strengthen channels for locally-produced food grains and support local entrepreneurship
- Advocate for Eco-restoration through participatory methods and development

32.15 These goals and objectives are achieved through provision of **food** in some of the most food insecure districts .

- Growth: Needy people are targeted at the most critical times of their lives through Govt. of India's Integrated Child Development Services (ICDS).
- Work: For promoting long term self-reliance through food-for-work projects through forestry activities in tribal areas.

- . Life: Used for mitigating and preventing emergencies and their consequences on human lives, like famine related deaths, starvation and nutrition deficiencies.

32.16. An allocation of about US \$182 million equivalent or about 500,000 MT of food has been made for core activities in the Country Programme (1997-2002). There is a provision for an additional 200,000 MT for supplementary activities, resources permitting.

32.17. Currently, WFP targets 2.6 million beneficiaries of ICDS, for about 25 days a month, through over 41,500 ICDS centers spread over 41 districts in six states (Rajasthan, Uttar-Pradesh, Madhya-Pradesh, Assam, Kerala and Orissa). About 40,000 MT of food is allocated for the purpose annually. The programme aims at improving the health and nutrition status of expectant/nursing women and children (0-6 years) and promoting early childhood development. The activities include provision of Supplementary Nutrition (fortified blended food: Corn Soya Blend/India-mix) and strengthening the delivery of the other ICDS services such as nutrition/health education, pre-school education and growth monitoring etc.

32.18. Improving the food security for the tribal and scheduled caste people in isolated forest areas, the second dimension of WFP 's operation is being undertaken in 105 districts in the States of Jharkhand, Orissa, Madhya-Pradesh, Gujarat, Uttar-Pradesh, Uttaranchal and Rajasthan. WFP provides food to the forest department, which employs casual labourers for work such as cutting of bamboo, tending to nurseries etc. The department sells this food at concessional rates to the daily labourers from the poor tribal and scheduled caste population. This is done at half the market rate, or 40% of the daily wage: whichever is less. The aim is to provide for each worker and his/her dependants at least 90 to 120 days' worth of food rations, thus strengthening house hold food securities. The average number of beneficiaries is slightly over 610, 000 people. 36,000 MT of food is planned for distribution annually. The funds generated through sale of subsidised food are used for forestry, agriculture, community infrastructures, revolving credit fund and income generation activities which help forest-dependant families shift their livelihoods.

32.19. When confronted with natural disasters, regular resources are used to respond to the most urgent nutritional needs of the most vulnerable groups. The programmes are adapted to start re-habilitation work, and help the community to rebuild their disrupted life. As an immediate response to the Orissa cyclone in 1999, WFP provided 250 MT of high protein biscuits. In addition, approximately 2000 MT of food (including 500 MT of a highly nutritious infant food called India mix specially targetted for young children and 1500 MT of rice). Total worth of these commodities was around US\$ 700,000. In the year 2000, WFP provided 1,500 MT of food grains for undertaking food-for-work schemes in 4 districts of Rajasthan suffering from a severe drought. More recently, in response to Gujarat earthquake (2001), a USD 4 million operation was launched. This supported the ICDS system in meeting the special nutritional needs of women and children by providing nutritious fortified food to 3000,000 people in the five most affected districts. A special operation to support the logistic capacity and co-ordination of the UN system response was also set-up.

32.20. A total of 75661 metric tonnes (USD 27 million) of food aid comprising wheat, rice, pulses, vegetable oil, corn soya blend/India mix was supplied in the year 2000. In addition, USD 3.3 million were generated through food for work activities.

(C) WORLD HEALTH ORGANISATION

32.21. WHO has had a significant input in the implementation of the National Health Programme, which strives to sustain the gains achieved in the past for improving the health care delivery system. In line with Declaration on Health Development in the South-East Asia

Region and also endorsed by India, efforts are being made to develop national health plans and programmes to improve the health management information system and to integrate the policy guidance laid down in the Declaration into the national health policy and plan. The national Health Policy for India was brought out recently and WHO provided significant inputs to the document.

32.22. In line with the WHO's priority areas for support, adequate attention is being given to prevention and control as also eradication of specific communicable diseases. Notable among these are the Government's efforts for eradication of poliomyelitis, elimination of neonatal tetanus, elimination of leprosy and control of measles. National capability to manage AIDS and STD Programmes in India has been one of the major outcomes of collaborative programmes. Similarly, the Revised National Tuberculosis Control Programme (RNTCP) has been receiving continued support and the implementation of the Directly Observed Treatment, Short Course (DOTS) strategy is being supported for the demonstration areas. The DOTS programme has been expanded to cover 248 Districts on 30 June 02. Sixty-three medical consultants have already been assigned to different States and districts to implement RNTCP. WHO has been also providing inputs into the Elimination of Lymphatic Filariasis and for control of Hepatitis B.

32.23 Roll Back Malaria initiative has given a renewed thrust to the country's anti-malaria programme. The strategy of resorting to border meetings to tackle the malaria menace in the border districts has proved effective.

32.24 The national capacity to manage the communicable diseases, particularly HIV/AIDS has considerably increased as a result of continuous technical and financial support provided by WHO. The national disease surveillance system has also received adequate attention. WHO is working closely with the GOI in providing technical assistance to its Integrated Disease Surveillance Programme. We also provide technical assistance to the GOI's NSPCD and to States like Gujarat, Orissa, Maharashtra, Tamil Nadu and Uttaranchal for their surveillance activities.

32.25. Through a series of training programmes, skills of health personnel at various levels have been upgraded in effectively dealing with the prevention and control of non communicable diseases, including cancer and palliative care. Capabilities of selected Institutions have been strengthened in this regard. Adequate emphasis is given to health promotion activities, particularly on children, and those younger one exposed to hazardous occupations in factories and other workplaces.

32.26 Non-communicable diseases is an emerging public health problem and efforts are being initiated by WHO for sustainable surveillance for common risk factors for NCDs. Primary Prevention is the most cost effective strategy and this is also addressed.

32.27. Tobacco Free Initiatives, which is one of the specific projects for priority attention, has been given due emphasis in the national health programme. Concerted efforts are being made at all levels to create awareness about the ill-health aspects of tobacco smoking, tobacco-chewing and other forms of tobacco use. A special cell is being created under the auspices of the Ministry of Health & Family Welfare to deal with this specific programme area.

32.28 The level of surveillance achieved in polio, given the short time, has been unparalleled even in the Americas at the height of their polio eradication programme. WHO has been instrumental in providing the ministry of Health and the donor consortium with technical guidance for conducting of National Immunization Days for eradication of Polio, the National Polio Surveillance Project, with the help of Synchronized National Immunization Days, has managed to cover the entire targeted population groups with polio Immunization Days, has managed to cover the entire targeted population groups with polio Immunization, with a view to achieving its eradication as planned. Through the provision of a large number of fellowships availed of by doctors, nurses and health managers at various levels, the human resources and

creative potential have been enhanced. Institutions and laboratories have been strengthened through the provision of essential supplies and equipments. While capacity of selected institutions have significantly enhanced, training of nationals through various workshops and seminars have helped upgrade the skills and medical and para-medical staff. WHO is supporting specific operations research activities to integrate private sector services

32.29 The Government of India is committed in its determination to accelerate the development of health services through its declared health policies and strategies within which the major shift in the emphasis is from curative to preventive and promotive aspects of health delivery services, from urban to rural populations, and from the affluent to the underprivileged and underserved sections of the society. Inter-alia, it also emphasizes a shift towards a more multisectoral approach, seeking to address health concerns within the overall social and economic development, in partnership with or with a greater involvement of private sector.

32.30 Steps have been taken to include Women's Health and Development (WHD) issues in the national development plans and the national health programme, focusing on advocacy, policy guidance, gender mainstreaming and integration of operational aspects of WHD in relevant programme areas. WHO's catalytic assistance has been utilized in strengthening the State Government's capabilities in strategic planning, management, human resource development and improving overall health care delivery system to reach all, including the poor and other vulnerable groups.

32.31 The concern of the prevailing ill-health among women is being addressed through several programmes such as nutrition, reproductive health, maternal and child health and women health and development, particularly through investment in women's health as advocated by the Declaration for Health Development. In order to make an impact on infant mortality, special emphasis is given to Neonatal care..

32.32 A number of officials from various departments/ministries were trained in different health-related areas through WHO fellowship and study tours both within the Region and in Europe and America. WHO has supported integration of quality assurance activities in the functioning of laboratories by training laboratory personnel. Training in Public Health which is a priority in India has received support from WHO.

32.33. WHO has been promoting the rational use of drugs and has supported the Delhi Government in establishing an Essential Drugs list and to develop a Formulary. Similar activities have now been taken up by other States in India. Given the importance of traditional medicine, including homeopathy, siddha, yoga, unani and ayurveda system in the country, WHO has supported the Department of Indian systems of Medicine and Homoeopathy in developing pharmacopea and standardization of drugs. It also plans to support the training of trainers and re-orientation of health workers to the Reproductive and Child Health programme of the Government of *India*.

32.34 Greater involvement of private sectors is being encouraged. Various high levels forums like the Health Minister's Meeting as also that of the Health Secretaries continues to provide useful direction towards implementing strategies which contribute to strengthen the health and health related activities with inter and multisectoral approach

32.35 WHO has been able to mobilize considerable resources in support of health development activities in India. The quantum of funds received & disbursed amounted to US\$ 37.9 million during 2000-2001. Most of these funds were utilized for programmes such as polio eradication, leprosy elimination, control of STD/AIDS and control of tuberculosis. During the current biennium 2002-03, WHO is committed to generate extra budgetary resources for different programmes, in India and as on

30th June 2002, from the allocated amount of US\$ 30.0 million, a sum of US\$ 6.8 million has been disbursed.

32.36 During the biennium 2002-2003, WHO is expected to provide financial assistance to the tune of US\$ 11.6 million under the regular budget towards implementation of the WHO/Government of India collaborative programme in different health-related and disease prevention areas.

32.37 WHO has been at the Fore front in providing Health Care and Relief in Disasters especially in Gujarat earthquake and Orissa Cyclone. WHO also raised substantial extra budgetary assistance (US\$ 868,000) for this programme

Chapter 33

THE WORLD BANK (IBRD AND IDA)

33.1 The International Bank for Reconstruction and Development (IBRD) was established in 1945 and began its programme of economic assistance in June 1946. Its member countries subscribe to its capital and its lending operations are financed primarily from its borrowings in the International capital markets, from retained earnings and the flow of repayments of its loans. IBRD provides loans to member governments at relatively cheaper rates than that available from international capital markets by leveraging its AAA credit rating. India has been a major borrower of such intermediated loans from the IBRD. IBRD assistance to India commenced in 1949, and so far 187 **Development Projects** have been financed by IBRD in India. Currently the IBRD offers single currency loans on variable spread (SCL) and fixed spread (FSL). India presently borrows under single currency loans on variable spread basis only. The current rate of interest per annum on IBRD SCLs. is 2.47% (15 May 02 IBRD loans carry commitment charges on undisbursed balances at 0.75% pa, subject to waivers notified by Bank. Front End Fee of 1% of the loan Amount is also levied. The repayment period is 20 years including 5 years grace period.

33.2 The International Development Association was established in 1960, as an affiliate of the World Bank to make concessional long term loans. IDA credits carry no interest charge but a service charge of 0.75% on the disbursed and outstanding portion of the credit. Though IDA credits carry commitment charge of 0.5% pa on the undisbursed balance, these have waived by Bank from 1989-90 onwards. The credits extends upto 30th June 1987 are re-payable in 50 years, inclusive of a grace period of 10 years and those approved from 01 Jul 1987 are re-payable in 35 years inclusive of a grace period of 10 years. Since inception, 253 **Development Projects** have been financed by IDA in India.

33.3. IDA assistance focuses mainly on human development and rural development sectors like agriculture, irrigation, urban development, health and family welfare and dairy development. IBRD assistance has been extended to

sectors, which are commercial in nature like Railways, Power, Fertilizer and Telecommunication. This categorization is not exhaustive or mutually exclusive.

33.4 The total amount of loan/Credit assistance extended by IBRD and IDA upto the end of March, 2002 stood at **US\$ 49,907 million** as shown in the table below:

Sl. No.	Particulars	(Net of Cancellation) (in US\$ million)		
		IBRD	IDA	TOTAL
1.	Upto the end of First Five Year i.e. (31.3.1956)	120.14	-	120.14
2.	During Second Five Year Plan (1.4.1956 to 31.3.1961)	546.97	-	546.97
3.	During Third Five Year Plan (1.4.1961 to 31.3.1966)	273.38	577.65	851.03
4.	Yearly Plan 1.4.1966 to 31.3.1969	25.64	430.73	456.37
5.	During Fourth Five Year Plan (1.4.1969 to 31.3.1974)	197.03	1547.98	1745.01
6.	During Fifth Five Year Plan (1.4.1974 to 31.3.1978)	834.82	2356.80	3191.62
7.	Yearly Plan (1.4.1978 to 31.3.1980)	275.00	2062.14	2337.14
8.	During Sixth Five Year Plan (1.4.1980 to 31.3.1985)	4545.30	5704.81	10250.11
9.	During Seventh Five Year Plan (1.4.1985 to 31.3.1990)	9735.45	599.53	10334.98
10.	Yearly Plan (1.4.90 to 31.3.91)	912.00	950.97	1862.97
11.	Yearly Plan (1.4.91 to 31.3.92)	552.18	534.58	1086.76
12.	Eighth Plan(1.4.92 to31.3.97)	2721.50	4812.20	7533.70
13.	Annual Plan (1.4.97 to 31-3-98)	1165.00	929.00	2094.00
14.	Annual Plan (1.4.98to 31.3-1999)	688.00	854.90	1542.90
15.	Annual Plan (1.4.99 to 31.3.2000)	190.00	809.10	999.10
16.	Annual Plan (1.4.2000-31-3-2001)	1495.00	915.00	2410.00
17.	Annual Plan (1.4.2001- 31-3-2002)	1649.00	895.20	2544.20
Total		25925.41	23980.59	49907.00

33.5Details of loans/ credits grants extended upto 31st March 2002, by IBRD and IDA, their terms and conditions, utilisation and debt servicing are given in Annexure A and B.

34.1 The International Fund for Agricultural Development(IFAD) was set up in 1977 on the recommendation of the World Food Conference, which supported the setting up of an institution to finance agricultural development projects primarily for the expansion of food production in developing countries. The recommendation was endorsed by the United Nations General Assembly and the Fund has been set up as the 13th Specialised Agency of the United Nations. 161 countries are members of IFAD and they are grouped in three lists. List-A comprises developed countries, List-B Oil producing countries and List-C- developing countries. Within List-C, sub-list C-I comprises Africa, C-II- Europe, Asia and the Pacific and C-III-Latin America and the Caribbean.

34.2 Upto 31-3-2002, 8 projects with assistance from IFAD amounting to US\$ 232.01 million have been implemented. Presently 7 projects with a total assistance of US\$ 173.05 million are under implementation. The projects assisted by IFAD are as follows :-

S.No	Name of	Amt (in US\$ million)
	Closed Projects	
1.	Bhima Command Area Development Project	50.00
2.	Rajasthan Command Area Development Project	55.00
3.	Sunderban Development Project	17.50
4.	M.P Medium Irrigation Prproject	25.01
5.	II U.P Public Tubewells Project	35.30
6.	Orissa Tribal Development Project	12.20
7.	Tamil Nadu Women's Development Project	17.00
8.	A.P Tribal Development Project	20.00
	Sub Total (1)	232.01
	Ongoing Projects	
1.	A.P Participatory Tribal Development Project	26.71
2.	Maharashtra Rural Credit Project	29.44
3.	Mewat Area Development Project	15.00
4.	Rural Women's Development & Empowerment Project	19.20
5.	North Eastern Region Community Resources Management Project	22.90
6.	Jharkhand - Chhattisgarh Tribal Development Programme	22.80
7.	National Micro-Finance Support Programme	22.00
8.	Livelihood Security Project for Earthquake Affected Rural Households in Gujrat.	15.00
	Sub Total (2)	173.05
	Total (1) + (2)	405.06

34.3 IFAD loans are repayable over a period of 40 years including a grace period of 10 years and carry no interest charges. However, a service charge at the rate of three fourths of one percent (0.75%) per annum is levied on loan amount withdrawn and outstanding.

34.4 The following table indicated details of agreements signed in the Agriculture Sector during FY 2001-02:-

SI No	PROJECTS NAME	Date of SIGNING	DONOR	Amount(US \$)
1.	National Micro-Finance Support Programme	18-2-2002	IFAD	22.0
2.	Livelihood Security Project for Earthquake Affected Rural Households in Gujrat	18-2-2002	IFAD	15.0

34.5 Details of loan, utilisation and debt servicing payments thereof are given in Annexure-A.

Chapter 35

TRUST FUND

35.1 The Trust Fund which is administered by the International Monetary Fund, Washington had extended to India a loan in US\$ equivalent to SDR 529.009 million during 1980 to provide balance of payment assistance. The loan which was repayable in ten equal semiannual instalments beginning not later than the end of the first six months of the sixth year has already been repaid in full.

35.2 Interest on the outstanding loan shall be paid semi annually at the rate of one half of the one per cent per annum on 30th June and 31st December, each year.

35.3 Details of credits, utilisation, debt servicing are given in Annexure A.

Chapter 36

ASIAN DEVELOPMENT BANK (ADB)

36.1 The Asian Development Bank (ADB) is a major regional financial institution and India's subscription to the Bank's capital stock is the fourth largest of all member countries after Japan, the USA and the People's Republic of China.

36.2 Although eligible to borrow under the criteria laid down by the Asian Development Bank, India voluntarily refrained from borrowing initially. However, in order to broad base our resources, it was decided to commence borrowing from ADB in 1986. As on 31st December 2001 Asian Development Bank have approved 66 loans (for public sector projects) amounting to US \$10.497 billion of which 5 were cancelled without signing, one cancelled before effectiveness, 2 loans were cancelled prematurely, 26 have been closed and 32 are ongoing. The ongoing loans have a net loan amount of US \$5330.2 million. The lending for India as on 31st December 2001 was provided from the Bank's Ordinary Capital Resources for (i) Transport & Communications Sector (ii) Energy Sector (iii) Financial Sector (iv) Multi-sector (v) Industry and non fuel minerals and (vi) social infrastructure.

Technical Assistance

36.3 The Asian Development Bank also provides technical assistance in the form of grants or loans or a combination of both, by making available the services of consultants or experts to facilitate the transfer of resources and technology to the developing member countries. ADB has approved a Technical Assistance of US\$ 71.326 million to India as on 31.12.2001.

Loans approved during 2001-02

36.4 Following loans were approved by ADB Board during financial year 2001-02. These are:

Western Transport Corridor	US \$ 240 million
Madhya Pradesh Power Sector Development Program	US \$ 150 million
Madhya Pradesh Power Sector Development Project	US \$ 200 million
Private Sector Infrastructure Facility at the State Level-IL&FS	US \$ 100 million
Private Sector Infrastructure Facility at the State level-IDBI	US \$ 100 million
West Bengal Transport Corridor	US \$ 210 million

36.5 The details of loans and debt servicing payment thereof are given in Annexure A and B.